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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



March 3, 2016

The Honorable John Thune
Chairman
Committee on Commerce, Science &
Transportation
U.S. Senate
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science &
Transportation
U.S. Senate
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

As you prepare to move forward on reauthorizing the Federal Aviation Administration (FAA), I would like to take this opportunity to share with your committee the priorities of the Associated General Contractors of America (AGC) for the upcoming reauthorization. AGC members are actively engaged in all aspects of airport infrastructure, from the runways to the terminals. We hope that Congress puts into place a long-term reauthorization as expeditiously as possible to provide certainty for the aviation industry.

Airports of all sizes have significant funding needs that cannot be met with the current financing options. Our nation's airports require an estimated \$15 billion in infrastructure improvements annually to update their aging facilities, relieve chronic congestion and delays, promote safety and security, enhance the passenger experience, and spur airline competition to provide consumers with more route choices and affordable airfares. Unfortunately, today's capital needs far outpace the \$6 billion in combined local user fees and federal grants that airports received last year. Congress has the opportunity to help address these capital needs by increasing funding and modernizing financing for airport infrastructure.

AGC supports the increase in funding provided for the Airport Improvement Program (AIP). However, the current annual funding for the AIP program of \$3.35 billion is less than the \$3.5 billion it was funded at from fiscal years 2006 through 2011. AGC encourages the Senate to return funding for the program to \$3.5 billion in fiscal year 2017 and increase the program throughout the reauthorization.

AGC also encourages your committee to consider lifting the current cap on the Passenger Facility Charge (PFC). The current PFC cap is outdated and has seen its purchasing power eroded by 50 percent since it was last adjusted to \$4.50 in 2000. An increase in the cap is a positive step forward in tackling the challenges of aging airport infrastructure.

AGC believes it is generally more cost effective to use pavement specifications for AIP-funded projects that increase competition among contractors while ensuring that quality standards are maintained and safety is enhanced. State pavement specifications generally meet these requirements and should continue to be allowed as has been FAA's standard operating procedure

in the past. However, since there may be circumstances where state specifications may not meet the quality or safety standard, FAA should have the authority to require the use of specifications that meet a minimum national standard.

Lastly, AGC opposes any attempts to expand Buy America, either in scope or application, and further opposes provisions that would seek to make the waiver process harder or impugn the validity of such processes.

Again, thank you for your efforts to provide a long-term FAA reauthorization. We look forward to working with you to ensure that the infrastructure needs of our nation's airport are addressed.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Shoaf". The signature is fluid and cursive, with a large initial "J" and "S".

Jeffrey D. Shoaf
Senior Executive Director, Government Affairs

cc: Members of the Senate Commerce, Science & Transportation Committee