

ACC WASHINGTON UPDATE

- 1) **House FAA Reauthorization Proposal Unveiled**
- 2) **Leadership Changes at FAA**

Things are getting busy here in Washington as the House Transportation & Infrastructure Committee released its FAA reauthorization proposal on June 9. At the same time, President Biden has named new acting leadership at FAA as the process continues to identify a full time Administrator. More details are below.

1) House Reauthorization Proposal Dropped

The bi-partisan leadership of the House Transportation & Infrastructure Committee released its 800-page “Securing Growth and Robust Leadership in American Aviation Act,” a 5-year bill that authorizes funding and FAA programs from FY 2024-2028. The committee will mark up the bill tomorrow. Here are links to the Committee’s [press release](#) and [bill text](#), and a section-by-section analysis can be [found here](#).

The comprehensive House bill reflects a number of key priorities advocated by ACC:

- Increases Airport Funding:
 - For the first time in 20 years, increases AIP funding from \$3.35 billion to \$4 billion per year, plus an additional \$100 million subject to annual appropriations;
 - Increases FAA Facilities and Equipment from \$3.37 billion in FY 2024 to \$4.37 billion in FY 2028;
 - Increases FAA Operations from \$12.7 billion in FY 2024 to \$13.9 billion in FY 2028;
- AIP Reforms:
 - Removes most restrictions on the kinds of terminal development projects AIP can be used for, reducing the need for airports to segment terminal projects to comply with program requirements.
 - Permits the Secretary to incorporate price adjustment provisions into an AIP grant agreement to account for labor or material cost inflation.
 - Permits FAA to issue Letters of Intent (LOIs) for small airports, directing FAA to issue \$100 million in small airport LOIs annually beginning in FY 2028.
 - Clarifies Sec. 163.
 - Revises apportionment formulas for airports.

- Authorizes the DOT Secretary to approve AIP grants for projects that use innovative financing techniques and clarifies the use of alternative project delivery methods.
- Increases the number of projects eligible to be funded under the existing environmental programs set-aside while both raising the floor and lowering the ceiling on category funding.
- Passenger Facility Charge Modifications:
 - Expands the eligible uses of Passenger Facility Charges (PFCs) to include “airport related projects”, and requires the implementation of the PFC authorization pilot program, which would allow airports to file a notice of their intent to impose a PFC rather than file an application to do so.

(The Senate Commerce Committee’s **bill** was just **introduced** today. More information regarding the proposal will follow.)

Prognosis: Both the House and Senate FAA reauthorization bills are bipartisan proposals, which should help with accelerating the bills through the committees this week. The House T&I Committee will hold a **markup** tomorrow (Tuesday) at 10:00 eastern, with the Senate Commerce Committee scheduled to hold its **markup** on Thursday at 10:00. This bipartisan approach by leadership (so far) should help get the bills to each chamber for a vote soon. It may be a challenging conference between House and Senate negotiators given the focus areas of each bill, with the House sticking to technical policies and the Senate focused on passenger and customer service issues.

2) Changes at FAA Leadership

The Biden Administration announced last week that Polly Trottenberg will serve as acting FAA Administrator. The President intends to appoint Katie Thomson, the FAA’s current chief of staff, as the deputy administrator. Keith Washington, currently DOT Deputy Assistant Secretary for Administration, will serve as the agency’s acting chief of staff. DOT also announced current Deputy FAA Administrator A. Bradley Mims is moving to the Office of the Secretary and will lead the Office of Small and Disadvantaged Business Utilization at DOT.

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