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Federal Aviation Administration Reauthorization Principles

According to the Federal Aviation Administration, passenger levels will grow from 776 million in 2015 to 1.1 billion by 2034. This surge in passengers increases annual capital needs at airports across the country to more than $15 billion by 2019. Our ten national associations, comprising the Highway Materials Group, urge Congress to make improvements to U.S. runways, taxiways and other construction needs core to any multi-year aviation reauthorization proposal.

- **Increase Airport Improvement Program Investment**
  The Airport Improvement Program (AIP) provides grants to fund construction of critical safety, security and capacity projects at airports of all sizes and is supported entirely by users of the aviation system through the Airport and Airways Trust Fund (AATF). The FAA estimates there will be approximately $8.5 billion in AIP-eligible projects in 2017, that's more than twice the current funding of $3.35 billion. Despite these enormous capital needs there has been downward pressure on AIP funding. With a balance of $13.5 billion, the Airport and Airways Trust Fund has sufficient revenue to support a higher level investment without requiring cuts in other programs or deficit spending. ***We support an AIP baseline of at least $3.5 billion to ensure the long-term viability of small, medium and large airports.***

- **Modernize the Passenger Facility Charge Program**
  Passenger Facility Charge (PFC) is a locally determined levy, collected at the point of sale, used to finance federally approved capital-improvement projects that enhance safety, security, or capacity. Over the next five years, airports will require over $71 billion to improve infrastructure to prevent passenger delays and congestion. Direct federal funding through the AIP covers only a fraction of the total infrastructure projects required to upgrade and maintain our aviation system, increasing PFCs would provide airports the locally controlled self-help they need to finance critical infrastructure projects without relying on scarce federal funds. The current PFC cap of $4.50 has not been adjusted since 2000, however rising construction costs have eroded the purchasing power of the PFCs by about 50 percent. ***We support modernizing the federal cap on the locally set PFC and indexing it for inflation to restore its purchasing power.***

- **Maintain Airfield Pavement Technology Research and Deployment Program**
  Research and deployment of concrete and asphalt airfield pavement technologies is important to maximize the investments made in airfield infrastructure. Implementation of new pavement technologies will aid in the development of safer, more cost effective, and longer lasting airfield pavements. ***We support continuing the research and deployment program of airfield pavement technologies.***

- **Preserve and Restore Tax-Exempt Financing Options for Airports**
  At a time when there is pressure to reduce federal spending, retaining the tax exemption for municipal bonds while eliminating the Alternative Minimum Tax (AMT) burden on Private Activing Bonds (PABs) is yet another way Congress can help airports finance critical infrastructure projects. This continued access to low-cost municipal financing without additional tax burdens gives airports the ability to raise funds through capital markets for long-term construction projects and general obligation municipal bonds for shorter term capital needs. ***We support preserving and restoring tax-exempt financing for airport bonds.***

The Highway Materials Group is committed to an authorization bill that contains robust funding to make essential upgrades to the nation's airport infrastructure.