

November 8, 2017

The Honorable Rodney Frelinghuysen
Chairman, House Appropriations Committee
H-305, The Capitol
Washington, DC 20515

The Honorable Nita M. Lowey
Ranking Member, House
Appropriations Committee
1016 LHOB
Washington, DC 20515

The Honorable Mario Diaz-Balart
Chairman, Subcommittee on Transportation,
Housing and Urban Development
2358-A Rayburn HOB
Washington, DC 20515

The Honorable David E. Price
Ranking Member, Subcommittee on
Transportation, Housing and Urban
Development
2358-A Rayburn HOB
Washington, DC 20515

Chairmen Frelinghuysen and Diaz-Balart and Ranking Members Lowey and Price:

We write with concern regarding a \$4.00 increase to the passenger facility charge (PFC) included in the Senate FY2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act. Given the gross state of taxes and fees on airline tickets, we urge you to reject any increase to the PFC limits. The PFC levies another multibillion dollar tax on an already overtaxed constituency, the American airline traveler.

Travelers are repeatedly taxed for airport projects. When a traveler purchases an airline ticket, they pay a 7.5% excise tax on the cost of the airline ticket and a \$4.10 domestic segment fee. These taxes and fees are collected to fund the Airport and Airway Trust fund and accounted for \$9.9 billion out of the \$14.4 billion collected in 2016. From the Airport and Airway Trust Fund, the airports can apply for grants for airport projects under the Airport Improvement Program, which provides \$3.35 billion every year.

The PFC is also collected for every enplanement during air travel up to \$18.00 per roundtrip. In 2016, the airports collected nearly \$3.2 billion in PFCs, which is \$135 million more than was collected in the prior year. In fact, since 2005, PFC collection has grown by \$1 billion. Because of this triple tax system on travel, over \$6.5 billion was collected in 2016 for airport projects all from travelers.

If enacted, the proposed PFC increase included in the Senate FY 2018 THUD Appropriations bill will add another \$2.6 billion to PFC collection, levied on every American that travels by air.

In spite of this increase of billions of dollars on aviation travelers, there were no hearings on any of the details of this massive increase such as:

- Any plans to modernized airport business plans to reduce the need for PFC collection;
- Alternative revenue sources available to airports;
- Increased local funding for airports in addition to passenger funding;
- Restrictions on federal funding; or

- An explanation regarding how the \$4.00 tax increase was calculated and why.

In addition, there has been no examination of the benefits of local funding of airports. The region that benefits from the economic engine created by a thriving airport should be responsible for significant funding. Today, passengers pay almost the entire cost of airport construction and operation. That is unfair.

For these reasons, we urge you to reject any PFC increase. Thank you for your consideration.

Sincerely,



Michael W. McCormick, Executive Director & COO
Global Business Travel Association



Charlie Leocha, Chairman & Co-Founder
Travelers United