

## **THE FAA REAUTHORIZATION ACT OF 2007: *INVESTING IN INFRASTRUCTURE AND COMBATING DELAYS***

### **I. Delays and Investment**

- In June, the Department of Transportation (DOT) reported that only 72.5 percent of domestic flights by the 20 largest U.S. airlines arrived on-time in January, February, March and April of this year – the worst showing for those four months since DOT began reporting on-time performance in 1995.
- The *FAA Reauthorization Act of 2007* provides historic funding levels for the FAA’s capital programs from fiscal year (FY) 2008 to FY2011. Robust investment in aviation infrastructure is necessary to enhance capacity and combat delays.

### **II. Air Traffic Control (ATC) Modernization and Next Generation Air Transportation System (NextGen)**

- The bill provides \$13 billion for FAA Facilities & Equipment (F&E) - the FAA’s primary vehicle for modernizing the national airspace system - over \$1 billion more than the Administration’s proposal. This funding will accelerate the implementation of NextGen and enable FAA to replace or repair existing facilities and equipment to prevent outages or other equipment failures that cause delays.
- The bill elevates the Director of the Joint Planning and Development Office (JPDO) to the status of Associate Administrator of NextGen within the FAA and makes the new Associate Administrator a voting member of the Joint Resources Council, the FAA’s decision making body for major acquisitions. Greater authority will enable the JPDO to prioritize NextGen-related capital investment at the FAA.

### **III. Airport Infrastructure**

- The bill provides \$15.8 billion for the Airport Improvement Program (AIP) - over \$4 billion more than the Administration’s proposal.
- In addition, to combat inflation and to help airports meet increasing capital needs, the bill increases the passenger facility charge (PFC) cap from \$4.50 to \$7.00.
- According to the FAA’s Operational Evolution Plan (OEP), “New runways and runway extensions provide the most significant capacity increases. . . The 35 airports included in the OEP account for 73 percent of all passenger enplanements. The majority of air traffic delays can be traced to inadequate throughput (as measured by arrival and departure rates) at these airports. The construction of new runways and runway extensions are the most effective method of increasing throughput.”

- Also according to the FAA, since 2001 new runways at six airports financed in part by PFCs – Detroit, Cleveland, Denver, Minneapolis-St. Paul, Cincinnati and Atlanta – have resulted in increased operations at those airports ranging from 12 percent to 33 percent and significant reductions in delays.
- The FAA’s 2007-2011 National Plan of Integrated Airport Systems (NPIAS) states that during the next five years, there will be \$41.2 billion of AIP-eligible infrastructure development, an annual average of \$8.2 billion. This includes approximately \$18 billion in runway-related needs including new runway, taxiway and apron construction. However, in March 2007, the FAA testified that, “the current NPIAS report may underestimate the true cost of needed capital investment, as sharp increases in construction costs occurring in the last half of 2006 were not fully reflected.”
- The 2007–2011 Airports Council International – North America (ACI-NA) Capital Needs Survey estimates total airport capital needs – including the cost of non-AIP-eligible projects – to be about \$87.4 billion or \$17.5 billion per year from 2007 through 2011.
- The FAA’s *Capacity Needs in the National Airspace System, An Analysis of Airport and Metropolitan Area Demand and Operational Capacity in the Future* (a.k.a. the Future Airport Capacity Task 2 report or “FACT 2”) report found that 18 airports around the country are identified as needing additional capacity by 2015, and 27 by 2025. Of those 18 airports that will need additional capacity by 2015, 12 currently collect the maximum \$4.50 PFC. Of those 27 airports that will need additional capacity by 2025, 20 collect the maximum \$4.50 PFC.
- The *FAA Reauthorization Act of 2007* will provide for the financing of capacity enhancing airport capital development that will reduce delays.