



The Honorable Richard Neal
Chairman
House Ways and Means Subcommittee
on Select Revenue Measures
2208 Rayburn House Office Building
Washington, DC 20515

December 16, 2008

Dear Congressman Neal:

On behalf of the 366 airports and over 400 aviation-related businesses that are members of Airports Council International- North America (ACI-NA), I am pleased to offer our endorsement of H.R. 7336. The elimination of the Alternative Minimum Tax (AMT) on all private activity bonds (PABs), including airport PABs, will help public entities move forward with construction projects that help spur economic growth in local communities.

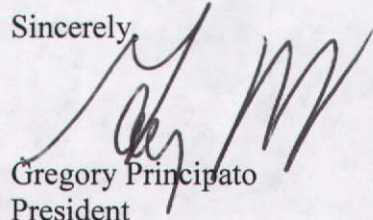
Airports play a vital role in the economy of the United States, providing for the efficient movement of people and goods to both domestic and international destinations. In order to ensure this critical flow of commerce is not encumbered by delays or outdated facilities, airports have planned and invested in enhanced airside and landside capacity projects.

However, the sub-prime mortgage situation and resultant credit crisis have recently caused serious problems for airports and other municipal borrowers. Over the last few months, the cost of auction and variable rate debt has spiked to levels never seen before. With the majority of airport bonds being subject to the AMT, this has resulted in investors demanding an interest rate premium to compensate for the additional tax liability. Also, PABs cannot be advance refunded to take advantage of lower rates in the future. This discrimination hampers airports' ability to implement essential capacity projects and updates to keep pace with the demand for air travel and increase efficiency through the use of the latest technology.

Eliminating the AMT on airport bonds, as proposed by H.R. 7336, would provide significant savings, while also attracting more buyers for PABs. These debt service savings provide financial relief to airports, which translate into greater capacity to fund important safety and security projects and create jobs. It is essential to recognize the public good provided by an efficient air transportation system, and bonds issued in furtherance of this goal should be treated accordingly.

Again, thank you for your continued support of the airport community. We look forward to working with you on the passage of H.R. 7336.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory Principato', written in a cursive style.

Gregory Principato
President

Airports Council International-North America