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**CORRESPONDENCE**

**AUGUST 1, 2019**

(as of 7/31/2019)

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1250 SAN CARLOS AVE  
SAN CARLOS, CA 94070  
(650) 508-6200

July 25, 2019

The Honorable Grace Napolitano  
U.S. House of Representatives  
1610 Longworth House Office Building  
Washington, DC 20515

RE: Support HR 2939

Dear Congresswoman Napolitano:

On behalf of the San Mateo County Transit District (SamTrans) and the San Mateo County Transportation Authority, I write to you in support of HR 2939, The State and Local General Sales Tax Protection Act.

HR 2939 is needed due to a Federal Aviation Administration (FAA) rulemaking finalized on December 8, 2014 (79 FR 66282) that, in our view, misinterprets a statute related to taxes on aviation fuel. As you know, in 1987 Congress passed the FAA authorization amendments that required airports to spend aviation fuel excise tax revenue on airport uses. The conference report for the 1987 amendments to the FAA statute (H.R. Conf. Rept. No. 484, 100th Cong., 1st Sess. 1987 accompanying P.L. 100-223) clearly stated that the requirement that local taxes on aviation fuel must be spent on airports "is intended to apply to local fuel taxes only, **and not to other taxes imposed by local governments, or to state taxes.**"

Regretfully on December 8, 2014 (79 FR 66282), the FAA made a policy change that contradicts the Congressional intent and 27 years of practice by saying that "the agency interpreted the provisions of Sections 47107(b) and 47133 to apply to any state or local tax on aviation fuel, whether the tax was specifically targeted at aviation fuel or was a general sales tax on products that included aviation fuel without exemption."

The 2014 policy change is an assault on state and local control of our general application sales tax measures. In California, our local government sales taxes are voter approved by a 2/3rds margin for specific purposes such as transportation, public safety and health services. This policy change overturns the decision of local voters in taxing themselves for specific purposes.

Due to the controversy of this policy change, FAA has been silent regarding enforcement for the past 5 years. FAA's silence ended on May 17th when they sent a letter to California threatening to withhold \$250 million annually in FAA grants that our state's airports receive. (attached)

HR 2939 will correct this misguided policy and protect California from the FAA's recent threat to withhold \$250 million annually in FAA grants to California airports and divert over \$70 million in state and local general sales taxes away from their intended purpose.

The Honorable Grace Napolitano  
HR 2939  
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HR 2939 will also preserve the trust California voters have placed with their local counties and transportation agencies when approving local tax measures.

We are pleased to **SUPPORT** HR 2939 the State and Local General Sales Tax Protection Act because it will re-establish 27 years of FAA interpretation by clarifying Congress' original intent that general sales taxes are not subject to airport spending requirements as are excise taxes.

If you have additional questions, please contact Casey Fromson, Director of Government and Community Affairs.

Sincerely,



Jim Hartnett  
General Manager/Chief Executive Officer/Executive Director

cc: San Mateo County Transit District Board of Directors  
San Mateo County Transportation Authority Board of Directors

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July 25, 2019

The Honorable Anna Eshoo  
United States House of Representatives  
241 Cannon House Office Building  
Washington, DC 20515

Dear Congresswoman Eshoo:

Thank you for your support of HR 2939, The State and Local General Sales Tax Protection Act. We are grateful for your unwavering support for state and local control of our general application sales tax measures. This legislation will reverse a 2014 FAA policy change, which threatens over \$70 million in state and local general sales taxes away from their intended purposes.

Thank you again for your continued support for funding public transportation in San Mateo County and the region.

Sincerely,

Jim Hartnett  
General Manager/Chief Executive Officer/Executive Director

cc: San Mateo County Transit District Board of Directors  
San Mateo County Transportation Authority Board of Directors

~~Anna~~  
Thank you  
so much.  
Best  
Jim





SAN MATEO COUNTY  
**Transportation  
Authority**

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JIM HARTNETT  
EXECUTIVE DIRECTOR

July 25, 2019

The Honorable Nancy Pelosi  
Speaker of the House  
United States House of Representatives  
90-7<sup>th</sup> Street, Suite 2-800  
San Francisco, CA 94103

Dear Speaker Pelosi:

On behalf of the San Mateo County Transportation Authority, I write to thank you for your support of our application for the Better Utilizing Investments to Leverage Development (BUILD) grant for the San Mateo County U.S. 101 Express Lanes Project.

The U.S. 101 Express Lanes Project will reduce traffic congestion, improve travel time, and increase overall corridor throughput. The Project will also provide an incentive to utilize public transportation and carpooling services, reducing the number of single occupancy vehicles on the road and improving travel time for lane users.

Thank you again for your continued support of this project that is so fundamental to the vitality and future growth of the Peninsula, our region, and the state's economic prosperity. We truly appreciate all of your efforts and unwavering willingness to help.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jim Hartnett', is written over a faint, circular stamp or watermark.

Jim Hartnett, Executive Director  
San Mateo County Transportation Authority

CC: San Mateo County Transportation Authority Board of Directors

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
1250 San Carlos Ave. – P.O. Box 3006  
San Carlos, CA 94070-1306 (650)508-6219