

POLICY RESOLUTION PR-8-06
TITLE: FLEXIBILITY IN USE OF AIP AND PFC FUNDS

WHEREAS, Airport Improvement Program (AIP) and Passenger Facility Charge (PFC) spending rules are too restrictive and reduce productivity of limited resources; and

WHEREAS, current FAA regulations require that any money used to fund a shortfall in a Letter of Intent LOI program/project must come from non-federal sources; and

WHEREAS, Passenger Facility Charges (PFCs) are passenger-generated revenues, and an airport should not, therefore, be penalized with a reduction in AIP dollars for pursuing additional non-federal funds; and

WHEREAS, this penalty only serves to discourage the expansion of this revenue source, thereby potentially limiting needed infrastructure and placing a larger burden on carriers serving the airport.

NOW, THEREFORE, BE IT RESOLVED, that Congress and the FAA provide airports with greater flexibility in use of AIP and PFC funds, including for example, additional the ability to use general discretionary funds to fund an unanticipated shortage on a LOI-funded project, the ability to use AIP funds to purchase (otherwise unavailable) equipment produced by a foreign vendor, and eliminating the mandated loss of entitlement funds resulting from imposing a higher level of PFCs.