



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 1

Agenda Date: 3/10/2015

In Control: Intergovernmental Relations Committee

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the Proposed Increase for the Passenger Facility Charge for the San Antonio International Airport

SUMMARY:

A briefing on the National Initiative to Increase Passenger Facility Charge (PFC)

BACKGROUND INFORMATION:

The briefing will allow staff to update the members of the Intergovernmental Relations (IGR) Committee on the initiative, supported by airports nationwide, to increase the Passenger Facility Charge (PFC) from its current value of \$4.50 to \$8.50.

The PFC was authorized by the United States Congress to allow commercial airports owned by public agencies to fund capital projects that meet 1) preserve or enhance safety, security and capacity of the national air transportation system; 2) reduce noise from an airport that is part of the system, or 3) provide opportunities for enhanced competition between or among air carriers. The PFC is a local airport user fee that is added to an airline ticket. The fee was last increased in 2000 to \$4.50 after remaining at \$3.00 since its authorization in 1990.

When adjusted for inflation, the \$4.50 in 2000 is the equivalent of \$2.38 today. The San Antonio International Airport has identified over \$247 million in runway and taxiway projects over the next six years. Airports nationwide are advocating for the modernization of the PFC to \$8.50 as part of the Federal Authorization Administration (FAA) Reauthorization Bill and indexing of the PFC for inflation.

If Congress authorizes the PFC increase, the Aviation Department will bring forward an item to City Council for the submittal of an application to the FAA to increase the PFC for eligible projects.

ISSUE:

This briefing will provide members of the IGR committee on the national initiative to increase the PFC to \$8.50 from its current value of \$4.50.

ALTERNATIVES:

This briefing is for informational purposes only.

FISCAL IMPACT:

There is no fiscal impact with this briefing.

RECOMMENDATION:

Staff recommends the IGR committee support the efforts to increase the PFC.