AIRPORT FINANCING PRIORITIES IN 2015

America's airports are powerful economic engines, generating more than $1.1 trillion in annual activity and supporting more than 9.6 million jobs. Modernizing the Passenger Facility Charge (PFC) user fee and maintaining the Airport Improvement Program (AIP) are the best options for strengthening our nation's airport system to meet the needs of today and the challenges of tomorrow.

- **Strengthen Local Control Over Local Investment Decisions**
    - It is time to get Washington out of the way of local airport investment decisions by modernizing the PFC cap to $8.50 and indexing it for inflation.
    - At no cost to the federal government, this 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 modernization of their facilities.
    - At a time when there is mounting pressure to reduce federal spending, modernizing the federal government's PFC cap is the most free-market option to provide airports with the locally controlled self-help they need to finance vital infrastructure projects.
    - As important economic drivers in their local communities, airports need a modernized PFC to upgrade their facilities and attract new air service.
- **Airport Investment Promotes Competition**
    - New investments in airports can be valuable tools in helping local communities attract new air carriers, which increases competition and leads to lower fares 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 fares when airports can build the facilities that provide more airline options and more service alternatives.
- **Airports Have Tremendous Unmet Needs**
    - Airports of all sizes need over $15.14 billion annually in infrastructure improvements to modernize aging runways and terminals, relieve congestion and delays, and spur new airline competition – far more than the $6.2 billion that airports received last year from both PFCs and AIP.
    - The PFC cap set in Washington has not kept pace with rising construction costs and inflation since it was last adjusted to $4.50 in 2000, and its purchasing power has eroded by 50 percent. In addition, AIP has been reduced by hundreds of millions of dollars in recent years.
    - 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.
    - Modernizing the PFC and maintaining AIP funding are critical to airports of all sizes throughout the country.