



Continue to Invest in the Airport Improvement Program (AIP)

Request: Airports are urging Congress to fund the Airport Improvement Program (AIP) at a minimum of \$3.35 billion in FY 2013 and beyond, the amount authorized for the program as part of recently enacted FAA reauthorization legislation (P.L. 112-95).

Background: The AIP program provides federal grants to airports across the country for projects to enhance airport safety, capacity, security, and to address environmental concerns. The program – which has a proven, decades long record of success in financing airport infrastructure and ensuring the safe and efficient operation of the nation’s airport system – is supported entirely by users of the aviation system through various taxes which are deposited into the Airport and Airway Trust Fund. No general fund revenues are appropriated to support AIP.

Airports utilize AIP funds to bring airports up to FAA standards; replace or rehabilitate airport facilities including pavement and lighting systems; increase airfield capacity; enhance competition among airlines; and to modify, replace, and construct terminal buildings to accommodate additional passengers, larger aircraft and new security requirements. AIP grants are of critical importance to airports of all sizes, but play a crucial role in financing infrastructure upgrades at smaller airports, given the limited revenue raised at those facilities and their general inability to access capital markets to finance necessary improvements.

Airport Infrastructure Needs are Growing

- As detailed in the latest National Plan of Integrated Airport Systems (NPIAS) report to Congress released in September 2012, airport infrastructure needs are significant. In the report, FAA estimated that airports would require \$42.5 billion in funding to meet AIP-eligible infrastructure development demands over the 2013 to 2017 period.
- The agency notes that traffic growth continues to drive the need for airport expansion, rehabilitation and reconstruction. As daunting as the \$42.5 billion estimate is, it understates the overall needs that exist at airports given the tens of billions of dollars in non AIP-eligible projects that airports must also address to meet future demands on their facilities.

AIP Funding Cuts Limit Airports’ Ability to Effectively Meet Future Demand

- While airport executives understand the imperative that exists to cut federal spending, reducing the current level of federal investment in AIP would greatly limit the ability of airports to meet future demand.
- Just as it is irresponsible to leave debt for future generations because our generation wants to consume more than we produce, it is equally irresponsible to leave future generations with crumbled infrastructure that would take decades to rebuild.

AIP Merits Strong Support and Funding from Congress

- Despite growing needs throughout the nation's airport system, AIP funding was frozen at \$3.515 billion in fiscal years 2005 through 2011 and reduced to \$3.35 billion in FY 2012. Further reductions invite a return to systematic delays and cancellations as traffic continues to return to the aviation system.
- AIP is a critical element in ensuring that airports have the infrastructure necessary to meet future needs for adequate capacity and to ensure that the nation's airports remain the safest and most secure in the world.
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