HMG

HIGHWAY MATERIALS GROUP

ACAA · ACPA · ATSSA · AED · AEM · CRSI · NAPA · NRMCA · NSSGA · PCA · PCI

July 26, 2017

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Susan Collins
Chairman
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Transportation-HUD
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Cochran, Chairman Collins, Ranking Member Leahy, and Ranking Member Reed:

On behalf of the Highway Materials Group, we would like to express our strong support for provisions in the Fiscal Year 2018 Transportation, Housing and Urban Development (THUD) Appropriations Bill that would allow airports to adjust the Passenger Facility Charge (PFC) on originating passengers, as well as boost the Airport Improvement Program (AIP) by $250 million for a total of $3.6 billion in funding. These long overdue increases to aviation infrastructure funding will support critical infrastructure projects for our nation's airports which provide valuable economic opportunities for the Highway Materials Group.

Many of our industries rely on airports heavily for work by providing highway materials to airports and the aviation industry. According to the most recent infrastructure needs survey conducted by Airports Council International – North America, airports of all sizes are facing $100 billion in infrastructure improvements over the next five years. This means substantial growth opportunities for members of HMG as well as a substantial unmet need for a growing number of airport passengers.

Congress last adjusted the PFC cap to $4.50 in 2000, but with inflation and a rise in construction costs its purchasing power has eroded by over 50 percent in the past 17 years. As a result, many airports – even those with sterling credit ratings – have reached their debt capacity and either cannot finance new projects or have had to plan and construct projects over a longer timeframe, increasing the costs and delaying the benefits for passengers.

Simply by adjusting the federal cap on PFCs airports across the country can become more financially self-sufficient. PFCs are not taxes – they are local user fees that are determined locally and used locally to improve the passenger experience and spur airline competition. Not one dollar of PFC revenue flows to the federal treasury. Instead, PFCs go directly to fund local airport projects approved by the FAA with input from airlines and local communities.

Action to address America's aging aviation infrastructure is long overdue. Airports need to be able to make new investments to meet their capacity demands of today and into the future. Modernizing our nation's airport infrastructure will provide passengers and shippers with the safe, secure, and efficient facilities they expect and deserve.

Thank you for your leadership and commitment to modernizing our nation's aviation infrastructure by including the strong PFC and AIP provisions in this year's THUD Appropriations Bill.

Sincerely,

American Coal Ash Association
American Traffic Safety Services Association
Association of Equipment Manufacturers
National Asphalt Pavement Association
National Stone, Sand & Gravel Association
Precast/Prestressed Concrete Institute
American Concrete Pavement Association
Associated Equipment Distributors
Concrete Reinforcing Steel Institute
National Ready Mixed Concrete Association
Portland Cement Association