



October 3, 2017

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

The Honorable Patrick Leahy
Vice Chairman
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 Chairmen Cochran and Collins, Vice Chairman Leahy, and Ranking Member Reed:

As Congress works to finalize the Fiscal Year 2018 appropriations bills, we urge you to retain provisions in the Senate Transportation-HUD spending bill (S.1655) that would dramatically improve aviation infrastructure across the country by modernizing the Passenger Facility Charge (PFC) local user fee and increasing funding for the Airport Improvement Program (AIP). Adopting these bipartisan proposals, which the Senate Appropriations Committee already approved unanimously, would allow airports of all sizes across the country to finance crucial infrastructure projects, enhance safety and security, promote airline competition, and accommodate rising passenger demand.

Efforts to improve airport infrastructure come at a critical time – with passenger enplanements at a record high and federal infrastructure investments stagnant. According to the industry’s most recent infrastructure needs survey airports have plans for \$100 billion in infrastructure projects over the next five years, but half of those needs lack an identified funding source. All airports would benefit from having the ability to generate more local revenue for runways, taxiways, terminals, gates, and other projects that would advance safety and security, increase capacity, enhance competition, and improve the overall passenger experience.

The fiscally-responsible approach advanced by Chairman Susan Collins and Ranking Member Jack Reed would allow airports to use additional local revenue to address pressing runway, taxiway, terminal, and gate needs. Since any adjustment to the PFC that an airport chose to pursue would apply only to originating passengers, it would not disadvantage travelers from smaller and less populated communities who often are forced to transfer planes because of the airlines’ hub-and-spoke system.

Unfortunately, our airline partners continue to make the false and misleading claim that PFCs are taxes. But PFCs are not taxes; they are optional local user fees that airports rely on to help defray the costs of building airport infrastructure that benefit the airlines and our passengers. Moreover, PFCs are imposed by states or units of local government – not the federal government. PFCs are not collected by the federal government, not spent by the federal government, and not deposited into the U.S. Treasury.

Also, it is ironic that the airlines continue to stand in the way of a modest PFC increase while they rake in more and more money from \$25 (or more) bag fees and other ancillary charges. The Government Accountability Office (GAO) recently reported that airlines collected about \$7.1 billion from bag fees and reservation-change fees in 2016. That is more than twice as much as airports collected last year from local PFCs.

GAO also reported that the airlines collected another \$6.2 billion in miscellaneous fees in 2016 – an 87 percent jump from 2010. Meanwhile, airports have been squeezed by stagnant AIP funding in recent years and an arbitrary PFC cap that Congress has not adjusted in 17 years. Congress has an opportunity now by adopting the Collins-Reed proposals to chip away at that imbalance and help airports meet their growing infrastructure needs.

We appreciate the attention to the infrastructure needs of our nation's airports given in the Senate bill, and we urge you to protect these essential infrastructure provisions in any year-end appropriations package. The American economy simply cannot afford further delays and increased costs in making these much-needed infrastructure improvements at our airports. Modernizing the PFC and bolstering AIP would give airports – and the local communities and businesses they support – funding flexibility to enhance their facilities and offer more air service options to the traveling public.

Thanks for your consideration.

Sincerely,



Todd Hauptli
President and CEO
American Association of Airport Executives



Kevin Burke
President and CEO
Airports Council International—North America

CC: Majority Leader Mitch McConnell
Democratic Leader Charles Schumer