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Airport Consultants Council

Recommendations for President-elect Obama's DOT Transition Team

Summary: The new Obama Administration and the 111th Congress should provide $1 billion in airport capital development funding to stimulate the economy and pass a multi-year Federal Aviation Administration reauthorization bill as soon as possible.

ECONOMIC STIMULUS BILL

Hundreds of airport projects across the country are currently on hold due to the contraction in airline service and the upheaval in the credit markets. Airport consultants and suppliers are experiencing impacts to their businesses, including idle staff and shrinking revenue. Significant employee layoffs are likely unless an injection of funding is made available to get projects moving again.

- Provide at least $1 billion in funding for airport capital projects to create 35,000 jobs and improve the safety, security and capacity at our nation's airports. Ensure the funding is distributed among airports of all sizes and includes no local matching fund requirement.
- Eliminate the Alternative Minimum Tax (AMT) penalty on airport bonds. New and existing construction projects are currently on hold because the AMT substantially increases interest rate charges on borrowing. Eliminating the AMT will provide airports access to critical funding for projects, create jobs and stimulate the economy.
- Ensure longer-term and sustained economic growth and avoid driving up construction costs by requiring that projects be underway but not completed during 2009 and by funding planning, environmental and engineering/design projects.

FAA REAUTHORIZATION BILL

Legislation to reauthorize the Federal Aviation Administration (FAA) is over a year delayed. Airports have received their AIP funding through six extension bills, and the current appropriation extension expires on March 6, 2009. The stop/start nature of FAA funding availability has wrecked havoc on the implementation of airport improvement projects and has compromised the ability of airports to plan long-term design and construction programs. Quick passage of the FAA reauthorization bill will provide longer-term stimulus to the economy and create jobs.

- Increase funding for the Airport Improvement Program (AIP) by a minimum of $100 million per year.
- Increase the cap on Passenger Facility Charges (PFCs) from the current level of $4.50 to at least $7.00.
- Extend the use of Qualifications Based Selection (QBS) to airport planning, architectural and engineering projects funded through PFCs.

Founded in 1978, the Airport Consultants Council (ACC) is the international trade association that represents consulting firms and related businesses involved in the development and operations of airports and related facilities. Visit www.ACConline.org for more information.

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