

# Free-Market Coalition Urges Opposition to PFC Hike

May 21, 2019

Dear Members of Congress,

The undersigned organizations write in strong opposition to an increase in the Passenger Facility Charge (PFC). Increasing this government-imposed cost on the flying public would raise airfares while decreasing passenger volume.

Airport executives have repeatedly advocated for nearly doubling the current cap on the PFC, raising it from \$4.50 per enplanement to \$8.50. This staggering hike would mean a family of four could be charged up to \$136 on a roundtrip flight in PFC costs alone.

Before considering raising the PFC, **it should be noted that taxes, fees, and other government charges already make up over 20% of the cost of an average domestic flight.** Lawmakers should be looking to lighten, not worsen, the burden placed upon the flying public as air travel is an engine that helps spur our nation's economy.

Airports have argued that an increase in the PFC is needed in order to continue making infrastructure investments. However, according to a Congressional Budget Office report from this January, the Airport and Airway Trust Fund (AATF) is expected to have an uncommitted balance of \$9.9 billion by the end of 2020, a \$3.8 billion increase from 2018. In 2019, the AATF is projected to have the largest uncommitted balance in any year since Congress capped the PFC at its current level. This past year, Congress provided an additional \$1 billion in AIP grants for airport improvement during FAA Reauthorization. Additionally, PFC collections have increased year after year and totaled \$3.3 billion in 2017 while increasing at a rate 1.6 times faster than inflation.

Even if airports were facing a shortfall in investment funding, nearly every U.S. airport rated by the S&P enjoys investment-grade credit ratings, meaning that they can easily secure additional revenue through the bond market.

Proponents of hiking the PFC frequently characterize raising or uncapping the PFC as a free-market position. However, **as U.S. commercial airports are (with only one exception) owned and operated by state and local authorities, the PFC cap serves as a limit and protection from unduly harsh fees placed upon consumers by government-run facilities.**



**Nor has this cap been convincingly linked to higher airfares.**

According to the Department of Transportation, the second quarter 2018 average domestic itinerary air fare was the lowest second-quarter fare since the Bureau of Transportation Statistics began collecting such records in 1995 and the second lowest of any quarter on record.

Investing in our nation's infrastructure is certainly an important cause where there is a true need. However, it is unfair and illogical to ask air travelers to pay more when there is already plentiful funding for important infrastructure projects. **We urge you to listen to your constituents and reject any proposals to increase the PFC.**

Sincerely,

Grover Norquist  
President, Americans for Tax Reform

Matthew Kandrach  
President, Consumer Action for a Strong Economy

Yaël Ossowski  
Deputy Director, Consumer Choice Center

Katie McAuliffe  
Executive Director, Digital Liberty

George Landrith  
President, Frontiers of Freedom

Seton Motley  
President, Less Government

Pete Sepp  
President, National Taxpayers Union

Judson Phillips  
Founder, Tea Party Nation

