



December 5, 2017

The Honorable Paul Ryan
U.S. House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Orrin Hatch
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Ryan, Leader McConnell, Chairman Brady, and Chairman Hatch:

We, the undersigned industry organizations and businesses, strongly urge the conferees tasked with resolving differences between the House and Senate versions of H.R. 1, the Tax Cuts and Jobs Act, to preserve the full tax-exempt status of Private Activity Bonds (PABs).

Commercial airports need to finance \$100 billion in renovation and modernization projects between 2017 and 2021 just to keep pace with increased passenger loads and security upgrades, and most of these projects will need to be financed by bonds of some type. PABs finance more than 60 percent of commercial airport infrastructure improvement projects, and they carry a financing cost that is 70 to 100 basis points lower than their taxable equivalent. Without access to PABs, the cost of these renovations could increase by at least \$3.2 billion leaving airport operators with the vexing dilemma of whether to pass these increased costs on to local taxpayers, scale-back anticipated improvement projects significantly, or abandon them altogether. None of these options is acceptable to taxpayers, businesses, passengers, airlines, vendors, and everyone else these airports serve.

Tax-exempt PABs are an essential element that allows commercial airport operators to provide first-in-class airports and services to the nearly 1 billion travelers who will travel through U.S. airports this year. Eliminating the airports' ability to issue PABs would have a negative impact on the economy by restricting these entities to issuing only taxable debt or seeking alternative financing mechanisms, both of which carry higher borrowing costs and further delay much-needed

infrastructure improvements at airports across the country. Therefore, we strongly urge the conferees to preserve the fully tax-exempt status of PABs.

Sincerely,

Airport Consultants Council
American Society of Civil Engineers
American Road and Transportation Builders Association
Associated General Contractors of America
Aviation Alliance, LLC
Aviation Strategies and Trade Solutions, Inc.
Bond Dealers of America
Building America's Future
California Airports Council
Decision Services International, LLC.
DKMG Consulting, LLC
Leibowitz & Horton
Mead & Hunt, Inc.
National Asphalt Pavement Association
National Association of State Aviation Officials
National Electrical Contractors Association
National Precast Concrete Association
National Utility Contractors Association
Pittsburgh International Airport
Portland Cement Association
Sheet Metal and Air Conditioning Contractors National
Skanska USA Building Inc.
Studdiford Technical Solutions, LLC
Team Eagle Inc.
777