

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

April 10, 2012

The Honorable Sam Graves U.S. House of Representatives Washington, D.C. 20515

Dear Congressman Graves:

Thank you for your letter to the President regarding the Administration's proposal to establish an air traffic services fee. I am responding on his behalf. I appreciate the time you took to share your views and your interest in the President's Fiscal Year (FY) 2013 Budget.

The President's FY 2013 Budget is built around the idea that our country does best when everyone gets a fair shot, does their fair share, and plays by the same rules. The Budget pursues policies and includes choices to construct an economy that's built to last – with good jobs that pay well and security for the middle class. In addition to immediate investments to boost the economic recovery and create jobs, the Budget invests in American manufacturing, American energy, skills for American workers, and the infrastructure on which our economy rests. The Budget also puts the Nation on a path to living within our means – by cutting wasteful spending, asking all Americans to shoulder their fair share, and making tough choices on some things we can no longer afford. The Budget, when combined with the legislation signed into law last year, contains more than \$4 trillion in balanced deficit reduction to put the country on a sustainable fiscal path.

In the President's FY 2013 Budget, the Administration proposes to establish a \$100 per flight fee which would generate an estimated \$10 billion over 10 years, reducing the deficit and more equitably sharing the cost of air traffic services across the aviation user community. All piston aircraft, military aircraft, public aircraft, air ambulances, aircraft operating outside of controlled airspace, and Canada-to-Canada flights would be exempted.

In a challenging budget environment, we believe it's essential that those who benefit from our world-class aviation system help pay for its ongoing operation, and we want to ensure that everyone is paying their fair share. For example, under current law, a large commercial aircraft flying from Los Angeles to San Francisco pays between 21 and 33 times the fuel taxes paid by a corporate jet flying the same route and using the same FAA air traffic services. This is why the Administration proposed to establish a new surcharge for air traffic services.

I look forward to working with you throughout the budget process. Thank you again for your letter. If you have questions, please contact the Office of Legislative Affairs at (202) 395-4790.

Sincerely,

Jeffrey D. Zients