



May 31, 2017

The President  
1600 Pennsylvania Ave, NW  
Washington, DC 20500

Dear Mr. President:

On behalf of airports around the country, we are writing to thank you for continuing to focus on rebuilding our nation's infrastructure in ways that maintain our competitiveness, improve our economy, and create jobs. We also commend you for seeking long-term changes and new ways to finance and maintain our infrastructure while striving to roll back unnecessary regulations.

As your Administration continues to work with Congress to reexamine infrastructure financing and reevaluate the proper role of the Federal government, we urge your strong support for eliminating the burdensome federal cap on local Passenger Facility Charges and providing regulatory relief to airport operators.

With regard to the local PFC user fee, it is clear that doing away with this outdated and unnecessary federal restriction would allow airports to become more financially independent from the federal government and help them leverage private sector funding for significant capital projects – goals that correspond directly with principles you have identified for an eventual infrastructure investment package.

We are encouraged that your Fiscal Year 2018 budget request describes the importance of our nation's infrastructure and reiterates your calls for a \$1 trillion investment. As you know, airport operators around the country have long called for more infrastructure investment as a way to help them accommodate rising demand, upgrade aging facilities, and support jobs in their local communities.

A fact sheet accompanying the budget request points out that the way we finance infrastructure projects in this country is "not working." Airport operators have experienced the shortcomings of our current financing system first-hand. At the same time, they realize that more federal funding alone is not the answer. As your fact sheet stated, "providing more federal funding, on its own, is not the solution to our infrastructure problems."

That is why airports strongly support elimination of the outdated federal cap on PFCs – a simple, straightforward solution that would help finance critical airport infrastructure in a way that does not require an influx of federal spending. Eliminating this unnecessary and antiquated federal restriction would allow airports to finance a greater share of capital projects with local funds instead of scarce federal resources.

The arbitrary federal cap on local PFCs handcuffs airports and unfairly restricts their ability to use local revenue to build capital projects that increase capacity, enhance aviation safety and security, and support jobs. Eliminating the cap is also consistent with two key infrastructure principles that you have outlined:

**Encourage Self-Help:** First, eliminating the federal cap would permit airports to seek additional “self-help” and allow them to become more financially independent. Your Administration is making the case that “localities are better equipped to understand the right level – and type – of infrastructure investments needed for their communities, and the Federal Government should support more communities moving toward a model of independence.” We could not agree more.

**Leverage the Private Sector:** Eliminating the overly-restrictive federal cap would also allow airports to use local funds to secure private investment for some of the “Nation’s most important, regionally significant projects.” We agree that Public-Private Partnerships “will not be the solution for all infrastructure needs.” But a number of airports are turning to P3s to help major infrastructure projects.

The Port Authority of New York and New Jersey is a perfect example. In 2015, the PANYNJ selected a consortium for a massive \$4 billion project at LaGuardia Airport. Local officials point out that the P3 was made possible, in part, because the airport brought \$1.5 billion to the table including \$1 billion in PFC revenue. In other words, the PANYNJ was able to use PFC revenue to leverage private investment. Eliminating the cap could open the door for even more private investment.

On the airport regulatory relief front, AAE and ACI-NA have shared with your staff a lengthy list of specific proposals that would reduce unwanted federal interference and empower airports to operate more like businesses. Cutting federal red tape could also speed up the time it takes airports to build critical infrastructure projects that increase capacity, support jobs, and impact our economy. We hope you will keep these airport-specific recommendations in mind as you and your team continue to work to roll back burdensome, costly, and unnecessary regulations.

We look forward to partnering with you as you strive to rebuild our nation’s infrastructure. It is clear that elimination of the federal PFC cap and airport regulatory relief are consistent with the principles that you have outlined for infrastructure investment and merit the strong support of your Administration.

Sincerely,



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American Association of Airport Executives



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President & CEO  
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