



AIRPORTS ARE AVIATION INFRASTRUCTURE

America's airports are powerful economic engines in their communities, generating more than \$1.1 trillion in annual activity and supporting more than 9.6 million jobs. Passenger traffic through airport facilities was at an all-time high in 2015, and enplanements are on track to set a new record in 2016. Unfortunately, our antiquated aviation infrastructure cannot keep pace with this overwhelming demand. As a result airports across the country are overcrowded and cramped.

Congress can help airports meet the infrastructure needs of today and challenges of tomorrow by simply eliminating the outdated federal cap on local Passenger Facility Charges (PFCs). At virtually no cost to the federal government eliminating the federal cap on the PFC would restore the PFC's lost purchasing power and provide airports with the ability to set their own levels based on locally-determined needs to ensure the continued safety, security, and improvement of their facilities.

Airports Have Tremendous Unmet Needs

- Airports of all sizes need over \$15 billion annually in infrastructure improvements to renovate aging runways and terminals, relieve congestion and delays, improve safety and security, and spur new airline competition – far more than the approximately \$6 billion that airports receive each year from both local PFCs and federal grants.
- Airports were not designed to accommodate the record number of passengers we see today. In an ever-evolving threat environment upgrading our aging aviation infrastructure can enhance security, improve passenger flow, and optimize queue management.
- Unfortunately, airports lack stable, predictable funding sources that keep pace with rising construction cost inflation for these intensive capital projects. The PFC cap – last adjusted in 2000 – has seen its purchasing power has eroded by 50 percent. And federal airport grants have been stagnant in recent years.
- Moreover, many airports – even those with sterling credit ratings – have reached their debt capacity and either cannot finance new projects or have had to phase in their projects over a longer timeframe, increasing the costs, and delaying the benefits for passengers.

Rebuild Our Airports Without Raising Taxes Or Debt Spending

- We can rebuild America's airports without raising taxes or through deficit spending by eliminating the anti-competitive federal cap on local PFCs
- 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.
- It is time to get Washington out of the way of local airport investment decisions. By eliminating the anti-competitive federal cap on PFCs airports can become more financially self-sufficient.
- At a time when there is mounting pressure to reduce federal spending eliminating the federal government's PFC cap is the most free-market option for providing airports with the locally controlled self-help they need to finance vital infrastructure projects.
- Eliminating the federal government's PFC cap would allow airports of all sizes to reduce costs and start building essential infrastructure projects more quickly.

Airport Investment Promotes Much-Needed Competition

- New investments in airports can be valuable tools in helping local communities attract new air carriers, which increases competition and can lead to lower airfares for passengers.
- Airports – many of which are tapped out on their ability to bond in a financially responsible manner – need additional resources to build the terminals, gates, and ramps necessary to attract new air carriers and entice existing ones to expand service.
- The traveling public gets more choices and lower airfares when airports can build the facilities that provide more airline options and more service alternatives.
- One study estimates that passenger fares are \$4.4 billion higher annually due to the lack of available gate space at airport terminals. Eliminating the federal cap on local PFCs would provide airports with the funds necessary to build the appropriate amount of space needed to attract new competition and upgrade aging facilities.