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June 27, 2017

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 201515

Re: Support Increasing Funding for the AIP Program and Lifting the PFC Cap in the Aviation Innovation Reform and Reauthorization (AIRR) Act

Dear Chairman Shuster:

I am writing to commend you for your introduction of the 21st Century Aviation Innovation Reform and Reauthorization (AIRR) Act. The AIRR Act is an important first step in reauthorizing and modernizing the Federal Aviation Administration (FAA) and its infrastructure investment programs prior to September 30.

Airports of all sizes have significant funding needs that cannot be met with the current financing options. Our nation's airports require an estimated \$20 billion in infrastructure improvements annually to update their aging facilities, relieve chronic congestion and delays, promote safety and security, enhance the passenger experience, and spur airline competition to provide consumers with more route choices and affordable airfares. Unfortunately, today's capital needs far outpace the \$6 billion in combined local user fees and federal grants that airports received last year. Congress has the opportunity to help address these capital needs by increasing funding and modernizing financing for airport infrastructure.

AGC supports the increase in funding provided for the Airport Improvement Program (AIP) in the AIRR Act. However, the current annual funding for the AIP program of \$3.35 billion is less than the \$3.5 billion it was funded at from fiscal years 2006 through 2011. While the AIRR Act does provide increases above current levels for AIP, AGC encourages the committee to return funding for the program to \$3.5 billion at a minimum in fiscal year 2018 and increase the program through fiscal year 2023 at the same percentage as originally proposed in the AIRR Act. **As such, we support the Barletta Amendment 15.**

AGC also encourages the committee to reconsider lifting the current cap on the Passenger Facility Charge (PFC). Unfortunately, the AIRR Act fails to modernize the PFC program – even though the Act streamlines the PFC approval process – because it fails to lift the cap. The current PFC cap is outdated and has seen its purchasing power eroded by more than 50 percent since it was last adjusted to \$4.50 in 2000. An increase in the cap is a positive step forward in tackling the challenges of aging airport infrastructure. **As such, AGC supports any amendment to eliminate or increase the PFC cap.**

Although not included in the AIRR Act, AGC opposes any attempts to expand Buy America, either in scope or application, and further opposes provisions that would seek to make the waiver process harder or impugn the validity of such processes. Additionally, application of federal domestic materials requirements to non-governmental money like the ATC sets a dangerous precedent that could open the door to many other federal requirements being attached to these funds, which AGC categorically opposes. **As such, AGC opposes Lipinski Amendments 40, 41, 43, and 44 and Bost 17.**

Again, thank you for your introduction of the AIRR Act. We look forward to working with you to ensure passage of an aviation reauthorization bill that addresses the infrastructure needs of our nation's airport.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey D. Shoaf', written in a cursive style.

Jeffrey D. Shoaf

Senior Executive Director, Government Affairs

cc: Members of the House Transportation and Infrastructure Committee