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June 28, 2017

The Honorable John Thune  
Chair  
Senate Commerce Committee  
United States Senate  
Washington, DC 20510

The Honorable Bill Nelson  
Ranking Member  
Senate Commerce Committee  
United States Senate  
Washington, DC 20510

**Re: Markup of S. 1405, the Federal Aviation Administration Act of 2017**

Dear Chairman Thune and Ranking Member Nelson:

I am writing to commend you for introducing the Federal Aviation Administration (FAA) Reauthorization Act of 2017. The bill is an important step in reauthorizing and modernizing the FAA and its infrastructure programs.

We are particularly pleased with the inclusion of language in Section 1223 that increases the Disadvantaged Business Enterprise (DBE) size standard for the Airport Improvement Program (AIP) program, while also ensuring that there is one size standard for all businesses participating in the AIP DBE program. AGC encourages the committee to expand this provision to all the DBE programs in the Federal Highway Administration and the Federal Transit Administration.

Airports of all sizes have significant funding needs that cannot be met with the current financing options. Our nation's airports 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. Unfortunately, today's capital needs far outpace the \$6 billion in combined local user fees and federal grants that airports received last year. Congress has the opportunity to help address these capital needs by increasing funding and modernizing financing for airport infrastructure.

AGC supports the increase in funding provided for the AIP in the FAA Reauthorization Act. However, the current annual funding for the AIP program of \$3.35 billion is less than the \$3.5 billion it was funded at from fiscal years 2006 through 2011. While your bill does provide increases above current levels for AIP, AGC encourages the committee to return funding for the program to \$3.5 billion at a minimum in fiscal year 2018 and increase the program through fiscal year 2021 at the same percentage as originally proposed in the FAA Reauthorization Act.

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 more than a 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.

Lastly, AGC opposes any attempts to expand Buy America, either in scope or application, and further opposes provisions that would seek to make the waiver process harder or impugn the validity of such processes.

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". The signature is fluid and cursive, with a prominent initial "J" and "S".

Jeffrey D. Shoaf  
Senior Executive Director, Government Affairs