



March 3, 2016

Dear Members of the Senate Commerce, Science and Transportation Committee:

On behalf of Americans for Tax Reform (ATR), and millions of taxpayers nationwide, I write to reiterate ATR's long held opposition to efforts to increase the fee known as the Passenger Facility Charge (PFC). Increasing the PFC represents an unnecessary and unfair burden to airline passengers. We urge you to reject any proposals to increase the PFC.

As you may know, many airports, along with the Federal Aviation Administration (FAA), have advocated for increasing the PFC, arguing such an increase is needed in order to continue infrastructure investments. However, it is entirely possible for airports to continue making such improvements without increasing the cost of flying.

According to 2013 financial reports filed with the FAA, US airports had almost \$11.4 billion in unrestricted cash and investments on hand, which equates to 357 days of liquidity. PFC revenue projections for 2015 were well over \$2.8 billion, on top of almost \$3 billion from 2014. Additionally, the Airport and Airway Trust Fund (AATF) is at its highest level in over 15 years, with an uncommitted balance of \$6 billion.

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.

FAA reports show that U.S. airports brought in over \$24 billion in 2013 alone, a 52 percent per passenger increase from 2000. This included record highs of \$10 billion from airline rents and fees and \$8.2 billion from non-airline revenues such as retail and food and beverage.

Not only would an increase in the PFC be wholly unnecessary, it is also unpopular. A recent study found that 82 percent of voters opposed efforts to double the PFC in recent years. Just 14 percent of voters favored increasing the PFC.

Air passengers are already overburdened by government taxes and fees – taxes make up 21% of the cost of an average domestic flight, and passengers paid \$20.5 billion in taxes in 2014 alone.

While investing in our nation's air travel infrastructure is important, it is unfair and illogical to ask air travelers to pay more when funding for infrastructure projects is already at record highs. We urge you to listen to your constituents and oppose any proposals to increase the PFC.

Sincerely,

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