

To: Senator Cummings, Chair of Senate Finance
CC: Senate Committee on Finance Members
From: Jeffrey Bartley, Director of Innovation & Marketing
Date: April 23, 2026

Subject: Patrick Leahy Burlington International Airport Testimony on Aviation Fuel Tax Surcharge and State of Leahy BTV

Chairman Cummings and Members of the Senate Finance Committee, good afternoon. I'm Jeffrey Bartley, Director of Innovation and Marketing at Patrick Leahy Burlington International Airport. Thank you for having me.

I want to start by saying something sincerely: we are grateful for this committee and for the relationships we have built with the Administration, the Agency of Transportation, and all members of the General Assembly. The collaborative spirit amongst us all matters to us — it is part of what has made Vermont's aviation industry successful, and it is the spirit in which I am here today. We are not just here as partners and joint stewards of travel, transportation, and tourism in Vermont. We are here because we care deeply about getting this right, and because we believe Vermont's aviation future is a shared interest.

In summary, we want to be part of that solution. What we are asking for today is simply that the Senate Finance Committee remove the 2% jet fuel surcharge from H. 944 because we believe this particular mechanism, added without industry input, carries meaningful risks to our airport's success, growth, and momentum.

I also want to begin my notes with good news, because I think it's important context for everything else I'm going to say. Leahy BTV is not just an airport — it is an economic engine for the entire state. Our most recent Economic Impact Assessment tells a remarkable story of growth. Since 2018, we have seen a 14.4% increase in total jobs supported by the airport, bringing that total to 5,645 Vermonters whose livelihoods are tied to aviation. Total payroll has grown by 91%, to \$325.4 million in annual income. The combined airport regional value — including economic output and existing replacement value — now stands at \$1.9 billion, an 80% increase over eight years. We generate over

\$1 billion in economic output annually, and the state and local taxes generated by the airport have grown 81%, from \$34.5 million in 2018 to \$62.5 million today.

That growth is not accidental—it is the result of strategic investment, partnerships, entrepreneurial drive, and a commitment to meeting the evolving demands of Vermont’s economy and tourism sector. That is the foundation we are building on, and it is a foundation that is genuinely at risk if we make Vermont a significantly more expensive fuel market as it relates to aviation.

In late March, we opened a new terminal — a transformational upgrade that has been years in the making, funded in large part by a \$34 million congressional allocation. The new terminal includes four new jet bridges that can accommodate larger aircraft, significantly expanded passenger waiting areas, and providing modern amenities – and built with sustainability in mind. Mass-timber, geothermal heating and cooling the building, and future solar arrays are part of this project.

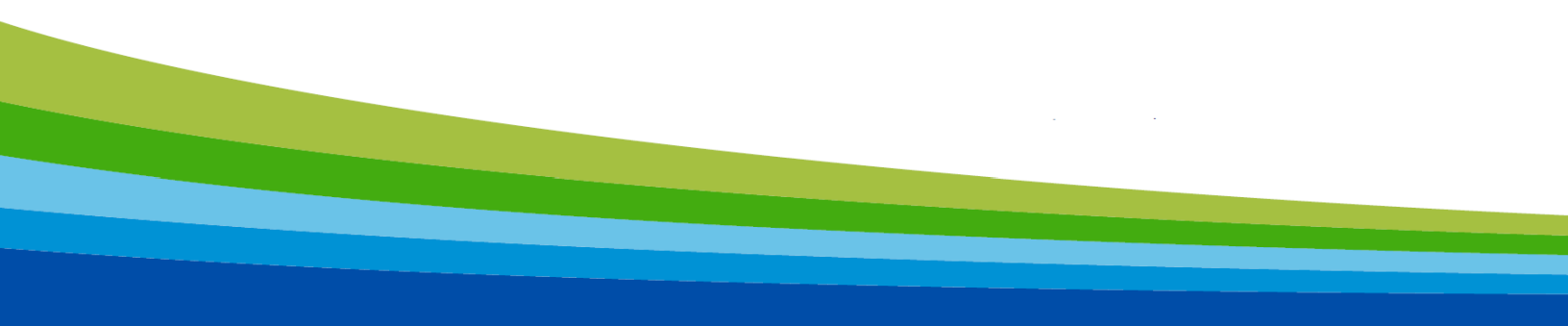
NPR ran a national story covering the opening just three weeks ago, noting that Leahy BTV is actively positioning itself to attract a greater share of our regional market, or catchment area, which stretches from northern New York to New Hampshire. Currently, only about half of those travelers choose Burlington, meaning 1.5 million flyers are still choosing other airports. Our goal is to change that. We want our local market dollars to stay local.

We are actively engaged in conversations with approximately a dozen airlines about expanding service, and this summer we will reach the 2nd highest level of commercial service at Leahy BTV; and, we now have more direct flights than at any point in the airport's history – 19 destinations – Atlanta, Charleston, Charlotte, Chicago, Detroit, Denver, Fort Myers, Minneapolis, Newark, JFK, LaGuardia, Orlando, Philadelphia, Raleigh-Durham, Tampa, Washington, DC and Washington-Dulles, and starting May 23rd – new non-stop service to Houston; and there’s more to come.

I’ll add the national context for small hub airports like ours has rarely been more favorable: large hub airports face growing congestion, a shortage of air traffic controllers, and projections of continued passenger growth — all of which create an opening for well-positioned smaller airports to attract more service. Aviation analysts have noted that airlines build networks to serve the most profitable routes which means enticing airlines to spread routes to more small hubs is not an easy sell — it requires Vermont to be competitive on every metric that airlines evaluate.

Cost, especially related to commodities, is one of the most important metrics.

The FAA projects activity at large hub airports will grow about twice as fast as at small hubs over the next two decades, even as those hubs face real congestion and air traffic controller shortages. That creates an opening for airports like ours. We're not just a Vermont story — we're part of a national



conversation about how smaller airports can take pressure off places like Boston and carry more of the load – the demand is there and it is not going away.

The aviation industry is dynamic and highly competitive. As we manage the second busiest airfield in New England in terms of operations, we are also working to meet the needs of our region's businesses, tourism economy, and general aviation community.

As amended, the bill would add a permanent 2% surcharge on jet fuel, on top of Vermont's existing 6% sales tax and South Burlington's 1% local option tax. At Leahy BTV, that's a total tax rate of 9% which would make it the third highest in the nation. This is in addition to the region already having the highest average price, in the country, on JetA, 100LL, and SAF (Sustainable Aviation Fuel) – which we are the first airport in New England receive these fuels.

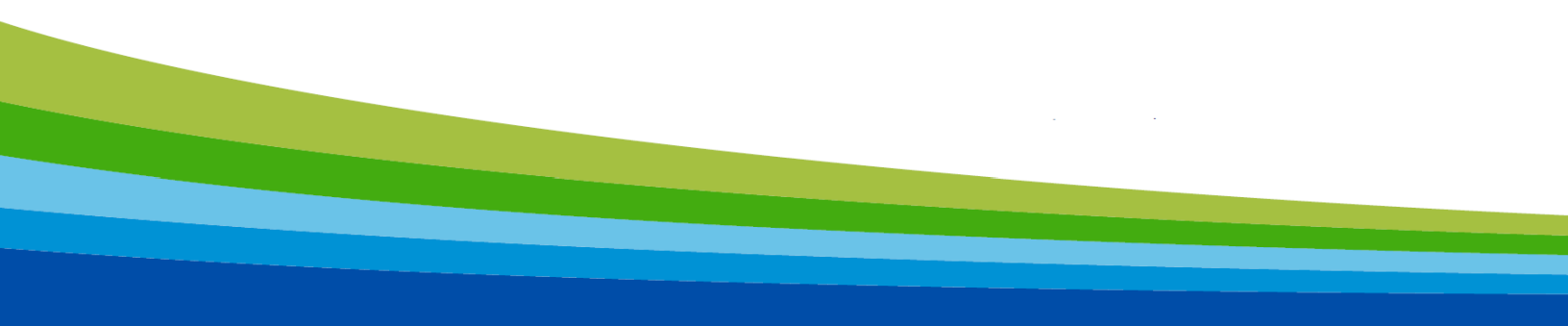
For more context, Maine taxes jet fuel at about 4 cents a gallon. New Hampshire and New York are each around half a penny. Some states don't tax it at all. We will be less competitive with such high fuel costs.

That gap matters because aviation fuel demand is genuinely price-sensitive. Airlines and operators compare fuel costs across markets, and when prices diverge, they adjust — sometimes by "tankering," carrying extra fuel specifically to avoid buying at expensive locations or not transporting the fuels to Leahy BTV at all. A higher rate applied to a shrinking volume base doesn't necessarily produce more revenue. It can produce less.

Last year, just over \$2 million was collected in jet fuel taxes, down from \$2.7 million in 2022; telling a story about global fuel prices normalizing after an unusually high period — not about declining activity here. As I've stated, enplanements and the size of aircraft have never been more stable — they are growing. Case in point. Last October, we had over 160,000 passengers total come and go via Leahy BTV. We've never hit that mark before — in any month. It was a 6% YOY growth for October. We're now projecting the 2nd busiest year at Leahy BTV in our history.

This new tax it risks the momentum and growth we are seeing at Leahy BTV, because this proposed surcharge is substantially targeted at Leahy BTV users -- passengers, airlines, and general aviation. We find it unfair to continue to tax our users to offset the costs in the Transportation Bill. Additionally, a vast majority who would end up bearing the final burden of the tax will not be users of the other state airports; and not benefit from the tax.

There's also something worth understanding about how this tax actually flows. The legal taxpayer isn't the airline — it's the fuel distributor, upstream in the supply chain. By the time fuel reaches the



airport, the tax is already embedded in the price. Airlines pay it but indirectly – and it is then passed on to the end-user; the passenger.

Operationally, in most cases, the FBO is not selling the fuel itself — they are providing into-plane service. The airline typically owns the fuel through its own supplier contract, and then Heritage Aviation charges a service fee for handling, storage, and delivery. The tax and the FBO service component are entirely separate.

We now know Vermont receives between \$2 and \$3 million annually in aviation fuel tax revenue; depending on the cost of fuel; a lion share of the revenue is generated at Leahy BTV. Our annual state appropriation is capped at \$500,000. These funds are vital and we are deeply grateful for the State's investment. We are not asking for an increase in the cap at this time but have made the transportation committees in the House and Senate aware that in the future, we will be advocating for an increase in the cap.

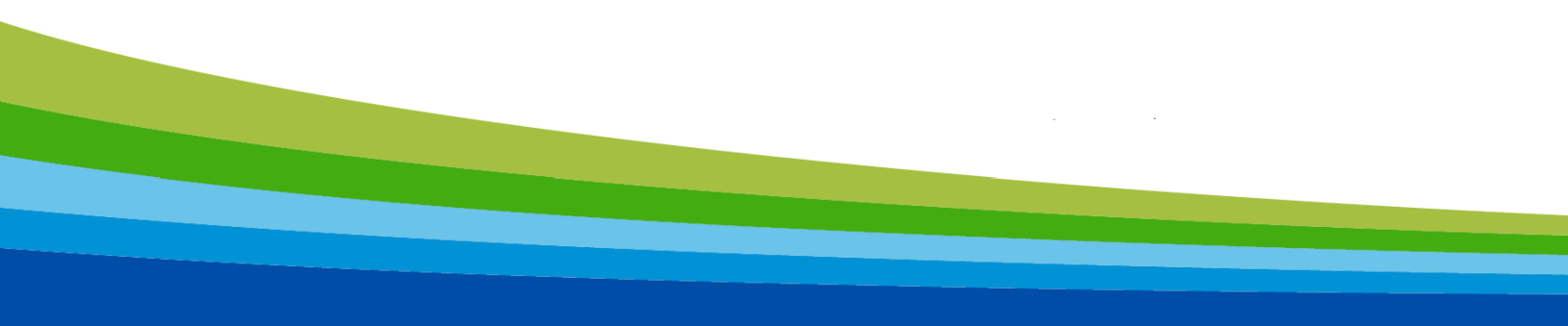
However, as we requested in February in House Transportation and mentioned it in Senate Transportation yesterday, we respectfully requested that the Committee ensure this allocation is not restricted solely to capital matching grants as part of the airport improvement program (or AIP) entitlement funds, but instead adjust the statute to be aligned with federal statute—specifically 49 U.S.C. § 47133—allowing funds to be used for either capital or operating costs of the airport.

Why is this critical? We are allowed to bank the AIP entitlement funds and may not draw down the appropriation for a couple years. We are planning to do that soon as we prepare for a large environmental protection project that will allow us to recycle the glycol used to deice planes.

This additional burden placed on us by the state, as we understand it, occurred as part of the 2018 Transportation Bill. As far as we can tell, no other appropriation from Aviation Jet Fuel revenues in Vermont are as restrictive as they are to our airport.

We are strongly advocating for legislative language that removes the restriction. It is our interpretation that if we do bank the AIP entitlement funds, as allowed, the state would not appropriate the \$500,000 reinvestment from the aviation jet fuel taxes generated at our airport.

In conclusion, this simple 2% surcharge that is believed to be able to generate \$600,000 a year is not simple. It is not guaranteed to generate more revenue – it might cause less revenue for various reasons outlined above.



H.944 would direct the revenue to the state transportation for aviation related infrastructure while, it's not clear the revenue will be used for those who are ultimately responsible for paying the tax; including passengers.

We respectfully ask that you remove the aviation fuel surcharge language. I understand that the Senate Transportation Committee is moving towards an Amendment on the floor. We do feel it is better to resolve these things in committee than on the floor.

And more broadly — we want to be in these conversations earlier. If there are ideas about how to fund Vermont's transportation future, call us. We'll show up.

Our goal is simple: to ensure that Vermont's primary aviation gateway has the flexibility and support necessary to continue driving economic growth, supporting thousands of jobs, and connecting our state to the world.

Vermont aviation is in a great place right now. We'd love to keep it that way — together.

Thank you. Happy to answer any questions.

