

Issue	Senate	House	Administration	Conference Outlook
<b>User Fees</b> <i>(current FAA obligations funding by ticket and fuel taxes)</i>	\$25 user fee for filing flight plan (used as source for capital investments in Air Traffic).		Shifts to cost-based hybrid financing system of user fees and fuel taxes.	Most controversial section of overall bill--airlines vs. general aviation.
<b>Aviation Fuel Tax</b> <i>(currently 4.3¢)</i>	Finance Committee (TBD)	Ways and Means Committee (TBD)	Increase commercial fuel tax to 13.6¢, general aviation to 70¢	Congress unlikely to approve large increases in fuel taxes. Modest increase with reform of other taxes possible.
<b>Defined General Fund Support</b> <i>(e.g. 25-30%)</i>	No guarantee		No guarantee	No guarantee
<b>Airport and Airways Trust Fund Sufficiency</b> <i>(long-term outlook questionable, similar to HTF)</i>	TBD	TBD	Shift to cost-based program (but fees set at lower authorizations for AIP).	Congress largely inattentive to concerns; will postpone review.
<b>AIP Funding</b> <i>(note: FY08 House approps set at \$3.6B)</i>	\$3.8 billion FY08 \$3.9 billion FY09 \$4.0 billion FY10 \$4.1 billion FY11		\$2.75 billion FY08 \$2.90 billion FY09 \$3.05 billion FY10	Strong bicameral support for increasing funding levels.
<b>Budget Protections</b> <i>(make it more difficult to spend AATF revenues on other purposes).</i>	Renews through FY11		None	Strong support for existing protections that help AIP.

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<b>AIP Entitlements</b>	Retains entitlements for large and medium hubs.  Retains current nonprimary apportionments (or one-fifth NPIAS five-year estimate per airport up to maximum of \$150,000).		Restructures program significantly: phases out entitlements for large and medium hubs in FY09 (50%) and completely by FY10.  Replaces existing nonprimary apportionments with tiered system.	Support strong for current system that protects entitlements, including those for smallest nonprimary airports.
<b>AIP Discretionary</b>	Only marginal increase, dependent on overall funding levels.		Increases discretionary amount to a minimum of \$520 million (covers existing and new Letters of Intent). Simplifies program.	Not as strong support for discretionary account—likely to limit new federal monies for major capacity projects.
<b>AIP State Block Grant Program (9 states)</b>	3 new states can be chosen by the Secretary.		No expansion	Possibility of new states being authorized. Would require DOT approval.
<b>AIP State Apportionment</b>	Retains current law that combines funding allocation for nonprimary entitlements and state apportionment.		Separates from nonprimary apportionments and sets at 10% of AIP.	

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<b>AIP Federal Match Requirement</b>	Sets small airport (small hubs and below) at 95%.  Retains existing law for large and medium hub projects at 75%.		Sets small airport (small hubs and below) at 90%  Sets to 50% for large and medium hub rehab projects.	
<b>PFC Level</b> <i>(\$4.50 current ceiling)</i>	\$4.50 (no change).  New PFC ceiling for pilot program for 6 airports to collect if they do so directly from pax.		\$6.00 (\$1.50 increase).  \$7.00 for pilot program for large and medium hubs that take over nav aids.	Likely to be big battle between airports and airlines.
<b>PFC Streamlining</b> <i>(defined as simplifying application process and use and justification of locally generated PFC revenue)</i>	Modest streamlining of PFC application process but requires prior DOT approval before rate level increase.		Expands and simplifies PFC program significantly. Treats PFCs more like airport revenue.	Some streamlining of application process likely. Eligibility unlikely to be expanded.
<b>Essential Air Service</b>	\$133 million in annual funding, \$50 million from overflight fees.		\$50 million in annual funding from Trust Fund.	Congress likely to support strong EAS program with at modest increase from current \$127 million.
<b>Small Community Air Service Development Program</b>	\$35 million in annual funding.		No funding authorized.	Congress likely to support current level of authorized funding (\$35 million).
<b>Alternative Minimum Tax (AMT) Relief</b>	Finance Committee (TBD)	Ways and Means Committee (TBD)	None	Unlikely without broader AMT reform.