
TO: AIRPORT COMMISSION

FROM: Matthew Kazmierczak
Division Manager

SUBJECT: Legislative Update

DATE: April 28, 2023

FEDERAL

Federal Aviation Administration (FAA) Reauthorization

[The FAA Reauthorization Act of 2018](#) was signed into law on October 5, 2018. It extended FAA's funding and authorities through federal fiscal year 2023. A key priority for the 118th Congress is to pass a new FAA Reauthorization bill before the end of the federal fiscal year (September 30, 2023). The House and Senate continue to hold hearings and draft legislation. See attached letter from Airports United (ACI-NA and AAAE) to Senate Chair Maria Cantwell and House Ranking Member Ted Cruz for airport priorities.

Fiscal Year 2024 Funding Priorities

Airports are asking Congress to restore funding to important programs targeted for elimination in the president's budget request, including extra Airport Improvement Program (AIP) discretionary money, Transportation Security Administration (TSA) staffing of exit lanes, the law enforcement officer (LEO) reimbursement program, and reimbursement for state/local canine teams (see attached letters to the House and Senate). Furthermore, airports are asking Congress to provide sufficient funding for TSA and U.S. Customs and Border Protection (CBP) to appropriately hire additional staff to meet current and future needs and to fully fund the regular AIP and to provide additional funding for AIP discretionary grants.

Debt Ceiling and Spending Cuts

FAA Acting Administrator Billy Nolan testified before the House Appropriations Subcommittee on Transportation warning that spending cuts being proposed by House Republicans would force the agency to furlough employees and shut down air traffic control towers at smaller airports including those that participate in the FAA Contract Tower (FCT) program.

The House Republican plan calls for clawing back unobligated COVID-relief funds. This has the potential to claw back \$1.8 billion of the \$20 billion in airport designated funding. The legislation would also eliminate the sustainable aviation fuel (SAF) tax credit and clean fuel production credit passed last year in the Inflation Reduction Act (IRA).

FAA Established National Airspace System Safety Review Team

The FAA [announced](#) the establishment of an independent aviation safety review team that will be tasked with developing recommendations to enhance safety within the National Airspace System. The Safety Review Team will begin its initial assessment in May and will complete their work in October 2023. At that time, the review team will present safety recommendations on how the agency can advance aviation safety.

STATE

Monitoring of Current Legislation in Sacramento

[AB 929 \(McKinnor\)](#): Alcoholic beverages at airports – Allows California airport concessionaires – in consultation with their local governments, local Alcohol and Beverage Control agency, and local law enforcement – to continued consumption of alcohol outside the designated concessionaire areas within the terminal building.

[AB 893 \(Papan\)](#): Personal vehicle sharing programs – The bill defines the term “personal vehicle sharing program” as a rental car company, permitting airports to collect specific types of fees and charges.

[SB 800 \(Caballero\)](#): Advance Air Mobility and Aviation Electrification Committee – Establishes an Advanced Air Mobility and Aviation Electrification Committee to assess pathways for feasible implementation of electrification goals for the airline industry.

Federal Briefing Sheet

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FAA Reauthorization

Airport Improve Program (AIP) – FAA Grants

- According to the FAA, airports have over \$12b in annual needs for AIP and Bipartisan Infrastructure Law (BIL) type projects
- In FY23 AIP Grants totaled \$3.35 billion. Ask to increase to \$4 billion and with annual inflation adjustments.
- Continue authorizing supplemental discretionary funding (FY23 totaled \$558.6 million)
- Other AIP changes
 - Program should be expanded to allow for an increase of eligible projects to those allowed under the Passenger Facility Charge (PFC) program, for example terminal projects
 - Support medium hub airports by allowing a full AIP entitlement usage without the PFC turn back
 - Continue using 2019 enplanement figures or current year (whichever is higher) for two additional years beyond Federal Fiscal Year 2023

What does this mean for the San José Mineta International Airport (SJC)?

- Passenger traffic for SJC is not yet back to pre-pandemic levels
- SJC faces capital constraints based on financing, the PFC turn back is especially challenging for medium-hub airports as they do not have the large passenger volumes as the large hubs
- Additional funding could help pay for the following needs at SJC:
 - Ramp Rehabilitation (\$60+ million in need over the next 5 years)
 - Airfield Configuration for runway safety (\$70+ million in need over the next 5 years)

Modernize the Passenger Facility Charge (PFC)

- The PFC is a per-passenger fee that airports can use for infrastructure improvements
- Capped at \$4.50/passenger for over 20 years. Hasn't been adjusted for inflation.

What does this mean for the San José Mineta International Airport (SJC)?

- San José Airport's current PFCs are committed until past 2040 to pay off Terminal B. The Airport has \$1.1 billion in bond obligations.
- San José Airport is looking to start the next phase of Terminal construction (Terminal C) originally planned when Terminal B was built. Current stop gap measures include the building of a temporary Interim Facility that added 6 gates.

- Raising the cap and increase PFC flexibility would help finance the estimated \$1+ billion needed to build Terminal C to bring the Airport up to the 42 gates envisioned in the Master Plan.

Other Budget Concerns

- **TSA funding** is an important part of airport operations
 - Support TSA funding for:
 - Staff and equipment
 - Staffing of exit lanes (TSA staffs the exit lane in Terminal A of SJC)
 - Exit lane technology has the potential to free up personnel to focus on screening lanes, improving the security and the efficiency of TSA (and saves money for TSA)
 - Support for Law Enforcement Officer grants (LEO)
 - SJC receives \$490,000 in grants to help pay for the federal mandate that airports have law enforcement presence
- **Customs and Border Protection (CBP)** – Need funding and prioritization for hiring more Customs and Border Protection (CBP) officers at our nation’s ports of entry.
 - Need to make sure there is adequate funding to recruit, train, and hire new CBP officers
 - Hiring and retaining of Officers in Bay Area continues to be a challenge
 - San José Airport pays \$2 million a year to help extend the coverage provided by CBP
 - Increasing the number of CBP officers at our airports would help support international travel. In the Bay Area, our international travel has been slowly recovering from the pandemic and needs all the support it can get.

Environmental

- Increase flexibility for Voluntary Low Emissions program, which helps airports purchase low emission vehicles, but right now has the potential to penalize Californian airports
- As airports transition to fluorine-free firefighting foam, we need a national approach and transition plan.
 - SJC has 500 gallons of firefighting foam with PFAS with no directions for how to dispose of it.
- Increase funding to help airport electrify their facilities (airside, terminal, and landside)



January 18, 2023

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science, and
Transportation
United States Senate
Washington, DC 20510

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science, and
Transportation
United States Senate
Washington, DC 20510

Dear Chair Cantwell and Ranking Member Cruz:

As you prepare to consider legislation reauthorizing the programs of the Federal Aviation Administration (FAA), we respectfully ask for your favorable consideration of reforms to FAA programs that would benefit airports of all sizes across the country as well as the passengers and local communities they serve. The priorities for the airport industry outlined below, and in more detail in the accompanying attachment, would ensure sustained infrastructure investment, reduce regulatory burdens for America's airports, support and create good-paying jobs, stimulate the economy, advance important environmental goals, and improve the passenger experience for millions of travelers.

We look forward to working with you and your staff on these and other important issues that emerge as the FAA reauthorization debate moves forward. You also have our commitment to working with you to ensure that meaningful FAA reauthorization legislation is approved on time before programs expire on October 1. Given the importance of the aviation industry to the nation's economy and the crucial need for certainty and stability for the aviation system, it is critical that disruptive and damaging temporary program extensions are avoided. The nation's aviation system is simply too important to operate on autopilot.

AIRPORT INFRASTRUCTURE FUNDING

Reform the Airport Improvement Program. As our top priority, airports urge Congress to increase funding and expand project eligibility for the traditional Airport Improvement Program (AIP), which has remained stagnant at \$3.35 billion for almost two decades. Increasing annual AIP funding will help airports meet growing infrastructure needs as validated by the FAA in its most recent National Plan of Integrated Airport Systems (NPIAS) report – needs that are exacerbated by the program's reduced purchasing power and significant construction-cost inflation. We also propose loosening the federal restrictions on AIP eligibility and recalibrating the program to meet with present and future needs of both commercial service and general aviation airports.

We are grateful that the Bipartisan Infrastructure Law (BIL) included \$20 billion to help airports build critical infrastructure projects. This much-needed funding will serve as an important down payment to help bridge the enormous funding gap for airport infrastructure nationwide, but the need for additional, consistent, and annual federal investment remains. According to the FAA, airports have nearly \$12.5 billion in annual needs for AIP-

and BIL-eligible projects – a figure that does not include other necessary infrastructure projects, which increases airport capital needs to more than \$20 billion annually. Moreover, there were more than 650 applications totaling \$14 billion for the first \$1 billion in terminal upgrades provided under BIL and nearly \$10 billion for the second round of airport terminal funding, highlighting the significant demand for scarce infrastructure resources.

The attached list of policy recommendations provides more details about a package of interrelated reforms to improve AIP, including extending eligibility to more capital projects; adjusting funding formulas for both commercial service and general aviation airports; and expediting the release of AIP grants to airports.

Modernize the Passenger Facility Charge Program. Airports continue to urge Congress to adjust the outdated federal cap on local Passenger Facility Charges (PFC), which was last raised more than 20 years ago. PFCs are local user fees that must be approved locally, imposed locally, and used locally for specific projects approved by the FAA in consultation with the airlines. With the dramatic decline in passengers and PFC revenue during the pandemic, many airports have been forced to extend their collection periods for current PFC-funded projects decades into the future in some cases, crowding out funding for other critical projects. Adjusting the federal cap on local PFCs would help reduce that financial pressure and give airports the option of using more local funds for their infrastructure needs.

With more than \$115 billion in infrastructure needs over the next five years, airports need a long-term funding solution that will allow them to invest more local dollars in their capital projects alongside the additional federal funding provided by AIP and BIL. Adjusting the outdated and arbitrary PFC cap would create a sustainable, long-term funding source to help airports pay for critical capital projects now and after the infrastructure funding in the BIL has been exhausted.

In addition to a long overdue adjustment to the federal PFC cap, Congress should undertake reforms to the PFC program, such as eliminating the loophole that prevents airports from collecting user fees from non-revenue passengers; directing the FAA to fully implement a streamlined implementation process for airports of all sizes, as called for in Section 121 of the last FAA bill; and expanding project eligibility to include any lawful capital cost at an airport.

REGULATORY REFORM

Airports need help cutting through unnecessary red tape and regulatory burdens imposed by the FAA that are time consuming, delay critical infrastructure projects, and increase costs. As inherently public institutions with a primary goal of serving communities and travelers, airports have every incentive to use federal and local dollars responsibly and to pursue important policy objectives without the need for heavy-handed federal regulation. Congress can help by directing the FAA to correct their misinterpretation of the airport land use streamlining provisions (Section 163) included in the last FAA bill, which has resulted in overly burdensome processes and inhibited airport development. Further, we urge Congress not to impose additional grant assurances on airports, which lead to costly, unfunded mandates. Any federal restrictions must be necessary, beneficial, and reasonable for airports to implement.

Additionally, efforts should be made to remove costly hurdles to implementation of BIL. We urge Congress to reinstate a nationwide waiver for new Build America, Buy America (BABA) provisions until at least 180 days after the FAA issues airport-specific guidance on implementation and a sound assessment of supply chains and product/material availability in the United States is made. Since airports are involved in complex, multifaceted construction programs with a mix of federal, local, and private resources, there should be an exemption for airports to the applicability of BABA to the entirety of a project. It is federal overreach to apply federal procurement law to a project or portion of a project funded with an airport's own resources. And we continue to call for additional flexibility from the FAA to begin accommodating alternative-delivery and advance-construction methods that can expedite infrastructure projects and reduce costs.

ENVIRONMENTAL ISSUES

Airport operators have long prioritized environmental stewardship. We continue to call on the FAA to transition to fluorine-free firefighting foam as soon as possible, and work collaboratively with appropriate industry representatives in developing a national transition plan for airports to move to these new foams. We urge Congress to continue to help airports address community concerns regarding aircraft noise and emissions, in part, by reforming the Voluntary Low Emissions Program; continuing the Zero Emissions Vehicle Infrastructure Pilot Program; and updating noise standards to reflect all relevant laws and regulations. We also support forward thinking plans to develop electric capability and resiliency projects at airports. Additionally, we urge Congress and the administration to work with airports and other aviation stakeholders to reduce greenhouse gas emissions by promoting the use of electric vehicles, sustainable aviation fuel, and unleaded AvGas.

SMALL COMMUNITY AIR SERVICE / WORKFORCE

We recognize that protecting and enhancing commercial air service is a high priority for Congress and look forward to working with members on both sides of the aisle to address air service challenges. We reaffirm our support for modernizing the Essential Air Service and the Small Community Air Service Development programs, which help small communities retain and attract commercial air service. We also strongly support the FAA Contract Tower Program, a cost-effective program that enhances air traffic safety at small airports around the country. Considering the enormous air service challenges facing small communities today, we urge Congress to fully fund and improve these programs in the next FAA reauthorization bill. We look forward to working with you to identify ways to ensure there are enough pilots, air traffic controllers, and other qualified workers throughout the aviation system.

OTHER PRIORITIES

Finally, we ask that you please include airports in discussions about other important aviation issues, such as the safe integration of advanced air mobility and uncrewed aircraft systems (UAS) into the National Airspace System, the protection of airports from unsafe UAS activities, the workforce challenges facing both government and private industry, and the further development of FAA air traffic control programs and facilities.

Thank you for your consideration of these requests. Having a new FAA reauthorization bill completed on time will ensure continuity for our industry. ACI-NA, AAEE, and our member airports look forward to working with you to implement these and other policies that will greatly benefit the entire airport industry, along with our passengers and local communities.

Sincerely,



Kevin M. Burke
President and CEO
Airports Council International – North America



Todd Hauptli
President and CEO
American Association of Airport Executives



April 10, 2023

The Honorable David Joyce
Chair
Subcommittee on Homeland Security
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Henry Cuellar
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chair Joyce and Ranking Member Cuellar:

On behalf of Airports Council International—North America (ACI-NA) – which represents local, regional, and state governing bodies that own and operate commercial airports throughout the United States and Canada – I write to share the airport industry’s funding priorities for the Fiscal Year 2024 Homeland Security Appropriations Act. ACI-NA and its members remain committed to ensuring that our nation’s aviation system remains safe, secure, and efficient for all users, while also facilitating legitimate travel and trade.

Support the Transportation Security Administration’s (TSA) Responsibility to Provide Efficient Security Screening, Assist Airport Law Enforcement, and Deploy New Technology

- ***Ensure TSA continues to comply with the legal mandate to provide staff to monitor exit lanes at airports, rejecting the administration’s attempts to eliminate the program and shift the full burden to airports.*** We appreciate the subcommittee’s continued effort to ensure that TSA abides by the provision in the Bipartisan Budget Act of 2013, which specifically directs the agency to monitor those exit lanes where it performed the function on December 1, 2013. Airports remain concerned about potential security issues and the significant costs associated with TSA introducing an unfunded mandate for airport operators to provide staff to monitor these exit lanes. In addition, we support TSA installing appropriate exit-lane monitoring technology where feasible and appropriate.
- ***Ensure TSA has the funds necessary to fulfill its obligation to reimburse airports under the Law Enforcement Officer (LEO) Reimbursement Program, rejecting the administration’s attempts to eliminate the program and shift the full burden to airports.*** We appreciate the subcommittee’s continued effort to preserve the LEO Reimbursement Program. TSA created this program to partially reimburse airports for providing law enforcement officer staffing at screening checkpoints because the

agency did not have the funding to do so, as required in federal law. Many airports have entered into reimbursable agreements with TSA to provide law enforcement officers to support TSA screening operations. As security threats in the public areas of airports continue to evolve – and TSA imposes additional requirements on airport LEOs – it is essential for Congress to provide TSA adequate funding to fully support the LEO Reimbursement Program. And to provide greater transparency into TSA’s administration of the LEO Reimbursement Program, we suggest the inclusion of the following report language:

The Committee directs TSA to provide a detailed expenditure plan for the Law Enforcement Officer Reimbursement Program for Fiscal Year 2023 and the past ten fiscal years, and within 120 days of the date of enactment of this Act, a detailed description of how it uses funding to increase the presence of law enforcement officers in public areas of airports as stipulated in Section 1935 of the TSA Modernization Act.

- ***Ensure TSA has the funds necessary to continue supporting local law enforcement-led airport canine teams, rejecting the administration’s attempts to eliminate the program and shift the full burden to airports.*** Airports urge Congress to continue to fund state and local LEO-handled canine teams. TSA relies on these canine teams to detect explosives or explosive material at airports and other transportation facilities as part of its multi-layered security approach. Unfortunately, the administration’s budget request proposes to end reimbursements for 675 teams nationwide. Eliminating funding for these state and local law enforcement-led canine teams could reduce a highly effective and visible layer of security at our nation’s airports.
- ***Provide funding for the number of Transportation Security Officers (TSOs) to effectively and efficiently screen a growing volume of passengers and baggage.*** With Americans returning to the skies, TSA needs adequate resources to ensure screening checkpoint and baggage operations keep pace with increasing passenger volumes and security demands. TSA’s resource allocation plan demonstrates that thousands of additional TSOs are necessary to provide adequate staffing at security checkpoints and baggage screening locations. These TSOs would help mitigate vulnerabilities associated with large groups of passengers waiting in lengthy queues at TSA passenger screening checkpoints, as well as the potential for misconnecting checked baggage and passengers to miss their intended flights.
- ***Ensure TSA has adequate funding to procure and deploy technology at security checkpoints that reduces touchpoints and increases security effectiveness.*** Accelerating the deployment of new technology at security checkpoints – such as enhanced Advanced Imaging Technology (AIT), Credential Authentication Technology (CAT) with a camera, and Computed Tomography (CT) integrated with Automated Screening Lanes (ASLs) – would help TSA increase security efficiency and effectiveness. TSA also should accelerate the ongoing testing, enhancement, and procurement of new technology that will increase security, produce significant budget savings, and enhance traveler convenience.
- ***Ensure TSA has the funding necessary to purchase new explosive detection systems (EDS) to replace outdated systems and fulfill its obligation to reimburse eligible airports for having installed EDS.*** As many EDS have or are rapidly reaching the end of their useful lives, TSA needs funding to purchase replacement systems. Absent necessary funding, TSA will incur increasing costs to operate and maintain old systems that routinely break down and adversely affect security and airport operations. We appreciate the subcommittee providing funding for TSA to reimburse airports for previously incurred costs associated with the construction and deployment of in-line checked baggage screening

systems. Since these airports diverted significant amounts of money from other important aviation security projects in order to purchase and install EDS, we encourage Congress to provide additional funding so TSA can fulfill its commitment to reimburse these airports. We recommend including a prohibition that prevents TSA from redirecting any unused EDS funds to other TSA programs until all eligible airports receive full reimbursement.

- ***End the diversion of TSA user fees to subsidize other federal programs, as called for in the administration's budget request.*** Congress established the 9/11 Passenger Security Fee to fund civil aviation security services, including the salary, benefits and overtime of Transportation Security Officers, as well as the acquisition, operation, and maintenance of screening equipment. However, over a 14-year period \$18.11 billion of user fee collections will be siphoned off to subsidize other federal spending programs. With wait times increasing at TSA security checkpoints, the entire 9/11 Passenger Security Fee should be used to adequately fund TSA technology procurement and the TSO staffing levels necessary to effectively and efficiently screen passengers and their baggage.
- ***Bar TSA from imposing a new aviation worker screening requirement on airport operators until the agency has conducted a thorough cost-benefit analysis and risk assessment.*** The TSA is finalizing a new mandate, via a national amendment to the Airport Security Program, to require airports to physically screen aviation workers seeking to access secure areas of their facilities. While TSA has the mission and experience screening people and possessions entering secure areas, the agency now plans to impose an unfunded mandate to force airport operators to set up costly parallel screening operations that would require airports to purchase technology, remodel infrastructure, and hire a screening workforce. Before Congress allows TSA to move forward with this regulatory action, the agency should provide Congress and airports with updated information that includes a detailed analysis of the cost-benefits of the proposal based on data and estimates provided by airports, as well as a detailed risk assessment as to whether this significant, unfunded federal mandate is necessary, as stipulated in the Department of Homeland Security Appropriations Act of 2021.

Support Customs and Border Protection (CBP) Staffing, Technology Deployment, and Trusted Traveler Programs as Passenger Traffic Returns to International Airports

- ***Provide funding to increase CBP staffing levels by at least 600 new officers to meet current and future needs.*** We urge the subcommittee to provide funding for new CBP officers so the agency is better prepared to handle the influx of new international passengers and support air service opportunities returning to our airports. CBP's workload staffing model shows a shortage of nearly 2,000 CBP officers across the system. Providing at least 600 new CBP officers would help reduce lengthy wait times and facilitate new economic opportunities in communities throughout the United States. On top of that, CBP is continuing a large redeployment of officers from airports and seaports to the southern border, which has exacerbated the staffing and workload shortfalls these facilities. Increasing the overall number of CBP officers would allow the agency greater flexibility to maintain its operational capacity at all ports-of-entry.
- ***Provide dedicated funding for CBP to expand and promote Global Entry and NEXUS and related technology to improve passenger facilitation and security.*** ACI-NA supports the Global Entry and NEXUS international Trusted Traveler Programs (TTP) to expedite the processing of passengers departing from Canadian preclearance airports or arriving at airports in the United States. These programs are crucial for speeding facilitation, enhancing security, and helping to mitigate the shortage of CBP officers. Expanding the availability of TTP to more travelers, as well as updating technology,

would allow CBP officers to focus on non-vetted passengers, thus enhancing security and processing efficiency. Updating technology also would improve operational efficiency and demonstrate the value of TTP to passengers. We continue to work with CBP to identify passenger processing technology efficiencies and promote the expansion of its international TTP.

- ***Provide sufficient resources to advance biometric-exit goals at airports.*** CBP has progressed on meeting the biometric-exit mandate at U.S. airports, but numerous infrastructure, process, staffing, and funding challenges remain before the agency can meet its flight saturation goals. Today's airports simply were not designed to accommodate the space, technology, and connectivity needs of a fully biometric exit program, and CBP's workforce staffing model does not account for the number of officers needed to implement a fully biometric exit program at airports. While CBP relies on continued collaboration with air carriers and airports to meet its biometric-exit goals, airports support dedicated CBP funding for biometric implementation that accounts for the upfront infrastructure and staffing investments, as well as for the ongoing maintenance and staffing support CBP needs to make in order to administer the program with minimal disruptions to the traveling public.
- ***Encourage CBP to develop a pathway for new port-of-entry designations at airports.*** Different programs exist for providing CBP officers at airports, but the agency lacks a clear pathway for airports to grow and graduate to new levels, eventually reaching port-of-entry status. For instance, the original intent of the Airport User Fee Program was to facilitate Federal Inspection Services at small airports, yet CBP has denied many small and medium-sized airports with growing enplanements and flights the opportunity to advance to port-of-entry status. While the denial of these applications likely stems from a lack of available CBP resources, these airports and their communities deserve the same economic opportunities presented by an increased number of flights as other airports, especially since the passengers are paying Customs User Fees to support CBP operations. ACI-NA supports the establishment of a system whereby airports can advance from the user-fee program to port-of-entry status through a series of clearly identified steps and encourages the incorporation of the following report language:

Within 180 days of the date of enactment of this Act, the Committee directs CBP to establish and disseminate procedures by which airports can advance from the user-fee program to full port-of-entry status through a series of clearly identifiable steps.

Thank you for your consideration of these requests. ACI-NA looks forward to working with you in the development of your priorities for this year's bill. If we can be of any assistance, please contact Greg Cota at (202) 861-8087 or gcota@airportscouncil.org.

Sincerely,



Kevin M. Burke
President and CEO



April 6, 2023

The Honorable Brian Schatz
Chair
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Cindy Hyde-Smith
Ranking Member
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chair Schatz and Ranking Member Hyde-Smith:

On behalf of Airports Council International – North America (ACI-NA) – which represents local, regional and state governing bodies that own and operate commercial airports throughout the United States – I write to urge your consideration of the following funding priorities for the airport industry within the Fiscal Year 2024 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act.

Fully fund the regular Airport Improvement Program (AIP) and provide additional AIP discretionary grants to airports of all sizes. AIP is a crucial source of funding for capital-improvement projects that enhance safety, security, and capacity at airports of all sizes. According to the FAA’s most recent National Plan of Integrated Airport Systems, airports have \$62.4 billion in AIP-eligible projects over the next five years – nearly \$12.5 billion annually. In recent years, though, airports have received less than half that amount in annual AIP grants. Furthermore, ACI-NA’s latest [Airport Infrastructure Needs Study](#) estimates commercial service and general aviation airports have more than \$151 billion in capital needs over the next five years for AIP-eligible, PFC-eligible, and other necessary projects. Combined with a long-overdue adjustment in the federal cap on local PFCs, securing additional AIP funding would help all airports close the significant annual gap in infrastructure funding.

Modernize the outdated federal cap on the Passenger Facility Charge (PFC). Airports of all sizes face over \$151 billion in infrastructure-improvement needs over the next five years to modernize aging runways and terminals, relieve congestion and delays, and spur new airline competition. These annual needs of over \$30 billion far exceed the amount of federal grants and local user fees airports receive each year, even with the greatly appreciated influx in federal funding through the bipartisan infrastructure law. PFCs are local user fees approved locally, imposed locally, and used locally for specific projects approved by the FAA in consultation with the airlines. Last raised more than 20 years ago, the PFC cap 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 over 50 percent. Modernizing the outdated federal cap on the PFC would give airports the self-help they need in the future to invest in the terminals, gates, and ramps necessary to attract new air carriers and entice existing ones to expand – thereby promoting competition and lowering airfares for their communities.

Fully fund the Airport Cooperative Research Program (ACRP). The ACRP carries out important applied research on problems shared by airport operators and not addressed in other federal research programs. It has proven an invaluable resource for helping airports better understand and address many of the top issues facing the aviation industry.

Fully fund the Small Community Air Service Development (SCASD) program. Designed to assist smaller communities expand their air service options, the SCASD program has helped many small communities secure and promote air service enhancements responsive to their needs.

Fully fund the Essential Air Service (EAS) program. The EAS program provides a critical link to the national and international air transportation system for many small and rural communities.

Thank you for your consideration of these requests. ACI-NA looks forward to working with you in the development of this year's bill. If we can be of any assistance, please contact Greg Cota at (202) 861-8087 or gcota@airportscouncil.org.

Sincerely,

A handwritten signature in blue ink that reads "Kevin M. Burke". The signature is fluid and cursive, with the first name "Kevin" and last name "Burke" clearly legible.

Kevin M. Burke
President and CEO