



February 17, 2015

Senator John McCain  
United States Senate  
241 Russell Senate Office Building  
Washington, DC 20510

Dear Senator McCain,

This year, Congress will consider an FAA Reauthorization bill prior to its expiration at the end of September. Air travel is an important driver of jobs and economic development in Phoenix and this bill threatens this.

The Greater Phoenix Chamber of Commerce supports capital improvements in our nation's transportation infrastructure, especially at airports such as our own Sky Harbor. But unlike the highway bill funding challenges, there is no crisis in airport funding. Airports have an abundant variety of resources from which they can draw to finance infrastructure improvements with funding that includes: the \$3.35 billion in annual Airport Improvement Program (AIP) funds, the nearly \$11.4 billion of airports cash on hand, the current \$5.8 billion in uncommitted funds in the Airport and Airways Trust Fund, and record high concession revenues. Airports' investment grade credit ratings also mean that affordable bonds are available to meet their financing needs as well.

For these reasons, it makes no sense to make air travel more expensive by increasing the Passenger Facility Charge (PFC) which is paid by consumers. The PFC is a hidden tax in the cost of every airline ticket purchased. Twenty percent of a typical \$300 roundtrip fare is already consumed by federal taxes and fees. The PFC was created in an earlier era when airports could not rely on struggling airlines to support necessary infrastructure projects. Now, after many years of staggering losses and bankruptcies, airlines are finally becoming stronger financially and are reinvesting in their people, services and products, including airports.

The Chamber supports capital improvements in our nation's transportation infrastructure, especially at airports, however we urge you to reject a higher PFC tax given that other funding sources are abundant and available. Air travel to our region is an important economic driver and any increase in airline ticket taxes threatens this.

Sincerely,

A handwritten signature in black ink that reads 'Todd Sanders'.

Todd Sanders  
President & CEO  
Greater Phoenix Chamber of Commerce