



July 26, 2017

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Susan Collins
Chairman
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Cochran, Chairman Collins, Ranking Member Leahy, and Ranking Member Reed:

On behalf of the organizations listed below, we would like to express our strong support for the inclusion of an adjustment to the Passenger Facility Charge (PFC) on originating passengers, as well as a \$250 million increase to the Airport Improvement Program (AIP) in this year's Transportation, Housing and Urban Development (THUD) Appropriations Bill. These long overdue increases to aviation infrastructure funding will support critical infrastructure projects for our nation's airports.

Organizations like ours rely on aviation infrastructure to connect with customers here and abroad. We work with airports to address industry issues, discuss new technologies and innovative ideas with a view of helping airports meet the needs of the growing number of passengers while operating with maximum efficiency and security.

According to the most recent infrastructure needs survey conducted by Airports Council International – North America, airports of all sizes are facing \$100 billion in infrastructure improvements over the next five years.

Congress last adjusted the PFC cap to \$4.50 in 2000, but with inflation and a rise in construction costs its purchasing power has eroded by over 50 percent in the past 17 years. As a result, many airports – even those with sterling credit ratings – have reached their debt capacity and either cannot finance new projects or have had to plan and construct projects over a longer timeframe, increasing the costs and delaying the benefits for passengers.

The modest PFC adjustment proposed in your bill would apply only to originating passengers, ensuring that passengers who live in rural and less populated areas would not pay twice. This change to the PFC would also generate more funding for small airports across the country in this bill, as large airports would have to forego federal entitlement grants.

Simply by adjusting the federal cap on PFCs airports across the country can become more financially self-sufficient. PFCs are not taxes – they are local user fees that are determined locally and used locally to improve the passenger experience and spur airline competition. Not one dollar of PFC revenue flows to the federal treasury. Instead, PFCs go directly to fund local airport projects approved by the FAA with input from airlines and local communities.

Action to address America’s aging aviation infrastructure is long overdue. Airports need to be able to make new investments to meet their capacity demands of today and into the future. Modernizing our nation's airport infrastructure will provide passengers and shippers with the safe, secure, and efficient facilities they expect and deserve.

Thank you for your leadership and commitment to modernizing our nation’s aviation infrastructure by including the strong PFC and AIP provisions in this year’s THUD Appropriations Bill.

Sincerely,

Air Conditioning Contractors of America
Airport Alliance, LLC
Airports Consultants Council
American Coal Ash Association
American Concrete Pavement Association
American Council of Engineering Companies
American Road and Transportation Builders Association
American Society of Civil Engineers
Associated Equipment Distributors
Association of Equipment Manufacturers
Associated General Contractors of America
Aviation Strategies and Trade Solutions
Building America’s Future
CH2M
Concrete Reinforcing Steel Institute

C&S Companies
DKMG Consulting LLC
GCR Incorporated
Hi-Lite Airfield Services, LLC
International Association of Duty Free Stores
Kimley-Horn
Mead & Hunt
National Asphalt Pavement Association
National Association of Manufacturers
National Precast Concrete Association
National Ready Mixed Concrete Association
National Retail Federation
National Stone, Sand and Gravel Association
National Utility Contractors Association
Portland Cement Association
Safety & Security Instruction
Security Industry Association
Sheet Metal and Air Conditioning Contractors National Association
Studdiford Technical Solutions, LLC
Team Eagle Inc.
Texas Retailers Association
The Association of Union Constructors
Top Airport Parking
777 Development Group