

AOPA Memorandum of Opposition Rhode Island S.2188

The Aircraft Owners & Pilots Association is the world's largest aviation organization, representing the general aviation interests of more than 330,000 aircraft owners and pilots across the country, including more than 700 members in Rhode Island. On behalf of these members, **AOPA opposes Senate Bill 2188, the Carbon Pricing Act of 2018**.

Over the last decade the aviation industry has taken advantage of advances in renewable energies to offset its carbon footprint and reduce tax-payer burden from associated utility expenses. Airports have installed everything from simple LED lighting systems for various aspects of airport operations to more extensive installation of solar panels atop airport terminal buildings and charging stations for personal electric-vehicles. Engine manufacturers continue development of electric and more fuel-efficient aircraft engines. Burgeoning partnerships between the US military, engine and fuel manufacturers has resulted in renewable aviation fuels derived predominately from algae, further reducing dependence on fossil fuels—all part of a broader industry effort to reduce carbon emissions and preserve our shared environment. With that, AOPA supports investment in these clean and renewable energies including wind and solar technologies that are shown to have compatible land use with airport operation. For an industry as strong and varied as the aviation industry, however, regulators must consider the true impact of even the most well-intended proposals.

Section 23 - 82.1-5 subsection (a) of Senate Bill 2188 states: "A fee shall be collected on all fossil fuels within the state for purposes of distribution or use within the state, at the rate specified in subsection (b) of this section, in the manner specified in subsection (e) through (l) of this section."

Senate Bill 2188 aims to apply a new tax on all fossil fuels and shift these revenues to accounts unrelated to airports or aviation. According to federal mandate all revenues generated by taxes on aviation fuels must be expended for the local airport or state's system of airports per <u>Title 49, USC Subtitle VII, Aviation Programs; Airport Sponsor Assurances—#25 Airport</u> <u>Revenues</u>. Therefore, the use of any fee levied on aviation fuel as outlined in Section 23 – 82.1-7 would be considered in violation of federal law, effectively jeopardizing future federal airport funding for all Rhode Island airports. This could risk a return of \$9 in federal funding for every \$1 of state investment.

Furthermore, Rhode Island's small geography and competitive-based fuel pricing model have previously discouraged the application of taxes on aviation fuels. If Senate Bill 2188 passes, pilots would be motivated to fly to neighboring states with competitively priced fuel in order to avoid the higher fuel prices in Rhode Island, hurting local airports and fuel retailers.

For these reasons, AOPA opposes Senate Bill 2188. Please consider AOPA to be a resource on matters impacting general aviation. For questions or concerns, contact AOPA directly via <u>sean.collins@aopa.org</u> or by phone at (301)695-2090.