

U.S. TRAVEL
A S S O C I A T I O N

WRITTEN STATEMENT

OF

**Ms. TORI EMERSON BARNES
EXECUTIVE VICE PRESIDENT, PUBLIC AFFAIRS AND POLICY
U.S. TRAVEL ASSOCIATION**

ON

**“THE COST OF DOING NOTHING: WHY INVESTMENT IN OUR NATION'S
AIRPORTS MATTERS”**

**BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

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**U.S. TRAVEL ASSOCIATION
1100 NEW YORK AVENUE, NW, SUITE 450
WASHINGTON, DC 20005-3934
202.408.8422
FAX 202.408.1255**

Chairman DeFazio, Ranking Member Graves, Members, good morning. I'm Tori Barnes, Executive Vice President of Public Affairs and Policy for the U.S. Travel Association. Thank you for inviting the broader travel industry to participate in this important hearing.

U.S. Travel is the *only* association that represents the interests of travelers and all sectors of the travel industry – lodging companies, amusement parks, restaurants, convention managers, car rental companies, state travel leaders, and many others. With such a broad membership, our association has a focused mission: To increase travel to and within the United States – and that's the lens through which we evaluate public policies. Simply put: will they grow travel or not?

This is our approach to aviation policy, because when air travel grows, the benefits extend far beyond just airports and airlines. According to U.S. Travel research, in 2018, domestic air travelers spent \$289 billion – and directly supported 2.4 million jobs in America's travel industry. While these passengers account for only 12% of domestic trips, they generate 31% of total domestic travel spending. Add international visitors, and the effects are even greater. International travel to the U.S. is our nation's second largest service export and more than 85% of this spending is powered by the 51 million international visitors arriving at airports, who spent \$144 billion here.¹

Modern, efficient airports ensure we keep pace with growing travel demand, while inefficient, outdated or capacity-constrained airports limit jobs and economic growth, discourage domestic and international travel and undermine America's global competitiveness.

Clearly, when air travel grows, our economy prospers. That means it is essential for America's infrastructure to keep pace with growing travel demand.

As U.S. Travel's members look at the Passenger Facility Charge, then, they raise three questions:

¹ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf

First, are airports able to handle current demand?

Travelers already face routine challenges from delays and a frustrating passenger experience, often stuck in crowded terminals or on congested taxiways. In 2018, one in five flights was delayed or canceled.²

A recent U.S. Travel survey found airport hassles caused Americans to avoid 32 million trips, which cost travel businesses \$24 billion in spending – enough to support 200,000 jobs.³

Second, will airports be able to handle future demand?

Here, there are worrying signs. The FAA predicts that 9 large hub airports will not have enough air side capacity to meet travel demand by 2030.⁴

According to a study by Cambridge Systematics, by 2021, the top 30 U.S. airports will experience Thanksgiving-like congestion levels at least one day per week.⁵

Because airports cannot fund improvements as fast – or as cost effectively – as they otherwise could with a higher PFC, in just two short years, our airports will look largely the same as they do today. So if you’ve ever flown on the Wednesday before Thanksgiving, you weren’t just experiencing one of the busiest travel days of the year – you were getting a preview of what the average day of air travel will look like in just a few short years if we continue down our current path.

With these levels of passenger volumes on the horizon, the question posed to airports shouldn’t be: “Show us a project that can’t eventually be funded and built.” The question should be: “Show us an airport project that *shouldn’t* be completed faster and at a lower cost.”

² https://www.transtats.bts.gov/OT_Delay/OT_DelayCause1.asp

³ “Flying Worse than Five Years Ago, with Christmas the Most Frustrating Travel Season, Most Americans Say,” U.S. Travel Association, December 20, 2017.

⁴ https://www.faa.gov/airports/planning_capacity/media/FACT3-Airport-Capacity-Needs-in-the-NAS.pdf

⁵ “Thanksgiving in the Skies: A Look at the Future of Air Travel in America,” analysis conducted by Cambridge Systematics on behalf of the U.S. Travel Association, November 4, 2014. https://www.ustravel.org/sites/default/files/media_root/document/THX%202014_Executive%20Summary%20Final%20%281%29%5B1%5D.pdf

Third, our members ask, how would flyers react if Congress raises the PFC?

We surveyed air travelers around the country and learned that their top three frustrations are airline fees, the overall cost of flying, and airport hassles such as crowded terminals. Airport fees were second-to-last as factors determining whether travelers actually take trips.⁶

Travelers also support projects that improve travel – and travelers know these projects must be paid for: 58 percent said they would be willing to pay up to \$4 more per ticket for airport improvement projects of the kind that PFCs fund.⁷

This leads me to why U.S. Travel supports giving airports the choice to raise the PFC, because:

- It's optional;
- It funds projects that benefit travelers and the air travel system;
- And it works.

As I stated, the PFC is an optional tool that airports may *choose* – and I emphasize choose – to address projects of immediate need. Improvement to terminals, runways, and taxiways are among the projects that could benefit from an infusion of PFC funds. By definition, if an airport does not need additional PFC financing it will not need to increase its PFC– and those that do, could only do so if they have a project that receives FAA's approval.

PFCs only fund projects that benefit travelers and the entire air travel system. Congress established the PFC to provide financing for projects that enhance safety and security, reduce congestion or increase capacity, enhance airline competition, or reduce airport noise. Travelers support such investments and they will grow travel. But the statutory cap on the PFC has not been lifted in 19 years. Inflation since 2000 has eaten away at its value. It is time for a change.

⁶ https://www.ustravel.org/sites/default/files/media_root/document/MC-Poll-Slides-V3.pdf

⁷ “Travelers willing to pay more to improve flying experience,” U.S. Travel Association, March 25, 2015. <https://www.ustravel.org/press/survey-travelers-willing-pay-more-improve-flying-experience>

Finally, the PFC works. Consider, O’Hare Airport. O’Hare used PFC funds to buy out and renovate vacant gates held by a major incumbent carrier. This action helped several low-cost carriers, including Spirit, start new service – and their flights to new cities led to two million additional visitors and over \$2 billion in increased business activity over a seven-year period.⁸ For airports that choose it, PFCs work – and they grow travel.

Giving airports the option to increase the PFC enjoys the backing of the broad span of the travel industry, including 120 organizations that announced their support last year.⁹ These travel leaders are convinced that removing the PFC cap will boost – not hurt – travel. Our members believe this financing method promises quicker results and greater flexibility.

Thank you for your leadership in ensuring a better air travel system for passengers. We look forward to working with you on this and other important issues.

⁸ <https://www.ustravel.org/issues/infrastructure>

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https://www.ustravel.org/sites/default/files/media_root/document/House%20FY18%20Appropriations%20Letter_1.pdf