



July 18, 2019

Support the Investing in America: Rebuilding America's Airport Infrastructure Act, H.R. 3791

On behalf of our activist community, I urge you to contact your representative and ask him or her to cosponsor the Investing in America: Rebuilding America's Airport Infrastructure Act, H.R. 3791. Introduced by Rep. Thomas Massie (R-Ky.) and Rep. Earl Blumenauer (D-Ore.), the Investing in America: Rebuilding America's Airport Infrastructure Act would allow airports to become self-reliant when dealing with their infrastructure needs.

Airports are part of the backbone of America's infrastructure. Carrying both freight and passengers, it is difficult to imagine a modern economy without commercial air travel. Yet, in recent years, we have neglected these crucial commercial hubs. As such, the Investing in America Act seeks to address airport funding needs by uncapping the passenger facility charge (PFC) and reducing the total statutory subsidy through the Airport Improvement Program (AIP). Doing so would allow our airports to grow and innovate in a way that is significantly less reliant on air-carriers or government subsidies.

The debate around passenger fees began with *Evansville Airport v. Delta Airlines* (1972) in which the Supreme Court upheld a \$1 passenger fee charged by the Dress Memorial Airport (now Evansville Regional) for the purpose of maintenance and improvements. Delta had challenged the fee under the Commerce Clause and lost. Subsequently, Congress picked Delta's side, statutorily banning airport-based user fees under the Airport Development Acceleration Act of 1973, legislation that later became known colloquially as the Anti-Head Tax Act.

It wasn't until nearly 20 years later in 1990 that Congress recognized the enormous benefits of PFCs. In Section 109 of the Aviation Safety and Capacity Expansion Act, Congress allowed PFCs for the first time, setting the initial cap at \$3.00 per flight segment. In 2000, as part of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, Congress raised the cap to \$4.50 per flight segment to help adjust for inflation. Since the PFC has never been indexed to inflation, and since purchasing power has dropped by over 30 percent over the last 20 years, it is time for Congress to revisit the PFC as a way to reinvest in our infrastructure.

Since the last reform in 2000, the infrastructure needs of America's airports have grown. A 2019 report estimated that American airports will require over \$130 billion for maintenance and improvements over the next five years. The Investing in America Act is a pro-market way to address the growing need for funding in our nation's airports.

The Investing in America Act is, without a doubt, the best road forward for addressing the funding problems that plague our airports. The legislation would achieve two goals. First, it would uncap the PFC, allowing airports the freedom to set their own user fees based on market forces. Second, the Investing in America Act would reduce the total statutory subsidy through the AIP from \$3.35 billion to \$2.95 billion. Most importantly, large airports who raise PFCs beyond \$4.50 would no longer be eligible for subsidies from AIP, focusing AIP grants onto smaller airports while allowing large airports to utilize user fees to make up the difference.

Critics have argued that uncapping the PFC would fail because airports would raise fees, resulting in fewer passengers and less revenue. However, these critics ignore the empirical evidence to the contrary. Tampa International Airport (TPA) is a prime example of the way PFCs can help improve airports and increase capacity. This attracted more airlines and subsequently reduced airfares.

Uncapping the PFC and reducing statutory subsidies through the AIP is the only practical, market-minded approach to addressing the infrastructure shortfalls of our airports currently being discussed. Without any risk to taxpayers, the Investing in America Act would allow airports to provide for their own maintenance and improvement rather than keeping them waiting on a legislature who seems to have forgotten them.

For these reasons, I urge you to contact your representative and ask them to cosponsor the Investing in America: Rebuilding America's Airport Infrastructure Act, H.R. 3791.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', written in a cursive style.

Adam Brandon
President, FreedomWorks