

Airports connect all of us to the future

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By Kevin M. Burke

In my first months on the job at Airports Council International-North America, I have become even stronger in the belief that our shared future as a country requires investment in our airports. This view is supported even more as I survey other segments of our transportation system.

Airports are essential hubs in an interconnected network made up of the air-surface-water transport systems that link us to the expanding global economy.

Yet, as our collective ability to move people and goods around the world accelerates, we still debate public policies and funding support for each mode of transportation as it existed in decades past. We need a future-oriented approach if we are to remain competitive.

Currently in discussion in Congress is reauthorization of the federal highway trust fund. Next year, it will be time for the Federal Aviation Administration (FAA) reauthorization. Waterways and ports are segmented as well, as are most light rail transit systems. Freight rail is investor-owned, but like other modes, is subject to federal regulation that imposes costs. All are vitally important to America's economic future.

Chairman of the House Transportation and Infrastructure Committee Bill Shuster (R-pa.) said at a recent Washington seminar: "I believe that every single American is in the transportation business." He was making the point that it is essential for the nation to invest in the future of its transportation systems.

Shuster went on to say, "America invented aviation; we're the leaders in the world on aviation." But not for much longer, absent more farsighted approaches in Washington. He agrees with former Transportation Secretary Ray LaHood that the U.S. is losing out to global competitors that are racing ahead in building world-class airports and expanding links to rail, port and other intermodal services that keep the flow of people and cargo moving efficiently.

What can we do to create a better support system for transportation infrastructure, one that is mutually supportive for these vital interconnected systems? For starters we can understand the urgent need to make changes in the public policies and regulations that provide the framework for funding these systems.

We could use more creative solutions, certainly, but greater flexibility at a minimum. Airports are a good case in point. Funded primarily from fees paid by airport users, airports urgently need a federal policy

change that would increase the cap on the Passenger Facility Charges (PFCs) so that every local airport has the flexibility to invest in its own capital improvements.

The current PFC cap of \$4.50 has been unchanged since 2000, which means that more than half of its purchasing power has been lost to inflation. These are the kinds of policy hurdles that stymie transportation infrastructure investment at just the wrong time in our history.

In less than a decade, the United States has fallen from No. 1 in overall infrastructure quality in the World Economic Forum Global Competitiveness Index to 25th position in the 2013 edition. America's air infrastructure only made it to 30th place out of the 144 nations that are studied.

The American Society of Civil Engineers (ASCE), which conducts detailed evaluations of the nation's infrastructure every four years, gave U.S. infrastructure an overall grade of D+ last year. Aviation got a grade of D, in part based on the costs to our economy resulting from growing congestion and delays.

The FAA pegged this cost to the national economy at \$21.9 billion (adjusted to 2010 dollars) in 2007. If current funding levels are maintained, the FAA projects that the cost will rise from \$24 billion in 2012 to \$34 billion in 2020 and \$63 billion by 2040.

The cost of the status quo is clearly unacceptable. The time for more flexible federal transportation policy is now.

Burke is president and CEO of Airports Council International-North America.

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