

Legislative Update Alert re: FAA Reauthorization:

The current funding authorization for the Federal Aviation Administration (FAA) and the grant and other programs for which it is responsible is set to expire on September 30, 2015. As you know, in addition to setting spending levels for these programs, FAA authorization legislation also sets policy on issues of importance to AMAC, airlines, airports, general aviation, and business stakeholders. As the Congress continues its work on a new FAA authorization bill, AMAC, led by the Government Affairs Committee and the Council's Washington, D.C. consultant, has been actively engaged with policymakers and their staffs regarding AMAC priorities:

- Incorporating DBE/ACDBE goal-setting and good faith efforts as part of the Passenger Facility Charge (PFC) program;
- Congressional support for regulatory improvements to the DOT DBE/ACDBE program in areas such as certification and reciprocity, size standards, and PNW adjustments; and
- DOT pilot program for car rental firms to increase DBE supplier opportunities based on AMAC's "White Paper" on this issue.

The Congressional Committees of jurisdiction handling reauthorization of FAA programs are the House Transportation & Infrastructure (*T&I*) Committee and the Senate Commerce, Science and Transportation (*Commerce*) Committee. In addition, because appropriations and funding for FAA programs comes from airline ticket tax revenue, the Congressional tax writing panels also have a key role (the House Ways and Means and the Senate Finance Committee). These committees have held a number of preliminary hearings examining some of the major policy and funding issues facing lawmakers. They include, but certainly are not limited to: reform of our nation's air traffic control system; raising the \$4.50 PFC ceiling; aircraft certification reform; and integration of unmanned aerial systems.

Given AMAC's long history of engagement with lawmakers there is an appreciation of, and support for, the airport DBE/ACDBE program. As a consequence, AMAC's chief priority is focused on modifying the PFC program. As you know, airports strongly support an increase in the PFC ceiling and that increase is adamantly opposed by the airlines. At this moment it is hard to predict the outcome of this struggle. While AMAC supports the airport's position it is contingent. Under current law, PFC-only financed airport capital projects are not required to include DBE/ACDBE goals or good faith efforts. We have been relentless in our advocacy to Capitol Hill that regardless of whether or not Congress raises the PFC ceiling, the PFC statute must be amended to incorporate DBE participation goal setting and good faith efforts requirements. Working in concert with our Washington, DC lobbyists, AMAC and the Government Affairs Committee has presented strong, fact-based evidence to House and Senate lawmakers in support of the Council's position as well as draft legislation to accomplish the change. With the growing prevalence of PFC-only financed airport projects it is absolutely

critical that the PFC statute be amended to reflect the new reality on the ground with respect to airport capital projects--and our advocacy on this issue will continue. In fact, we believe incorporating DBE/ACDBE goal setting and good faith efforts requirements will garner support for the airport community from Members of Congress (e.g., the Congressional Black, Hispanic, and Asian-Pacific Caucuses).

With regards to projected timing on a bill, the bipartisan leadership of the committees of jurisdiction have committed to getting a bill done this year. However, like other major reauthorization bills facing the 114th Congress, the legislative calendar does not bode well for seeing an FAA reauthorization bill enacted prior to the current September 30 deadline. Senate Commerce has yet to make any substantive progress on a bill. The Chairman of the House T&I Committee was expected to introduce a draft bill the week of July 1st; however, those plans were derailed, reportedly, due to stakeholder opposition to the Chairman's proposal on air traffic control privatization. It is unclear at this time if a bill will be introduced prior to lawmakers' month-long August recess; however, the chance of seeing a comprehensive bill enacted before the September 30 deadline is unlikely and a short-term extension will be needed (most likely through year-end).

With the prospect of delayed congressional action, AMAC will be using this time as an opportunity to continue educating Members of Congress, congressional staff, and other stakeholders on the Council's policy priorities. This includes building on AMAC's successful Washington, DC "Industry Day" in March, on the policy panels and discussions at the recent annual conference particularly the sessions held with airport commissioners. (As a result of those discussions, the Jackson, MS airport board passed a resolution supporting AMAC's position on the PFC program).

Stay tuned! We will need your help. We will continue to keep you apprised of emerging developments and actions that you as an AMAC member can undertake to make a difference.

Alert: AMAC is exploring establishing a federal political action committee (PAC) to support its legislative efforts. More to come as we proceed and make progress on this initiative.