



May 3, 2010

An Open Letter to Conferees on FAA Reauthorization: Oppose Hiking Passenger Facility Charges!

Dear Conferees Rockefeller, Hutchison, Oberstar, and Mica:

On behalf of the 362,000 members of the National Taxpayers Union (NTU), I urge you to oppose the inclusion of an increase in the Passenger Facility Charge (PFC) in the final Federal Aviation Administration (FAA) Reauthorization legislation, H.R. 1586. This fee hike would place an even heavier tax burden on American air passengers at a time when it will be especially difficult for them to afford the added cost.

The House-passed FAA bill (originally designated H.R. 915) would raise the maximum PFC from the current \$4.50 up to \$7.00. Doing so would impose an additional and unwarranted \$2 billion-per-year tax on commercial passengers, who often bear total air travel tax loads of 20 percent or more. While the PFC was designed to enhance airport capacity and functionality, its funds are too often used to subsidize non-essential programs. A March 2007 report by the Government Accountability Office (GAO) estimated that from 2001-2005, airports received an average of \$13 billion each year from all sources for planned capital development – hardly a massive shortchanging of the aviation community.

While the Senate version, initially numbered S. 1451, does not mandate an across-the-board \$2.50 PFC increase, it does propose a pilot project that gives us great concern. Certain airports would be permitted to charge a higher fee if it is collected from passengers by the airport directly and not air carriers. While only a handful of airports would be granted this authority at the onset, such a policy would inevitably pave the way for a higher PFC at many airports, thereby impacting millions of taxpayers instead of a select, unfortunate few.

In short, any hike in the PFC is bad for business and consumers, particularly when passengers are already faced with a myriad of added fees. Instead of adding to the already crushing taxes shouldered by air passengers, lawmakers should focus more intensively on air traffic control reform. A private sector-driven model would allow the aviation industry to attract the best and brightest managers and engineers who could implement complex technology projects that facilitate better safety, cost control, and modernization – bringing us much closer to the first-class system our economy needs for future growth.

NTU hopes you will keep taxpayers in mind during this deliberation period and reject any PFC increase. **Any roll call votes related to this provision will be significantly weighted in our annual Rating of Congress.**

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Moylan". The signature is fluid and cursive, written over a white background.

Andrew Moylan
Director of Government Affairs