



Testimony of Doug Hammon

Ohio Aerospace and Aviation Technology Committee OAA Aviation Fuel Tax / Airport Funding Proposal

Finally, I want to summarize how these funds will be distributed once we move aviation fuel from the sales tax to a new excise tax. There is a lot of demand among Ohio airports; in the most recent round of Ohio Airport Grant Program funding more than \$16 million in projects were requested. As you've heard from other witnesses today, there is an extraordinary opportunity for growth in the aviation and aerospace sector. We recommend that funds from aviation fuel tax revenue be used for the following purposes:

- Local Match Support for FAA Grants: In recent years, ODOT Airport Grant Program funds were not allowed to be used to meet local match requirements for airports seeking funds from the FAA Airport Improvement Program. FAA grants require a 10% local match, so any state funds used to draw down these grants will have a significant return. Every state that borders Ohio has a state fund that provides match support.
- Broaden Eligible Projects and Fund Uses: The Ohio Airport Grant Program only allows funding to be used for preservation of existing pavement, obstruction clearing, and limited navigational aid upgrades. In response to increased funding, we expect ODOT to broaden fund uses going forward. However, we recommend that eligible projects and costs for state funding be aligned with current FAA AIP rules. This would create synergy with federal funding and allow airports to fully utilize their state grants.
- Allow All Airports to Participate: Currently, Ohio Airport Grant Program funding can only be used by general aviation airports, even though revenue from fuel sales is generated at both general aviation and commercial airports. We recommend that all airports that are part of FAA National Plan of Integrated Airports System (NPIAS) or the ODOT Ohio State Airport System Plan be eligible for state funding.

These changes will ensure that aviation funding meets the needs of Ohio's airports and that grants will not only be used to improve infrastructure and safety, but will also allow for new technologies to be developed and deployed. Under this program, we can expect to see a significant increase in FAA grant awards to Ohio along with new jobs and economic development in and around Ohio's airports. Thank you for your time, and we would be happy to answer any questions that the committee has.