



AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

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January 7, 2011

The Honorable Paul Ryan
Chairman, House Budget Committee
1233 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Ryan:

As you work in the months ahead to chart the course for meeting national priorities in an era of dwindling federal resources, we urge you to keep in mind the proven effectiveness of the user-funded Airport Improvement Program (AIP) in addressing critical safety, capacity, security, and environmental needs at airports and the added importance that local Passenger Facility Charge (PFC) revenue plays in helping airports prepare for future demand. These programs are essential to maintaining the vitality of the nation's air transportation system and the U.S. economy, and they merit the strong support of Congress.

As detailed in the latest National Plan of Integrated Airport Systems (NPIAS) report to Congress, airport infrastructure needs are significant. Over the next five years (2011 to 2015), the FAA estimates that airports will require some \$52.2 billion to meet AIP-eligible infrastructure development demands. The agency notes that traffic growth continues to drive the need for airport expansion, rehabilitation and reconstruction. As daunting as the \$52.2 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.

While airport executives understand the imperative that exists to cut federal spending overall, reducing the current level of federal investment in the Airport Improvement Program 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 for them to rebuild.

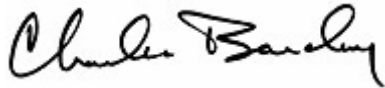
It is worth noting that AIP, which has existed and operated at great success for decades, is supported entirely by users of the aviation system through various taxes, which are deposited into the Airport and Airway Trust Fund. No general fund revenues are appropriated to support AIP. Additionally, AIP funding has already been frozen at its current annual level of roughly \$3.5 billion since fiscal year 2005 despite growing needs. Any reductions to the already depressed current funding level invites a return to systematic delays and cancellations as traffic continues to return to the aviation system.

Recognizing that budget realities make it impossible for the federal government to fully fund the significant, documented needs that exist at airports, we also urge you to allow airports to increase their local revenues through PFCs. In the face of growing federal budget

constraints, PFCs offer critical, local self-help to build the infrastructure that is necessary to serve the traveling public now and into the future. The current, federal cap on PFCs at \$4.50 is woefully inadequate by any measure, particularly when you factor in the significant loss of purchasing power that has occurred since the cap was last adjusted more than a decade ago. Changes to the existing PFC program are long overdue.

We understand and appreciate the difficult choices that you and your colleagues must make in the months ahead to make the federal government more efficient and effective and firmly believe that your support for AIP funding and for fuller utilization of local PFCs is fully compatible with those goals. We look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Charles M. Barclay". The signature is written in a cursive, flowing style.

Charles M. Barclay
President