



March 15, 2018

The Honorable Paul Ryan
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Majority Leader
United States House of Representatives
H-107, The Capitol
Washington, D.C. 20515

The Honorable Rodney Frelinghuysen
Chairman, Committee on Appropriations
United States House of Representatives
H-305, The Capitol
Washington, D.C. 20515

The Honorable Nita Lowey
Ranking Member, Committee on Appropriations
United States House of Representatives
1016 Longworth House Office Building
Washington, D.C. 20515

Dear Speaker Ryan, Leader McCarthy, Chairman Frelinghuysen, and Ranking Member Lowey:

On behalf of National Taxpayers Union (NTU) and our members across the country, I write to reiterate our strong opposition to raising the cap on the Passenger Facility Charge (PFC). Including a PFC hike in the omnibus appropriations package would amount to an unfair burden on American families and should be entirely avoided.

NTU is particularly concerned that Congress will include language that passed the Senate Appropriations Committee last year which allowed for the PFC cap to be raised from \$4.50 to \$8.50 per flight. Americans already pay 17 different taxes and fees when purchasing an airline ticket. These taxes and fees account for roughly 21 percent or \$63 of a typical \$300 round-trip ticket. A \$4 increase, as proposed, could result in a middle class family of four paying up to \$104 just for the PFC -- a significant expense for many Americans. No wonder supporting this scheme would also be extremely unpopular with your constituents.

Some may claim that the PFC is not a tax, but as the charge is currently structured, this is a distinction without a difference. Ultimately, the PFC is a federally overseen charge that falls upon travelers, just like ticket taxes do. If supporters of this charge truly do believe it is a “user

fee,” then the technology exists now to remove the federal government from the process entirely and allow each facility to collect whatever it wishes at the point of entry. In any case, federal policy should be encouraging more private, rather than public, investment and decision making in the airport operations.

Some also contend that airports desperately need this option for financing, but the issue is more complex than supporters will admit. For calendar year 2017, tax and fee collections reached a record high of \$24 billion. Though the PFC has not changed since 2000, FAA data show that overall PFC collections have still climbed 95 percent between 2000 and 2015. Further, airports already benefit from unprecedented funding and are in a strong financial position to continue improvements. Honolulu and Chicago are just two recent examples of airport terminal investments that are underway without higher PFCs. At the same time, we see no viable plan on the horizon to phase out other forms of federal support for airports, even as PFC receipts would be rising. Taxpayers are therefore right to believe a PFC hike is unjust.

Whether this is called a tax or a fee, a widespread federally-sanctioned boost in the PFC will have negative consequences on the American economy, just as taxes do. A higher priced service will reduce consumer demand, which can have a broader effect on areas that rely on tourists. A higher PFC could reduce passenger demand and [negatively impact GDP](#) by \$5.1 billion and cost about 52,000 jobs.

Your steadfast opposition to a PFC increase in the final 2018 appropriations bill that Congress is set to consider would be welcome news to travelers across the country. NTU looks forward to working with you to advance legislation that meets our nation’s infrastructure obligations in a way that protects the interests of taxpayers.

Sincerely,

Pete Sepp
President

CC: Members of the House Appropriations Committee