

SAN FRANCISCO CITY & COUNTY

SAN FRANCISCO LABOR COUNCIL

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BUILDING TRADES COUNCIL

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June 9, 2015

The Honorable Bill Shuster
Chair
House Committee on Transportation
and Infrastructure
Washington, D.C. 20515

The Honorable Peter DeFazio
Ranking Member
House Committee on Transportation
and Infrastructure
Washington, D.C. 20515

The Honorable John Thune
Chair
Senate Committee on Commerce,
Science and Transportation
Washington, D.C. 20510

The Honorable Bill Nelson
Ranking Member
Senate Committee on Commerce,
Science and Transportation
Washington, D.C. 20510

Dear Chairs and Ranking Members:

Your committees will soon be acting on legislation to reauthorize the Federal Aviation Administration (FAA) and this Nation's aviation infrastructure programs. As the Executive Director of the San Francisco Labor Council, and Executive Secretary-Treasurer of the San Francisco Building and Construction Council, we urge you to lift the federal cap and allow local communities to invest in the modernization of our airports. San Francisco International Airport is one of the Bay Area's most valuable assets providing jobs and generating revenue throughout our region, including in San Mateo County where it is located. Modern and efficient airports are critical to ensure competition, attract international travelers, expand opportunities for American businesses and create jobs in our cities and states in an increasingly globalized economy.

Air travel in the United States is projected to nearly double over the next 20 years. FAA also forecasts an annual \$2.2 billion shortfall to pay for the airport improvements needed to handle this growing traffic.

We are particularly concerned with supporting San Francisco International Airport (SFO) in their efforts to keep pace with increased passenger demands in a region where tourism is our biggest economic driver. SFO has successfully built infrastructure and capacity projects on-time and efficiently using PFC monies, allowing for better leverage in the bond markets and keeping their cost-per-enplaned passenger low – increasing competition among carriers, resulting in lower fares for their passengers.

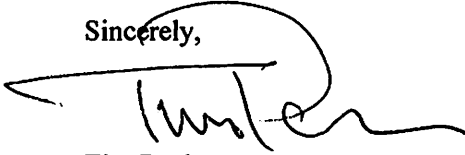
We urge you to focus on policies that strengthen the competitiveness of one of this region's major economic assets. 2014 established new records for overall enplanements at SFO with 23 million passengers - an increase of 3.20% compared to 2013. The overall total airport passenger traffic, including enplanements, deplanements, and in-transit passengers, was over 46 million. SFO generates over \$750 million in operating revenue from aviation, concessions, parking, and transportation. The Airport uses this revenue to invest in capital improvements for the airport, maintain and repair its expansive infrastructure systems, purchase materials, and employ tens of thousands of Bay Area residents. SFO's ability to leverage these existing resources through an increase in the Passenger Facility Charge (PFC) is vital to their ability to continue to perform as an economic engine for the entire region.

It has been 15 years since Congress last adjusted the federal cap on the local airport user fee. Since that time, post-9/11 security needs, aging infrastructure, 15 years of inflation and record passenger numbers are stretching

airport resources. As a result of airline mergers and reduced competition, the US Department of Transportation has reported that airfares climbed to an 11 year high in 2014, a \$48 increase in just five years. The average passenger is now also paying an additional \$16 to \$22 in airline ancillary fees. A proportionally small adjustment in the local passenger facility charge gives local airports resources to attract new airline competitors, reduce the financial costs of infrastructure projects and lower rents – all of which lead to lower ticket prices.

Please work to uncap local financial resources so that we can have a truly transformational FAA bill will also modernize America's aging airports and make them world leaders once again.

Sincerely,



Tim Paulson
Executive Director
San Francisco Labor Council



Mike Theriault
Executive Secretary-Treasurer
San Francisco Building and Construction Trades
Council

cc: The Honorable Dianne Feinstein, United States Senator – CA
The Honorable Barbara Boxer, United States Senator – CA
The Honorable Nancy Pelosi, United States Representative – CA 12th District
The Honorable Jackie Speier, United States Representative – CA 14th District
Bill Wong, SFO Employment and Quality Standards Administration

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