

Opposition to Raising the Passenger Facility Charge

February 6, 2019

Dear Member of Congress,

On behalf of Americans for Tax Reform, I write in strong opposition to an increase in the fee known as the Passenger Facility Charge (PFC). Increasing this fee represents an unnecessary and unfair burden to airline passengers. We urge you to reject any proposals to increase the PFC.

As you know, there has been an ongoing lobbying effort led by several airport executives to nearly double the current cap on the PFC. Airports have argued that an increase in the PFC is needed in order to continue making infrastructure investments to better serve passengers. However, it is entirely possible for airports to continue making important infrastructure improvements without increasing the cost of flying for millions of Americans.

According to a Congressional Budget Office report from this January, the Airport and Airway Trust Fund (AATF) is expected to have an uncommitted balance of \$9.9 billion by the end of 2020, a \$3.8 billion increase from 2018. In 2019, the AATF is projected to have the largest uncommitted balance in any year since Congress capped the PFC at its current level. This past year, Congress provided an additional \$1 billion in AIP grants for airport improvement during FAA Reauthorization.

In 2017, airport revenues nearly reached \$30 billion, marking an 87% rise since 2000 and outpaced the growth of flights, passengers and inflation. Revenue generated from the PFC has more than doubled since 2000 and is projected to reach \$3.6 billion in 2019.

Even if airports were facing a shortfall in investment funding (which they are not), nearly every U.S. airport rated by the S&P enjoys investment-grade credit ratings, meaning that they can easily secure additional revenue through the bond market.

With so much cash on hand and record levels of airport revenue, there is simply no case to be made that our publicly controlled airports are desperate for infrastructure funds. Taxes already make up over 20% of the cost of an average domestic flight, our lawmakers shouldn't be adding to this burden by hiking the PFC.

Investing in our nation's air travel infrastructure is certainly an important cause. However, it is unfair and illogical to ask air travelers to pay more when there is already plentiful funding for important infrastructure projects. We urge you to listen to your constituents and reject any proposals to increase the PFC

Thank you for your consideration. If you have any questions, please do not hesitate to contact me or ATR's Federal Affairs Manager Mike Palicz at mpalicz@atr.org or at 202-785-0266.

Onward,



Grover G. Norquist
President, Americans for Tax Reform