



Airport Priorities for 2015

Modernize the Federal Cap on Local Passenger Facility Charges: Airports around the country urge Congress to modernize the federal cap on local Passenger Facility Charges to \$8.50 and index it for inflation. At a time when there is increasing pressure to reduce federal spending, modernizing the PFC cap would provide airports with the self-help they need to finance critical infrastructure projects without relying on scarce federal funds.

The PFC cap has not been raised since 2000, when Congress raised the cap to \$4.50. Since then, construction costs have risen more than 50 percent and severely eroded the purchasing power of PFCs. Modernizing the PFC cap to \$8.50 would restore the PFC's lost purchasing power and allow airports to set their own levels based on locally-determined needs to ensure the continued safety, security, and modernization of their facilities.

Fully Fund and Protect the User-Financed Airport Improvement Program: Airports also call on Congress to fully fund the Airport Improvement Program (AIP). The program, which is supported entirely by aviation system users, finances critical airport safety, security, and capacity projects at airports of all sizes across the country.

In 2013, Congress diverted \$253 million in AIP funding to end air-traffic controller furloughs and to keep 149 contract towers open during the first round sequestration. Fortunately, Congress provided the full \$3.35 billion for AIP in the last two fiscal years. We urge Congress to provide the same amount for AIP in Fiscal Year 2016 and to ensure that those funds are not diverted for FAA operations.

It is important to point out that modernizing the PFC cap to \$8.50 and indexing it for inflation could open the door for recalibrating AIP. With a local PFC increase firmly in place, Congress could focus limited federal funds on smaller airports that need AIP funds the most. But any effort to modify the AIP program must begin by raising the PFC cap and indexing it for inflation.

Preserve Tax Exempt Financing and Provide Airports with AMT Relief: Congress can also help airports finance critical infrastructure projects by retaining the tax exemption for municipal bonds and by excluding Private Activity Bonds from the Alternative Minimum Tax (AMT). A permanent AMT fix would help many airports reduce their borrowing costs, allow them to invest in more infrastructure projects, and support more jobs.

Reduce Wait Times at International Gateway Airports through Technology and Increased Staffing: We encourage Congress to ensure that the U.S. Customs and Border Protection (CBP) deploys additional officers to our gateway airports and works with aviation stakeholders to

reduce lengthy wait times. As international travel continues to increase, we also urge you to dedicate additional funding in Fiscal Year 2016 to ensure that the CBP can continue to focus on reducing long lines at gateway airports.

All too often passengers arriving at gateway airports experience exceptionally long delays when being processed by the CBP. Long wait times are discouraging international passengers from traveling to the United States and are having a negative impact on our economy.

According to the U.S. Travel Association, the current CBP entry process costs our economy up to \$95 billion and 518,000 jobs every five years. To correct this situation, airports are continuing to urge Congress to provide CBP with the resources it needs to hire and deploy additional officers and fund technological solutions that would reduce peak wait times by processing passengers more efficiently.

Aviation Security: Congress should provide adequate funding to support TSA's fundamental mission of passenger and baggage screening and staffing of airport exit lanes in accordance with current federal law. Congress also should reject any attempt by TSA to shift additional costs and federal responsibilities onto airport operators. As part of the TSA baggage screening requirements, we urge Congress to support funding Explosive Detection System (EDS) purchase, installation, and recapitalization efforts and to reimburse all airports for expenses already incurred to modify baggage systems to accommodate federally required EDS equipment.

Airports play a critical role in aviation security performing inherently local security functions, including local law enforcement, access control, and incident management. As such, airport operators remain actively involved in discussions to enhance the screening of employees at airports and encourage a risk-based, multi-layered approach to security, including random physical screening of aviation workers, technological surveillance, law enforcement patrols, robust security training, and the institution of challenge procedures among airport workers. Moving forward, it is essential that airport operators maintain their inherently local security roles.

Fully Fund Small Community Programs: We also urge Congress to fully fund programs that help small communities maintain commercial air service and enhance aviation safety at small airports. Specifically, we urge you to fully fund the Essential Air Service and Small Community Air Service Development programs. Both of these important programs help to ensure that people who live in rural and less populated areas have access to our national aviation system.

We also request \$154.4 million in dedicated funding for the Contract Tower Program, including funding for the contract tower cost share program. Currently, 252 airports in 46 states participate in the Contract Tower Program, which nationwide handles approximately 28 percent of control tower operations. The safety, cost-effectiveness, and efficiency of the program have been well-documented by DOT's Office of Inspector General and by FAA safety audits.

Finally, a number of smaller communities have been experiencing commercial air service reductions in part because carriers say that there are not enough qualified pilots to operate their flights. We urge you to take steps to address the current pilot shortage and other factors that are impacting service to small- and medium-sized airports across the country.