



U.S. TRAVEL ASSOCIATION

February 15, 2018

The Honorable Rodney Frelinghuysen
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Mario Diaz-Balart
Chairman
Subcommittee on Transportation-HUD
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable David Price
Ranking Member
Subcommittee on Transportation-HUD
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Frelinghuysen and Diaz-Balart and Ranking Members Lowey and Price:

In a recent misleading and inaccurate letter, the Americans for Tax Reform criticized a modest proposal that would help airports finance critical infrastructure projects, enhance safety, promote airline competition, and accommodate rising demand. On behalf of airports and travel-related companies around the country, we are writing to set the record straight and to urge you to adopt a fiscally-responsible proposal to adjust a local airport fee known as the Passenger Facility Charge (PFC).

As you know, the Senate version of the FY18 Transportation, Housing and Urban Development, and Related Agencies appropriations bill (S. 1655) includes a bipartisan proposal that would modernize the outdated federal cap on local PFCs from \$4.50 to \$8.50 for originating passengers. The modest plan would keep the current cap in place for connecting passengers, who often originate in smaller communities in rural and less populated areas.

At a time when Congress and the administration are focusing on ways to improve our nation's infrastructure, it is unfortunate that some continue to express their misguided opposition to raising the federal cap on PFCs. Providing airports with the option to generate more local revenue for critical infrastructure projects would reduce the pressure on limited federal funds. That is why other conservative and libertarian groups like the Heritage Foundation and Competitive Enterprise Institute strongly disagree with ATR's stance on PFCs and support efforts to modernize the local fee.

Despite ATR's claims, the modest PFC proposal in the Senate bill is a long overdue and necessary step that would help airports pay for critical infrastructure projects. Congress has not raised the federal cap on PFCs since 2000 – 18 years ago. And the list of airport infrastructure needs continues to grow. Airports have \$100 billion in capital needs over the next five years – or approximately \$20 billion annually. That is three times the \$6.4 billion that airports received in PFC revenue and federal Airport Improvement Program (AIP) funds last year.

Unless Congress dramatically increases federal funding for airport infrastructure projects – a proposition that would likely encounter stiff opposition from ATR – the easiest way to allow airports to repair aging facilities and accommodate rising demand is to give them the option to generate more local revenue for runways, taxiways, and terminal projects. But ATR seems to take a none-of-the-above approach to airport infrastructure financing.

Instead of exploring real ways to help airports finance their infrastructure needs and accommodate their passengers, ATR continues to take their cues from the airlines and falsely suggest that there is already enough money available for airport capital projects. This is simply not the case. The fact is airports use the lion's share of their annual income for day-to-day operational expenses like firefighting and law enforcement – not bricks and mortar. Moreover, the suggestion that Congress should somehow tap into the fluctuating uncommitted balance of the Airport and Airway Trust Fund is simply not a viable option or a long-term solution when 60 percent of airport infrastructure needs are on the terminal side – paid for by PFCs and not the trust fund.

Again, modernizing the PFC cap is the easiest way to help airports finance critical infrastructure projects without relying on a large influx of federal funds. Large and small airports, travel-related companies, and the infrastructure industry strongly support the modest PFC plan in the Senate bill, and we urge you to include it in the final FY18 appropriations bill. If enacted into law, this bipartisan plan would provide airports with additional, optional flexibility and help them meet their critical infrastructure needs.

Thank you for your consideration.

Sincerely,



Todd Hauptli
President and CEO
AAAE



Kevin Burke
President and CEO
ACI-NA



Roger J. Dow
President and CEO
U.S. Travel Association

cc: Speaker Paul Ryan
Democratic Leader Nancy Pelosi