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Associated Press By JOAN LOWY - Associated Press | AP – Tue, Aug 2, 2011

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FAA shutdown to continue as Congress leaves



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WASHINGTON (AP) — The government is likely to lose more than \$1 billion in <u>airline ticket</u> taxes because lawmakers have left town for a month without resolving a partisan standoff over a bill to end the partial shutdown of the Federal Aviation Administration.

The government already has lost more than \$200 million since airlines are unable to collect taxes on ticket sales because the FAA's operating authority has expired.

The Senate recessed on Tuesday <u>until September</u>, erasing any possibility for quickly resolving the issue. The House left Monday night.

Caught up in the partisan acrimony are nearly 4,000 FAA employees who have been furloughed. The FAA also has issued stop work orders on more than 200 construction projects, threatening the jobs of thousands of other workers. Air traffic controllers, however, remain on the job.

The debacle could have had an upside for airline passengers because ticket taxes, which typically average about \$30 on a \$300 round-trip fare, are suspended during the shutdown. But airlines decided to pocket the windfall. Within hours of the shutdown on July 23, most airlines raised their fares by amounts equivalent to the taxes that disappeared.

Transportation Secretary Ray LaHood called airline CEOs to complain and lawmakers have sent letters demanding the fare hikes be reversed and the profits be placed in escrow. But their howls have largely been ignored. Airlines collectively lost about \$440 million in the first six months of this year, according to the Air Transport Association.

Some passengers will be due tax refunds if they bought their tickets and paid taxes before the shutdown, but their travel took place during the time airlines no longer had authority to collect the money. Airlines and the Internal Revenue Service are quarreling over who will handle the complicated and expensive process of getting those refunds to passengers.

President Barack Obama implored Congress on Tuesday to settle the dispute before leaving town, calling the stalemate "another Washington-inflicted wound on America."

LaHood, a former GOP congressman, conveyed the same message in a series of private meetings on Capitol Hill and in phone calls to lawmakers, but was unable to clinch a deal.



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Sen. Jay Rockefeller, D-W.Va., chairman of the Senate committee that oversees the FAA, held out the possibility that if the Senate were able to pass a bill acceptable to Democrats, it could still be approved by the House using obscure parliamentary procedures, and sent to the White House.

But his House counterpart, Rep. John Mica, R-Fla., ruled out that possibility. The only way left to end the shutdown is for the Senate to agree to a previously passed House bill containing \$16.5 million cuts in air service subsidies to 13 rural communities that some Democrats — particularly Rockefeller — find objectionable.

"The only one holding this up now is Mr. Rockefeller," Mica said. One of the 13 communities that would lose subsidies is Morgantown, W.Va.

The entire air service subsidy program costs about \$200 million a year, roughly the amount the government lost in uncollected ticket taxes in the first week of the shutdown. The program was created after airlines were deregulated in 1978 to ensure continued service on less profitable routes to remote communities. But critics say some communities receiving subsidies are within a reasonable driving distance of a hub airport.

Subsidies per airline passenger range as high as \$3,720 in Ely, Nev., to as low as \$9.21 in Thief River Falls, Minn., according to the House Transportation and Infrastructure Committee.

Senate Majority Leader Harry Reid, D-Nev., said Republicans were trying to force Democrats to accept policy concessions they would be unable to enact through normal legislative procedures. Democrats tried repeatedly over the past two weeks to pass a bill extending the FAA's operating authority without the subsidy cuts, but were blocked by Republican senators each time.

"Republicans are playing reckless games with airline safety," Reid said in a statement. "We should not let ideology interfere with making sure that Americans' air travel runs as smoothly and safely as possible."

Underlying the subsidy dispute, was a broader, more politically-charged dispute over a labor provision inserted by House Republicans into a separate, long-term FAA funding bill. The FAA's last long-term funding bill expired in 2007. Since then, Congress has been unable to agree on a long-term plan. The agency has continued to operate under a series of 20 short-term extensions.

Democrats said the air services cuts were being used as leverage to force them to give in to the House on a labor provision, which the White House has said Obama would veto. They see the provision as part of a national effort by Republicans, both in Congress and in state capitals, to undermine organized labor.

The provision would overturn a National Mediation Board rule approved last year that allows airline and railroad employees to form a union by a simple majority of those voting. Under the old rule, workers who didn't vote were treated as "no" votes.

Democrats and union officials say the change puts airline and railroad elections under the same democratic rules required for unionizing all other companies. But Republicans complain that the new rule reverses 75 years of precedent to favor labor unions.

"Democrats have to decide if they are going to be the handmaidens of the labor unions in every policy," Sen. Jon Kyl of Arizona, the No. 2 Senate GOP leader, told reporters. "Every now and then they should put the American people first instead of their constituency."

The 13 cities targeted for air service subsidy cuts are Athens, Ga.; Morgantown, W.Va.; Glendive, Mont.; Alamogordo, N.M.; Ely, Nev.; Jamestown, N.Y.; Bradford, Pa.; Hagerstown, Md.; Jonesboro, Ark.; Johnstown, Pa.; Franklin/Oil City, Pa.; Lancaster, Pa., and Jackson, Tenn.

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Anthony about a month ago



let me see if I have this correct. the job is not completed, there is work to be done, and the



EMPLOYEE'S are leaving for the MONTH. as their employer, I will say to them what my employer would say to me if I pulled that crap. YOU'RE FIRED.

▶ 15 Replies



Disenchanted about a month ago





They're all just terrific, aren't they? How many of YOU have the money to take a month's vacation this year?

▶ 12 Replies



Dawn about a month ago





How do you justify going on recess until September when there is unfinished business in Washington. Crisis averted lets go on vacation?! #\$%\$ is wrong with these people???

▶ 3 Replies



Wendy Simmons about a month ago





What?! I thought I heard yesterday that a bill was passed at the last minute, and now this article is saying that it wasn't, and the politicians are now on vacation for a month??? They all need to be fired! What a bunch of overgrown adolescents.

▶ 8 Replies



Bonnie B about a month ago



263 👍 🟳 3

Why does Congress get thewhole month off???? There is still business to do. #\$%\$

▶ 12 Replies



Gary about a month ago





Quick! Somebody change the locks on Congress while they're out!

▶ 5 Replies



Sunny about a month ago





I really believe that the best thing that could happen in the next election would be to throw out every congressman and senator and the president and elect all new people throw every swinging dick out in the next election leave not one re-elected period!!!!

▶ 5 Replies



Kenneth A about a month ago





Who the hell gets to take so many vacations from their job, other than congress?

▶ 11 Replies



Grandpa about a month ago





OK children, it's time for recess! Who gives a #\$%\$ about the millions of Americans who can't eat, pay bills, or mortgages because of various reasons (i.e., Jobs, no jobs, no unemployment, no COLA, inflation in the gasoline prices, food prices, and all the other crap that you in Congress) have... More

Reply



Caboose about a month ago



Vote these morons out when the time comes

▶ 6 Replies



Is It Just Me about a month ago

If I was a Senator or a Congressman/woman I think that maybe I would take a vacation anywhere but my home state. No matter what side you are on the people are angry and getting madder every day and NOTHING is being done in Washington but cutting the life out of the middle class. Thanks so much for... More

▶ 1 Reply



Zguri about a month ago



Why do politicians receive pay checks when they aren't working? ... "left town for a month." Campaigning should be on their own dime and not the taxpayer. If they want to get reelected, then they should do the job they were sent to congress to do and the rest will take care of itself.

▶ 2 Replies



-RKO- about a month ago

125 👍 🖓 0



So these Congressional as*holes take a vacation without finishing their work. What a gang

▶ 1 Reply



Angry Black Man about a month ago





We need to pass a law that says "Politicians only get paid on those days in which they have worked at least 8 hours. Any vacations shall be taken at their own expense."

▶ 14 Replies



The Wrath Of Khan about a month ago





Hmm Let's see, this Congress decides to go on a month vacation while holding American Jobs hostage...In the meantime these families will not be paid, pay their bills, buy groceries. My God! We are already in a Depression, jobs are being lost by the day, the economy is in the toilet and these idiots... More

▶ 6 Replies



Fatcat about a month ago





What is our government doing to this country? Eneough is eneough! This country needs people at work and its like they dont care. They say the economy is such a big issue yet when they have the opportunity to keep people working they go on vacation? Every issue is such a battle to resolve with these... More

▶ 1 Reply







They take too many lengthy undeserved vacations and holidays and leave town before their work is done for the session.

Reply



Go Tribe about a month ago



The Senate and House are off til September? Gee, and we wonder why the country is in so much trouble...

▶ 7 Replies



Dead Head about a month ago



117 🖒 🟳 1

What a sorry bunch of losers we have in government positions. These people are actually making me nauseous. They need deep budget cuts but give up a billion in revenue to get away for a month vacation on taxpayers money.JEEEEZZZZZZ

▶ 1 Reply



Glian about a month ago

115 👍 🖓 1

left for a month!?!?!? they got no business leaving until they resolve this mess period!

▶ 3 Replies

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