
ACI-NA CFO Forum

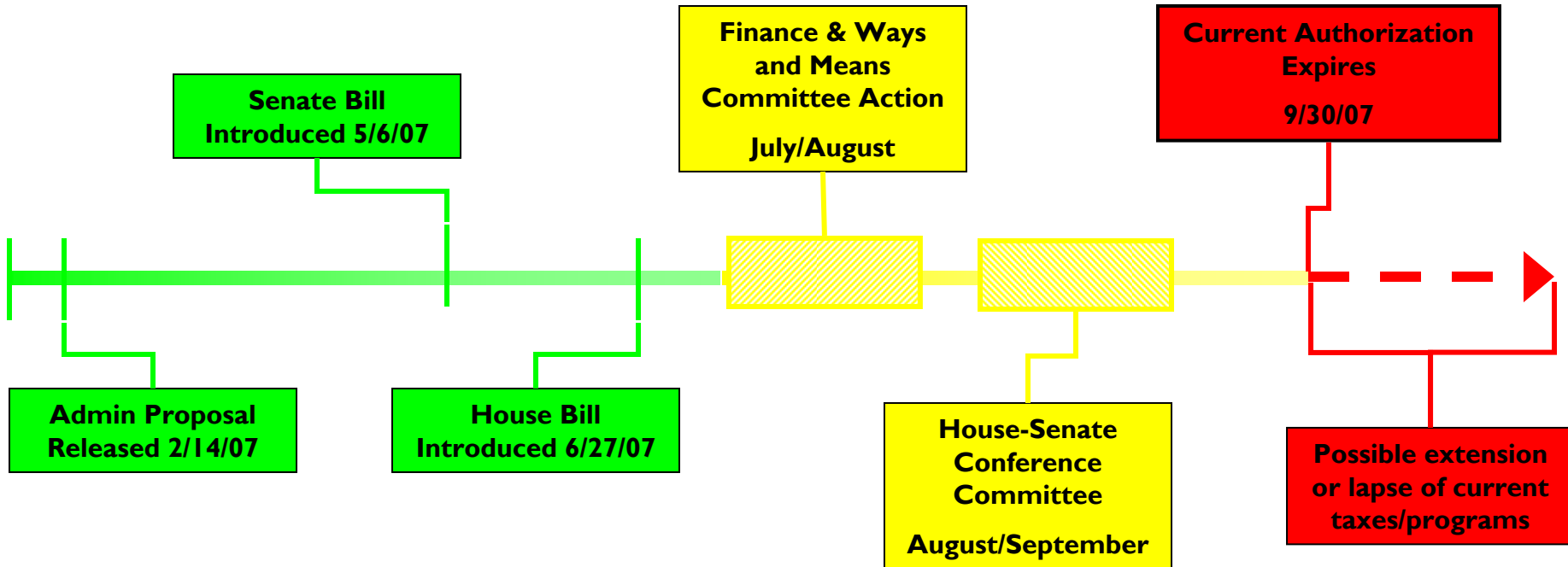
The Status of PFCs in FAA Reauthorization

Minneapolis – St. Paul, MN
July 17, 2007



AIRPORTS COUNCIL INTERNATIONAL
North America
1775 K Street, NW, Suite 500
Washington, DC 20006

Reauthorization Timeline



ACI-NA's PFC Agenda for Reauthorization

➤ PFC Ceiling

- Increase

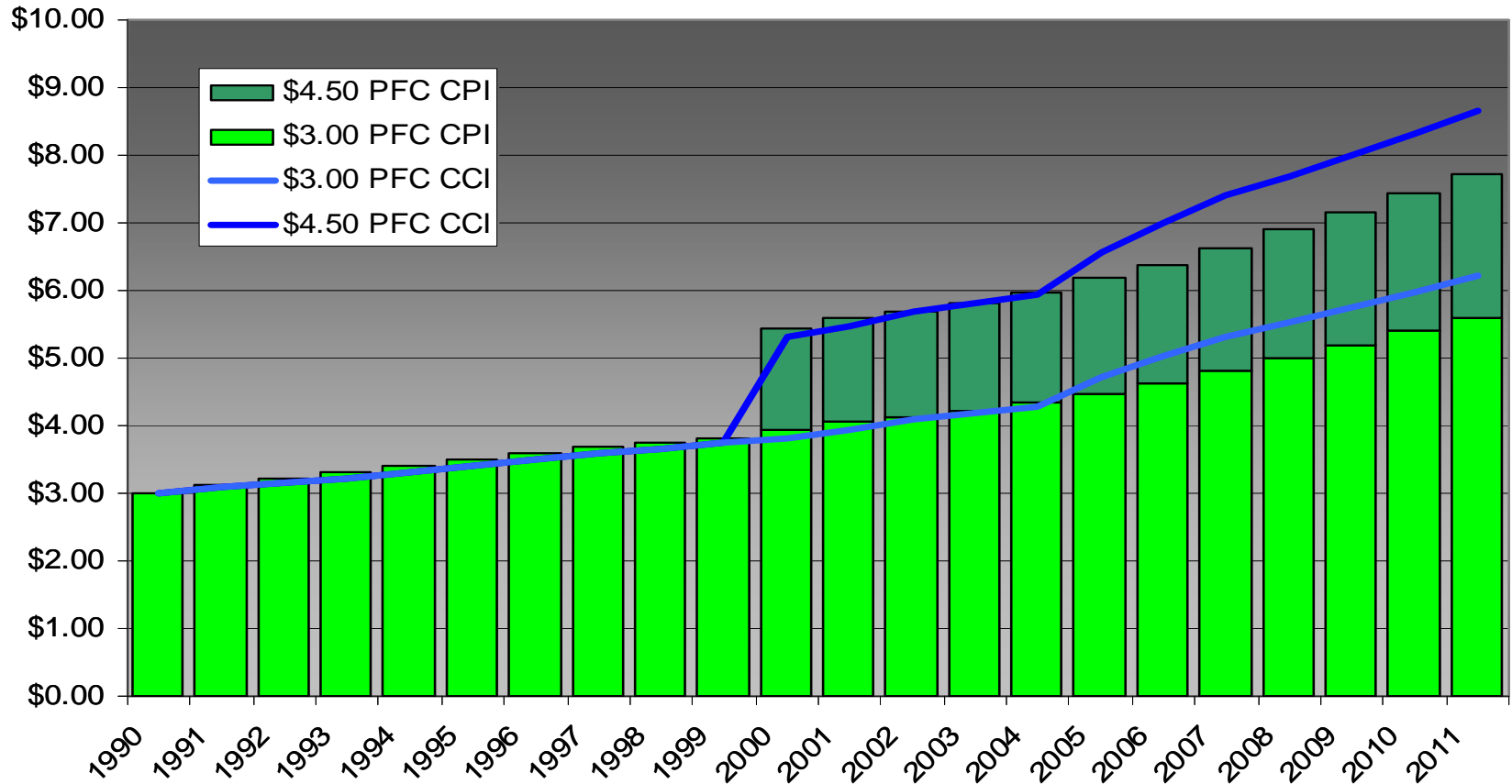
➤ PFC Eligibility

- Expand

➤ PFC Administration

- Simplify and Streamline

PFC Ceiling: Effects of Construction Cost Increases



- **PFC ceiling has not been adjusted since 2000**
- **Since that time construction prices have skyrocketed, far surpassing consumer inflation**

PFC Ceiling

- **Administration Bill:**

- Increases ceiling to \$6.00.
- L and M hub airports lose AIP passenger entitlements

- **Senate Bill:**

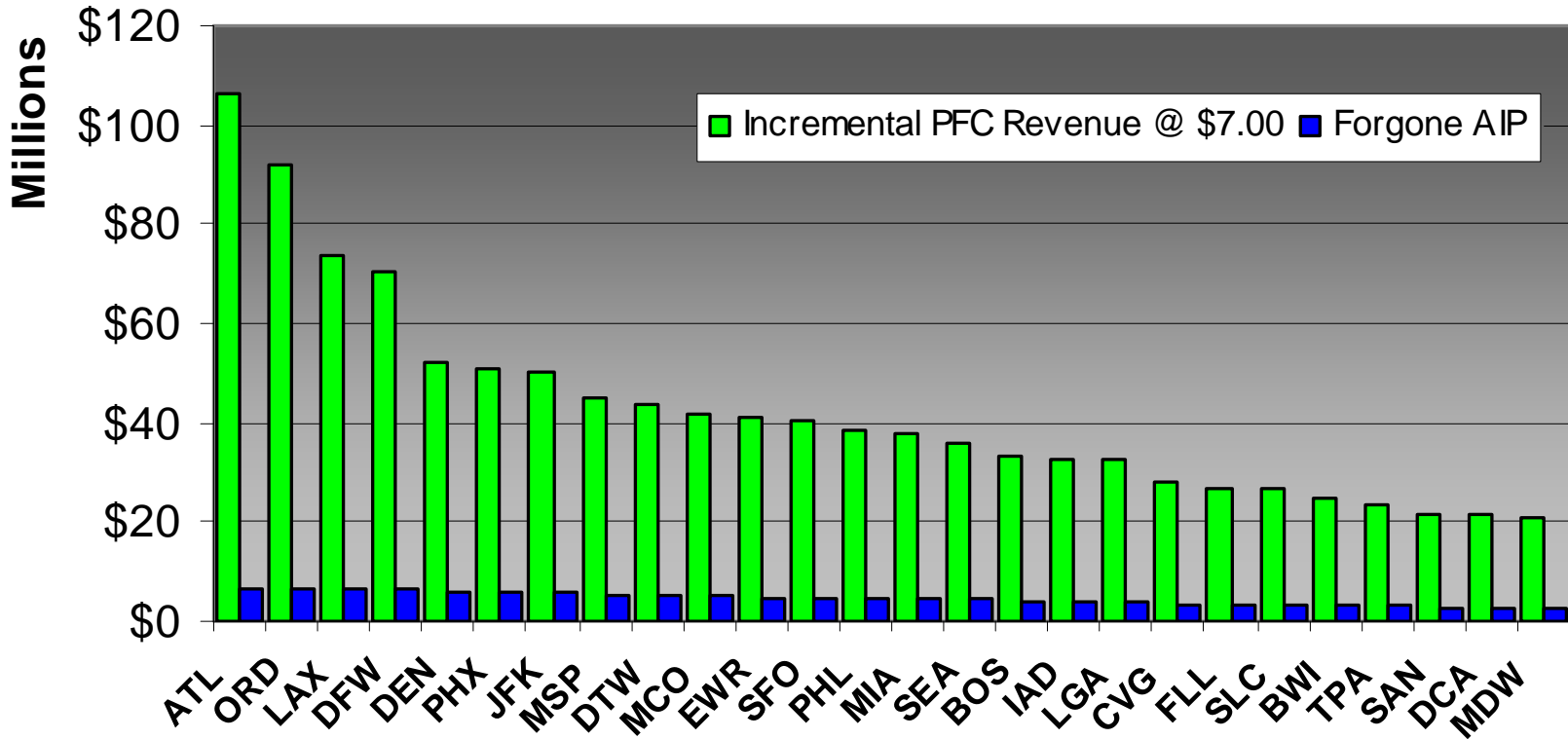
- No general increase in PFC ceiling
- Pilot program for airport self-collection (6 airports)

- **House Bill:**

- Increases ceiling to \$7.00
- L hubs who go above \$4.50 lose AIP passenger entitlements

PFC Ceiling: The Trade-off

L Hubs Currently @ \$4.50



- Safe bet for L hubs
- Does not affect cargo or discretionary AIP funds
- On average, PFC gains are 9X AIP losses

PFC Eligibility

- **Administration Bill:**

- Significant increase in eligibility
- PFCs could be used for any airport capital project

- **Senate Bill:**

- No change in eligibility

- **House Bill:**

- No change in eligibility
- Pilot program for 5 airports to expand intermodal eligibility

PFC Administration

- **Administration Bill:**

- Significant simplification
- Very similar to ACI's proposed "Impose, Report and Review" model

- **Senate Bill:**

- Some proposed streamlining
- Shifts burden for examining applications from FAA to carriers/public
- Regulatory risk

- **House Bill:**

- Maintains current regime

Conference Committee Outlook

➤ **PFC Ceiling**

- Increase almost certain
- Magnitude still negotiable

➤ **PFC Eligibility**

- Unlikely there will be much expansion
- Limited intermodal expansion possible

➤ **PFC Administration**

- Major changes seem unlikely
- No obvious middle-ground between House and Senate

Questions or comments, please contact:

A.J. Muldoon
Manager, Center for Policy and Regulatory Affairs
ACI-NA
amuldoon@aci-na.org



AIRPORTS COUNCIL INTERNATIONAL
North America
1775 K Street, NW, Suite 500
Washington, DC 20006