

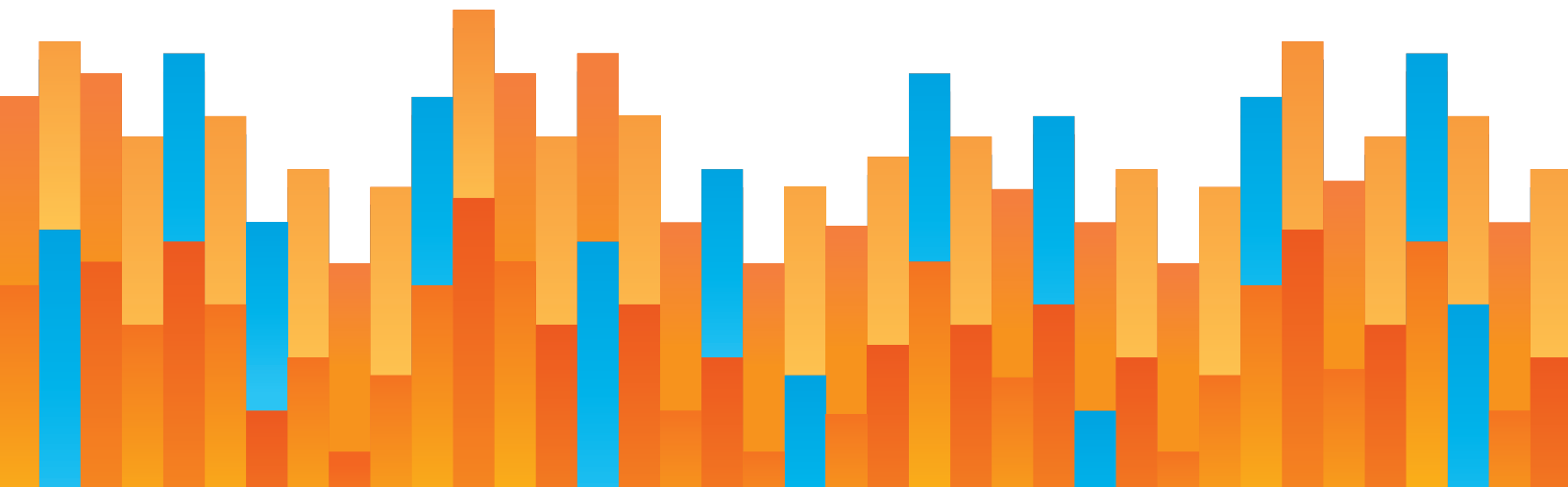


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MODERNIZING THE PASSENGER FACILITY CHARGE FOR AVIATION RECOVERY

by Marc Scribner

September 2022





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EXECUTIVE SUMMARY

The COVID-19 pandemic hit the transportation sector hard and perhaps the aviation industry hardest. At its worst in April 2020, U.S. air passenger transportation declined by 96% year-over-year. While air travel has rebounded since that nadir, full recovery is expected to take years, particularly for international and business travel. The passenger air transportation market at the end of the decade is likely to look very different than what had been projected prior to the pandemic.

Like all segments of the aviation market, airports will need to adjust to this new normal. Both airlines and airports received tens of billions of dollars in taxpayer bailouts in the U.S., and returning the aviation industry to self-sufficiency is the only fiscally sustainable path forward. To that end, giving airports maximum operational and financing flexibility to adjust to emerging conditions is critical to minimizing the costs and disruptions associated with aviation recovery. One important way that Congress can facilitate this flexibility at no cost to the Treasury is modernizing the airport passenger facility charge.

The passenger facility charge (PFC) is a congressionally authorized, federally regulated *local* airport user fee. The PFC exists alongside the Airport Improvement Program (AIP), a federal grant program funded through aviation taxes. Together, the PFC and AIP have in recent years accounted for approximately half of total airport funding available for capital projects.

AIP funds generally can be used only for airside projects, such as runways, taxiways, aprons, noise abatement, and land acquisitions. In contrast, the PFC funds can be used for AIP-eligible projects plus numerous landside projects, such as passenger terminal and ground transportation improvements, and can be used to service debt. For commercial airports with sizable passenger volumes, these differences in flexibility have led to a strong preference for the PFC over AIP funding.

The federal PFC cap was last raised by Congress in 2000. Under current law, public airports in the U.S. can charge a maximum PFC of \$4.50 per boarding for the first two flight segments of a trip, with PFC collections per passenger being capped at \$9 per one-way and \$18 per round-trip. Thanks to inflation, the PFC has seen its purchasing power plummet by approximately half, negatively impacting airports' ability to address their growing list of needed improvements.

Two findings support modernizing the PFC. First, evidence suggests that PFC use has a positive effect on airport efficiency while AIP use has a negative effect. Legislation introduced in previous Congresses would have uncapped the PFC while proportionately reducing AIP authorized spending, with this change in the PFC/AIP mix expected to result in greater airport productive efficiency.

Second, major non-aeronautical revenue sources, especially revenue from parking and rental car fees, were facing heightened risks and declining prospects prior to the pandemic as travelers opted for new ride-hailing ground transportation services to and from airports. Pandemic-related concerns about shared transportation may have temporarily shifted traveler preferences back to driving modes that support parking and rental car revenue, but how long this will persist is highly uncertain. Since the PFC charges airport terminal users regardless of their use of terminal concessions, it represents a lower-risk, predictable, and sustainable revenue source.

In addition to providing airports with predictable and sustainable revenue, the PFC was also designed to promote airline competition. Beginning in the 1950s, airports negotiated long-term leases with their airline customers to lock in airline payments so as to retire debt and finance airport improvements. In exchange for this financial support, incumbent airlines received long-term *exclusive-use* gate leases, which they used to restrict access to new and often lower-cost entrants.

In recent years, the trend has shifted. Granting long-term, exclusive-use gate leases has faded as a concern, but limited gate availability at large and medium-sized hub airports has still been estimated to raise consumer airfares by billions of dollars every year. In addition to serving as an important airport self-help tool, the PFC can increase airline competition and thereby dilute price-setting power by dominant incumbent airlines. Air travelers can thus benefit from improved airport facilities and lower airfares.

Alternatives to the PFC are inferior from both airport revenue collection and consumer welfare perspectives. Modernizing the PFC would promote local airport self-sufficiency, airport efficiency, and reduced airfares through enhanced carrier competition as the U.S. recovers from the COVID-19 pandemic. As Congress debates the FAA reauthorization due at the end of September 2023, it should eliminate the statutory PFC cap of \$4.50 to promote a pro-consumer and pro-taxpayer aviation recovery.

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PART 1

INTRODUCTION

The COVID-19 pandemic hit the transportation sector hard and perhaps the aviation industry hardest. At its worst in April 2020, U.S. air passenger transportation declined by 96% year-over-year.¹ While air travel has rebounded since that nadir, full recovery is expected to take years, particularly for international and business travel. The passenger air transportation market at the end of the decade is likely to look very different than what had been projected prior to the pandemic.

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¹ Bureau of Transportation Statistics, “Air Travel – Total,” *Data.bts.gov*, BTS Data Inventory. <https://data.bts.gov/dataset/Air-Travel-Total/6vnx-7g89> (1 March 2022).

with aviation recovery. One important way that Congress can facilitate this flexibility at no cost to the Treasury is modernizing the airport passenger facility charge.

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Modernizing the PFC would promote local airport self-sufficiency, airport efficiency, and reduced airfares through enhanced carrier competition as the U.S. recovers from the COVID-19 pandemic. As Congress debates the FAA reauthorization due at the end of September 2023, it should consider modernizing the PFC to support aviation recovery. This brief examines such a modernization, its potential effects, and how it might best proceed.

PART 2

A BRIEF HISTORY OF U.S. AIRPORT PASSENGER USER FEES

The debate over passenger user fees began more than two decades before the PFC was authorized by Congress. In the late 1960s and early 1970s, some public airports began charging passenger boarding fees of 50 cents to \$1 per passenger in an effort to recoup capital, operations, and maintenance costs from their users. Airlines filed suit against an airport authority in Indiana and the state of New Hampshire over these fees. State courts in Indiana in 1970 and New Hampshire in 1971 arrived at different conclusions on the question of whether or not these fees constituted unreasonable burdens on interstate commerce in violation of Article I, Section 8 of the Constitution. The U.S. Supreme Court agreed to review the issue in 1971.

In *Evansville Airport v. Delta Airlines, Inc.*, 405 U.S. 707 (1972), the Supreme Court ruled in favor of the airports. It held that user fees for state-provided facilities were constitutional because they were reasonably related to the costs of those facilities and did not discriminate between intrastate and interstate commerce. In direct response, Congress enacted the Anti-Head Tax Act as part of the Airport Development Acceleration Act of

1973.² This law remains on the books today and generally prohibits airports from imposing taxes or fees on air travelers.³

By the mid-1980s, the Reagan administration and members of Congress became concerned that federal aviation policy was having adverse impacts on airports and passengers. Airports had become heavily reliant on federal grant funding, and this funding relationship led to reduced airline competition at large airports to the detriment of the traveling public. Rather than eliminating the Anti-Head Tax Act, supporters of increased airport self-help and airline competition sought to create a narrow exemption to the general prohibition, allowing a federally authorized local passenger enplanement fee.

In its 1990 National Transportation Policy, known as *Moving America*, the Bush administration formally proposed the PFC.⁴ This proposal called for “[r]elax[ing] restrictions on the ability of State and local governments to raise revenues and use them for transportation facilities and services,” but ignored the competition benefits of this policy.⁵ This omission was noted by Thomas Gale Moore, an economist who served as a member of the Council of Economic Advisors during the Reagan administration, who wrote in 1990 that “[PFC] revenue would also make airports less financially dependent on their tenant carriers and would encourage them to provide more facilities for new carriers. ... Competition at airports that are dominated by one or two carriers could thus be enhanced.”⁶

In 1990, Congress passed the Aviation Safety and Capacity Expansion Act, which established the PFC.⁷ Airports began collecting PFCs in 1992. Initially, the maximum PFC was set at \$3, and airports charging the \$3 PFC were required to return 50% of their AIP apportionments. In 2000, Congress passed the Wendell H. Ford Aviation Investment and

² S. Rep. No. 12, 93rd Congress, First Session 12 (1973), reading in part: “The provision is in response to a situation which has been brought about by [*Evansville Airport v. Delta Airlines, Inc.*], upholding passenger head taxes enacted by New Hampshire and by Evansville, Indiana, for ‘aviation-related purposes.’ While this decision has invited state and local governments to enact head taxes or fees on air travelers, the Court decision does not provide adequate safeguards to prevent undue or discriminatory taxation.”

³ 49 U.S.C. § 40116.

⁴ U.S. Department of Transportation, *Moving America: New Directions, New Opportunities—A Statement of National Transportation Policy Strategies for Action* (26 Feb. 1990). 57. <https://rosap.ntl.bts.gov/view/dot/531> (1 March 2022).

⁵ *Ibid.*

⁶ Thomas Gale Moore, “Good Enough for Government Work: Why Moving America Is Unsatisfactory,” *Regulation*, Vol. 13, No. 1 (Summer 1990). 15. <https://object.cato.org/sites/cato.org/files/serials/files/regulation/1990/7/v13n2-2.pdf> (1 March 2022).

⁷ Presently codified as amended at 49 U.S.C. § 40117.

Reform Act for the 21st Century (AIR-21), which increased the maximum PFC to \$4.50 with an increased AIP apportionment turn-back of 75% for imposing PFCs greater than \$3.⁸ This was the last time the PFC cap was raised. Efforts to increase the cap or eliminate it entirely have so far been unsuccessful.

⁸ 49 U.S.C. §§ 40117(b)(4) & 47114(f)(1)(B).

PART 3

THE PFC'S ADVANTAGES OVER AIP FUNDING

Airports in the U.S. have a variety of revenue sources for capital projects, but the largest sources are the PFC and AIP. These two sources combined account for half of total airport funding available for capital projects, according to a Government Accountability Office (GAO) review of FAA data and interviews with airport officials.⁹ Pandemic-related travel declines and taxpayer bailouts greatly altered this financial picture in 2020 and 2021, but it is expected to revert to something closer to the pre-pandemic trend in 2022.

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⁹ Statement for the Record to the Subcommittee on Aviation Operations, Safety, and Security, Committee on Commerce, Science, and Transportation, U.S. Senate of Gerald L. Dillingham, Ph.D., Director, Physical Infrastructure Issues, Government Accountability Office (23 March 2017). 7. <https://www.gao.gov/assets/690/683640.pdf> (1 March 2022).

The PFC is a local user fee collected by airlines and remitted directly to airports, with those funds never touching the Treasury. In contrast, AIP is a federal grant program under the Airport and Airway Trust Fund that is funded by aviation taxes on tickets, flight segments, cargo waybills, fuel, international arrivals and departures, and frequent flyer awards.¹⁰

PFCs and AIP funds complement one another by supporting different classes of airport projects, which is largely a function of differences in project eligibility.¹¹ This is because AIP-eligible projects are PFC-eligible projects, but not vice versa. More-restrictive AIP grants are generally used to fund airside construction projects, such as runways, taxiways, aprons, noise abatement, and land acquisition. In contrast, less-restrictive PFCs are generally used to finance gates as well as landside terminal improvements that are not eligible for AIP funding.

Importantly, the PFC, unlike AIP funds, can be used to service debt, such as airport revenue bonds.¹² The pandemic's sharp decline in passenger travel was quickly followed by large government subsidies. These circumstances led many airports to refinance existing debt serviced by anticipated airport user revenue to preserve their credit ratings and ensure maximum flexibility during depressed passenger volumes.¹³ In addition, because the PFC is a local user fee, federal statutory and regulatory requirements on labor and procurement that impact AIP funding do not apply to projects solely funded or financed by PFC revenue.¹⁴ Table 1 provides a comparative breakdown of the use of these complementary programs in 2018.

¹⁰ Federal Aviation Administration, "Current Aviation Excise Tax Structure," *FAA.gov*, FAA website, 19 March 2019. https://www.faa.gov/about/budget/aatf/media/Excise_Tax_Rate_Structure_2018.pdf (1 March 2022).

¹¹ "Passenger Facility Charge," Federal Aviation Administration Order 5500.1 (9 Aug. 2001). 12–13.

¹² Rachel Y. Tang, "Financing Airport Improvements," Congressional Research Service (15 March 2019). 15. <https://crsreports.congress.gov/product/pdf/R/R43327> (2 March 2022).

¹³ Fitch Ratings, "Fitch Takes Rating Actions on U.S. Large Airports and Major Hubs Amid Progression in Travel Recovery," *Fitchratings.com*, Fitch Ratings website (3 Aug. 2021). <https://www.fitchratings.com/research/us-public-finance/fitch-takes-rating-actions-on-us-large-airports-major-hubs-amid-progression-in-travel-recovery-03-08-2021> (11 March 2022).

¹⁴ Federal Aviation Administration, "PFC and the AIP," *FAA.gov*, FAA website. https://www.faa.gov/airports/central/pfc/pfc_aip/ (2 Mar. 2022).

TABLE 1: DISTRIBUTION OF PFC APPROVALS AND AIP GRANTS, FY 2018

Type of Project	Percentage of PFC	Percentage of AIP
Airside	9.1%	67.4%
Landside	48.1%	12.8%
Noise	0.3%	4.5%
Roads/Access	11.7%	1.0%
Interest on bonds	30.9%	n/a
Unclassified, state block grants, misc.	n/a	14.2%
Total	100.1%	99.9%

Source: Rachel Y. Tang, “Financing Airport Improvements,” Congressional Research Service (2019). Percentages do not sum to 100% because of rounding.



The flexibility of the PFC vis-à-vis AIP also has consequences for airport productivity. Recent empirical research has found that increasing airport reliance on PFC revenue while decreasing airport reliance on AIP revenue increases airport efficiency.



The flexibility of the PFC vis-à-vis AIP also has consequences for airport productivity. Recent empirical research has found that increasing airport reliance on PFC revenue while decreasing airport reliance on AIP revenue increases airport efficiency.¹⁵ This enhanced productivity is thought by researchers to be the result of the PFC being available to finance a wider array of airport projects than AIP funding, which allows airports to better prioritize and undertake projects with greater returns on investment. The implication is that leaving the PFC cap at the current \$4.50 while increasing AIP funding would have a negative airport efficiency impact.

¹⁵ Bo Zou et al., “US airport financial reform and its implications for airport efficiency: An exploratory investigation,” *Journal of Air Transport Management*, Vol. 47 (Aug. 2015). 66–78. Young-Tae Chang et al., “Passenger facility charge vs. airport improvement program funds: A dynamic network DEA analysis for U.S. airport financing,” *Transportation Research Part E: Logistics and Transportation Review*, Vol. 88 (April 2016). 76–93.

This also suggests that bipartisan legislation introduced in both the 115th and 116th Congresses to eliminate the PFC cap, require 100% AIP funding turn-back for charges over \$4.50, and proportionately reduce the total annual AIP authorization by \$400 million would not only reduce federal spending and promote local self-help, it would increase airport productivity.¹⁶

¹⁶ Investing in America: Rebuilding America's Airport Infrastructure Act, H.R.1265, 115th Cong., 1st Sess. (2017). Investing in America: Rebuilding America's Airport Infrastructure Act, H.R. 3791, 116th Cong., 1st Sess. (2019).

PART 4

THE PFC'S ADVANTAGES OVER NON-AERONAUTICAL REVENUE SOURCES

It has been claimed that airports should rely more on non-aeronautical revenue as a substitute for raising or eliminating the PFC cap.¹⁷ Certainly, airports should examine opportunities to generate non-aeronautical revenue, since the collection of revenue from these sources generally does not impact airfares and air travel demand.

In FY 2019, nationwide PFC collections totaled \$3.64 billion.¹⁸ In the same year, U.S. commercial service airports generated \$24.76 billion in total operating revenue.¹⁹ Of that total, 46.0% came from non-aeronautical revenue sources.²⁰ Of non-aeronautical airport revenue, 60.0% came from a combination of rental car revenue (17.4%) and parking and

¹⁷ John Breyault, "Congress should abandon plan that would burden air travelers with fee hike," *The Hill*, 6 Dec. 2019. <https://thehill.com/blogs/congress-blog/politics/473422-congress-should-abandon-plan-that-would-burden-air-travelers> (2 March 2022).

¹⁸ Federal Aviation Administration, Certification Activity Tracking System, Form FAA-5100-127 Report data.

¹⁹ Ibid.

²⁰ Ibid.

other ground transportation revenue (42.6%), with those proceeds being largely used to fund airport operations as well as revenue-generating capital projects not eligible for either AIP or PFC support. Yet this dominant portion of non-aeronautical revenue also carries the greatest revenue risk.

Fear of coronavirus transmission disproportionately reduced travel on shared passenger transportation modes, including airlines and ride-hailing. U.S. commercial service airport revenue saw steep declines across all categories with the exception of grant receipts and cargo revenue (included in non-passenger aeronautical revenue), as Table 2 shows. All operating and non-operating revenue sources combined declined by 11.62%, from \$29.60 billion in 2019 to \$26.16 billion in 2021.

TABLE 2: SELECT U.S. COMMERCIAL SERVICE AIRPORT REVENUE SOURCES, 2019-2021 (\$ BILLIONS)

Revenue Source	2019	2020	2021	2019-2021 Change
Passenger Airline Aeronautical Revenue	\$10.91	\$9.44	\$9.43	-13.57%
Non-Passenger Aeronautical Revenue	\$2.47	\$2.44	\$2.51	1.62%
Non-Aeronautical Revenue	\$11.38	\$7.89	\$7.24	-36.38%
-Land and non-terminal lease revenue	\$0.87	\$0.82	\$0.83	-4.60%
-Food and beverage	\$0.95	\$0.60	\$0.46	-51.58%
-Retail stores and duty free	\$0.87	\$0.54	\$0.37	-57.47%
-Terminal services and other	\$0.52	\$0.41	\$0.33	-36.54%
-Rental cars	\$1.98	\$1.47	\$1.58	-20.20%
-Parking and ground transportation	\$4.85	\$2.98	\$2.69	-44.54%
-Hotel	\$0.32	\$0.16	\$0.19	-40.63%
-Other non-aeronautical revenue	\$1.02	\$0.91	\$0.75	-26.47%
Passenger Facility Charges	\$3.64	\$2.10	\$2.16	-40.66%
Grant Receipts	\$2.33	\$5.47	\$6.74	189.27%

Source: Federal Aviation Administration, Certification Activity Tracking System, Form FAA-5100-127 Report data.

COVID-19 had varying impacts on non-aeronautical revenue sources. The declines in PFC revenue and parking revenue were similar to the 44.75% drop in enplanements at

commercial service airports.²¹ Restaurant and retail revenue declines were steeper than PFC and parking revenue declines, likely reflecting less time spent at the airport by those who did travel by air, concerns about crowding and ventilation, and masking. Rental car revenue fared better, with less severe declines likely the result of a shift away from shared ground transportation (ride-hail, taxi, mass transit) and new demand from non-airport users for long-distance trips that would formerly have been completed by air.

Before COVID-19, Americans were increasingly using ride-hailing services such as Uber and Lyft to travel to and from airports. A study from the Airport Cooperative Research Program found that introducing ride-hailing has led to an 18%–30% decline in shared-ride vans use, a 4%–13% decline in rental car transactions, and a 5%–10% decline in parking transactions.²² These declines in revenue will likely exceed any new airport fee revenue generated from ride-hailing transactions.²³

While PFC revenue, like non-aeronautical operating revenue, depends on demand for passenger airline service, it does not face additional risks from ground transportation modal substitution. As air travel recovers in general, so too should PFC revenue. In contrast, parking and rental car revenue is likely to be less reliable due to renewed competition from ride-hailing.

²¹ Federal Aviation Administration, Certification Activity Tracking System, Form FAA-5100-127 Report data. Note that reporting enplanement statistics to FAA is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.

²² Peter Mandle and Stephanie Box, “Transportation Network Companies: Challenges and Opportunities for Airport Operators,” *Airport Cooperative Research Program Synthesis 84*, National Academies of Sciences, Engineering, and Medicine (2017). 5. <https://www.nap.edu/catalog/24867/transportation-network-companies-challenges-and-opportunities-for-airport-operators> (3 March 2022).

²³ Ibid. 28–33.

PART 5

A MODERNIZED PFC CAN ENHANCE AIRLINE COMPETITION AND REDUCE AIRFARES

As noted in Part 2's history of the PFC, a second non-fiscal aim of the PFC was to enhance airline competition and promote lower consumer airfares. In the 1950s and 1960s, in exchange for airlines committing to rents and other fees to service existing airport debt and other financing arrangements, many airports granted incumbent airlines long-term exclusive-use gate leases. This led to a paucity of gates being available for new carrier entrants.²⁴

These gate access limitations harm consumers. Economists have estimated that annual airfares are \$5.81 billion higher in 2019 dollars than they would be with adequate gate

²⁴ Steven A. Morrison and Clifford Winston, "Delayed! U.S. Aviation Infrastructure Policy at a Crossroads," *Aviation Infrastructure Performance: A Study in Comparative Political Economy*, eds. Clifford Winston and Gines de Rus (2008). 20–22. https://www.brookings.edu/wp-content/uploads/2016/06/Winston_aviation_chpt2.pdf (3 March 2022).

access to support new carrier entrants at large and mid-sized airports.²⁵ This figure dwarfs the \$3.51 billion in nationwide PFC collections in 2019.²⁶

That the PFC serves as a sustainable revenue source insulated from airline control is uncontroversial. Further expanding the PFC's purchasing power by focusing on improving airline competition through eliminating the statutory cap—especially through expanding common use gates available to new carrier entrants—could result in substantial fare savings for consumers. These savings could more than counteract the modest negative marginal impact on travel demand of increased PFCs, as estimated by the GAO, especially if airline ancillary fees were to be included in the full price unit of analysis.²⁷



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Airlines may not be as concerned about an increased PFC's impact on their business operations as they publicly claim. The most obvious counterexample to their public statements about the supposed harms that would arise from PFC reform is the aggressive imposition of airline ancillary charges for checked baggage, carry-on baggage, seat selection, and other services previously bundled into fares.

To be sure, theory and evidence suggest that unbundling baggage and other services from fares can benefit consumers by providing lower base fares and a menu of options for travelers with varying incomes and preferences.²⁸ However, the same theory is ambiguous on total price effects (base fare plus ancillary charges for previously bundled services) and

²⁵ Ibid. 22. \$4.4 billion in January 2005 dollars adjusted by Consumer Price Index to January 2019 dollars via Bureau of Labor Statistics' CPI Inflation Calculator, <https://data.bls.gov/cgi-bin/cpicalc.pl> (4 March 2022).

²⁶ Federal Aviation Administration, Certification Activity Tracking System, Form FAA-5100-127 Report data.

²⁷ Government Accountability Office, "Raising Passenger Facility Charges Would Increase Airport Funding, but Other Effects Less Certain," GAO-15-107 (Dec. 2014). <https://www.gao.gov/assets/670/667444.pdf> (4 March 2022).

²⁸ Jan K. Brueckner et al., "Product Unbundling in the Travel Industry: The Economics of Airline Bag Fees," *Journal of Economics and Management Strategy*, Vol. 24, No. 3 (Sep. 2015). 457–484. http://www.socsci.uci.edu/~jkbrueck/course%20readings/bag_fee.pdf (4 March 2022).

available evidence finds consumers do not enjoy the full benefits of airfare unbundling.²⁹ This suggests that ancillary fees increase total full fares paid by consumers who choose to pay for the same services that were previously included in base airfares prior to unbundling.

²⁹ Ibid.

PART 6

CONCLUSION AND RECOMMENDATIONS

The passenger facility charge is a valuable airport financing tool that is often misunderstood in Washington. Not only does this user fee offer advantages over taxpayer funding, the PFC's flexible nature relative to Airport Improvement Program grants can promote both increased airport efficiency and increased airline competition, leading to lower fares.

As Congress begins discussions for FAA reauthorization due by the end of September 2023, it should include provisions to modernize the PFC to meet airport investment needs. The political response to the COVID-19 pandemic included doling out tens of billions of dollars in taxpayer subsidies to the aviation sector. As the U.S. recovers from the pandemic, restoring self-supporting market mechanisms is key to ensuring a vibrant and competitive aviation sector in the years to come. Travel demand may be permanently altered in ways we do not yet understand, and airlines and airports must respond to changes in consumer and business travel preferences. This will require flexibility and patience from policymakers.

Alternatives to the PFC are either inadequate from a revenue-collection perspective or come with costly regulatory strings that unnecessarily increase airport development costs and thereby depress investment. Uninformed conflation of the PFC with a tax will likely

continue from airlines and their allies, but it appears members of Congress are increasingly informed on the virtues of the PFC relative to its alternatives.

To maximize fairness and efficiency in PFC reform, Congress should eliminate the arbitrary PFC cap while simultaneously requiring any airport that opts to charge a PFC in excess of the current \$4.50 maximum to forgo 100% of its AIP funding. From there, the total annual AIP authorization should be proportionately reduced, rather than recycling the forgone AIP funding from airports that opt for a PFC greater than \$4.50 back into the AIP formula or discretionary programs. These subtle changes in federal policy would increase airport investment, promote greater airport efficiency and local self-help, enhance airline competition, and reduce federal spending by hundreds of millions of dollars per year. Taxpayers and travelers would both come out winners.

ABOUT THE AUTHOR

Marc Scribner is a senior transportation policy analyst at Reason Foundation. Scribner's work focuses on a variety of public policy issues related to transportation, land use, and urban growth, including infrastructure investment and operations, transportation safety and security, risk and regulation, privatization and public finance, urban redevelopment and property rights, and emerging transportation technologies such as automated road vehicles and unmanned aircraft systems. He frequently advises policymakers on these matters at the federal, state, and local levels.

Scribner has testified before Congress at the invitation of both Democrats and Republicans on issues including highway revenue collection, traffic congestion management, and airport financing. He is a member of the Transportation Research Board's Standing Committee on Emerging Technology Law.

He has appeared on television and radio programs in outlets such as Fox Business Network, National Public Radio, and the Canadian Broadcasting Corporation, and has also written for numerous publications, including *USA Today*, *The Washington Post*, *Wired*, *CNN.com*, *MSNBC.com*, *Forbes*, and *National Review*. And his work has been featured by *The Wall Street Journal*, *New York Times*, *Washington Post*, *Los Angeles Times*, *Scientific American*, *Congressional Quarterly*, *Washington Monthly*, *POLITICO*, CNN, Bloomberg, BBC, C-SPAN, and other print, television, and radio outlets.

Scribner joined Reason Foundation after more than a decade at the Competitive Enterprise Institute, where he was a senior fellow in transportation policy. He received his undergraduate degree in economics and philosophy from George Washington University.

