

ART DANIEL, President
EDDIE STEWART, Senior Vice President
DIRK ELSPERMAN, Vice President
MICHAEL MORRAND, Treasurer
STEPHEN E. SANDHERR, Chief Executive Officer
DAVID LUKENS, Chief Operating Officer



March 23, 2017

The Honorable Roy Blunt
Chair
Senate Energy & Commerce Committee
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Senate Energy & Commerce Committee
United States Senate
Washington, DC 20510

Re: Hearing on “FAA Reauthorization: Perspectives on Improving Airport Infrastructure and Aviation Manufacturing,” held on March 23, 2017

Dear Chairman Blunt and Ranking Member Cantwell:

The Associated General Contractors of America (AGC) supports increased funding for important safety improvements, increased ability for airports to raise user fees to enhance the passenger experience and increased efficiency in contracting that delivers value and safety for passengers’ and the public. America’s airports are powerful economic engines in our communities, generating more than \$1.1 trillion in annual activity and supporting more than 9.6 million jobs. Giving local airports the tools they need to ensure the continued safety, security, and improvement of their facilities is the best way to promote economic growth and prepare our aviation system to meet the needs of today and the challenges of tomorrow. With that in mind, we hope you will consider the following suggestions related to the next Federal Aviation Administration (FAA) reauthorization bill.

Airports of all sizes have significant funding needs that cannot be met with the current funding and financing options. Airports across the country require an estimated \$20 billion in infrastructure improvements annually to update their aging facilities, relieve chronic congestion and delays, promote safety and security, enhance the passenger experience, and spur airline competition to provide consumers with more route choices and affordable airfares. Those needs are more than double the funding and financing currently available through local user fees and federal grants. Congress has the opportunity to help address these capital needs by increasing funding and modernizing financing for airport infrastructure.

AGC supports increased funding for the Airport Improvement Program (AIP) to at least the \$3.5 billion it was funded at from fiscal years 2006 through 2011. The buying power of that \$3.5 billion should be retained so, at a minimum, the program should be funded at \$3.5 billion and indexed for inflation thereafter.

AGC encourages the committee to lift the current cap on the Passenger Facility Charge (PFC). The current PFC cap has seen a diminished purchasing power since it was last adjusted to \$4.50 in 2000. With the FAA projecting an over 40 percent increase in passenger levels over the next 20 years, it is time to modernize the PFC and allow airports the opportunity to enhance the passengers’ experience.

Contracting under federal programs is complicated. It takes specialized know-how to deliver a quality, timely project and comply with all the requirements and paperwork. With that in mind, we strongly recommend that the committee retain the Senate floor amendment to last year's bill that increased the Disadvantaged Business Enterprise (DBE) size standard for the AIP program, while also ensuring that there is one size standard for all businesses participating in the AIP DBE program. AGC supported this amendment and encourages the Senate and House to expand this provision to all the DBE programs in the Federal Highway Administration and the Federal Transit Administration.

Lastly, AGC believes the FAA should encourage competition on small airport construction jobs by using the state pavement specifications where safety and quality standards are maintained.

We all have a vested interest in ensuring that airports remain not only gateways to our country and the rest of the world, but also thriving economic engines and job centers for our local communities. AGC looks forward to working with you to achieve a forward-looking FAA bill that benefits passengers and strengthens the overall aviation system.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Shoaf", written in a cursive style.

Jeffrey D. Shoaf
Senior Executive Director, Government Affairs