



## Memorandum

To: Colorado Congressional Delegations and Staff  
From: Colorado Airport Operators Association, Board of Directors  
Date: January 23, 2018

### Subject: Legislative Requests and Priorities

The 74 public use airports in the State of Colorado, represented by the Colorado Airport Operators Association (CAOA), would like to call to your attention the following legislative requests.

#### 1. Request for Modernizing the Passenger Facility Charge (PFC)

CAOA would like to request your support to modernize the federal cap on the locally set Passenger Facility Charge (PFC) user fee by setting it at \$8.50 and adjusting it periodically to offset the impacts of inflation. At a time when there is pressure to reduce federal spending, modernizing the PFC cap would provide airports around the country with the locally controlled self-help they need to finance critical infrastructure projects without relying on scarce federal funds.

- In 1990, Congress created the locally determined PFC to help airports of all sizes meet their capital needs to finance terminal, runway, and multimodal projects both directly and through the issuance of bonds.
- Since this is a locally determined fee collected at the point of sale, PFC user fees do not affect federal expenditures.
- The \$4.50 PFC cap has not been adjusted since enacted by Congress in the year 2000, and since then rising construction costs and inflation have eroded the purchasing power of these resources significantly.
- Modernizing the PFC by removing the cap and indexing it for inflation would restore its original purchasing power, providing local communities the ability to set their individual PFC user fees based on locally determined needs for ensuring the safety and security of their airports.
- The combination of a modernized PFC and a strong AIP will allow airports to safely and efficiently improve facilities and serve passengers and will allow our airports to effectively plan.

#### 2. Request for increased Airport Improvement Program Funding

Similar to the Passenger Facility Charges, the Airport Improvement Program (AIP) has remained at a relatively static funding level since 2001 of \$3.35 billion. The distribution of these funds is critical to keep the nation's 3,300 public use airports functional. Over 70% of AIP funding is used for safety related projects and to maintain existing airport runways, taxiways, and aircraft parking aprons. CAO is requesting that the annual appropriated AIP program funding increase to \$4.5 billion, which is the same level as the 2001 amount adjusted for inflation.

#### 3. Remote Air Traffic Control Towers, Request for AIP Eligibility and controller support

CAOA would like your support to make Remote Air Traffic Control Tower (ATCT) facilities and equipment ***eligible for AIP funding, and provide inclusion of Remote ATCT into the federal contract tower program*** in the next FAA Reauthorization Bill.



#### **4. Request for Multi-Year AIP Reauthorization Bill**

Request support for a multi-year FAA Reauthorization Bill at or above historic funding levels. Additional short-term extensions would also be devastating to our airports' ability to plan, design and construct necessary capital improvement projects. Short-term authorization bills are inefficient due to FAA staff having to execute and maintain multiple funding grant requests for single projects, which can result in inefficiencies and increased costs.

#### **5. Pilot Shortage/Small Community Air Service**

The pilot shortage is concerning due to its potential to further reduce air service to smaller communities served by regional airlines. Air transport pilots require a significant amount of training to achieve the 1,500 hour requirements that Congress has now required. This training cost can be in the hundreds of thousands of dollars, which is a significant barrier to those wanting to proceed in this career path. The loss of service has devastating impacts in terms of employment and economic output. We urge action be taken to find a reasonable training criteria for airline transport rated pilots.

#### **6. Privatization of Air Traffic Control**

The privatization of air traffic control has been an issue that continues to be brought forward through draft legislation as a result of corporate lobbying. The FAA has been the agency that provides oversight and operation of the National Airspace System (NAS). This system requires personnel and technology to safely route aircraft and passengers through a very complex network of three dimensional paths in the sky. Aviation safety is at an all time high, and so is the profitability of airlines.

Representative Bill Schuster proposed a bill that did not make it out of the House (in 2016 and again in 2017) that would remove the oversight of the NAS and give it to a proposed non-profit board. This board was proposed to be comprised of mostly airline appointees, which is similar to what President Trump has supported in recent news. In the President's proposal the funding of the Airport Trust Fund would be reformed, eliminating what airlines are currently taxed through tickets, and replacing them with user fees. In 2016 a total 69% of the \$14.2 billion in the FAA's annual budget does come from airline ticket taxes paid by passengers (\$9.8 billion), however airlines account for this proportional use of the air traffic control system. Aviation fuel taxes and general fund contributions provide the rest of the funding.

Airports are opposed to the new proposal, as it is expected that user fees will negatively affect the cost and possibly the safety of general aviation. The FAA has many challenges, and many efficiencies have been lost due to historical short term funding approvals from Congress. There is high expectations to update and bring better technologies to FAA systems, however in order to maintain safety and security there are many redundancies, fail-safes, and tamper proof systems required.