

THE BOND BUYER

Congress reauthorizes FAA, approves disaster aid

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WASHINGTON – Congress sent a bill with disaster aid and a five-year reauthorization of the Federal Aviation Administration to the White House Wednesday that would provide airport authorities with new flexibility without increasing their funding.

The legislation, which the Senate approved by a vote of 93 to 6, also includes disaster recovery reform measures that would provide local governments with more leeway to spend federal disaster aid on pre-disaster planning and mitigation.

“The bill we just overwhelmingly passed and sent to the president’s desk is the longest FAA reauthorization since the 1980s,” said Sen. John Thune, R-S.D., chairman of the Senate Commerce, Science and Transportation Committee.

Sen. John Hoeven, R-N.D., said the bill includes a provision for building the first new airport in U.S. in nine years. It will be built in the Williston area of his home state.

Airport industry officials, however, have expressed frustration and disappointment that Congress did not change the cap on the passenger facility charge, which is \$4.50 per flight segment and a maximum of \$18 for a round-trip flight with multiple legs.

The PFC revenue is used for airport improvements to enhance passenger capacity, safety, and increase competition among airlines. The legislation would lift certain restrictions on how the PFC revenue can be used, streamlines the application process for airports to impose a PFC, and would provide stable funding for the Airport Improvement Program. Specifically, it would authorize \$3.35 billion from the Airport and Airway Trust Fund for the AIP account for each of fiscal years 2019-2023.

“The airport industry cannot get behind this proposal given the flat federal funding level, continued federal interference with local airport financing flexibility, and new federal mandates,” Kevin M. Burke, president and chief executive officer of the Airports Council International – North America, and Todd Hauptli, president and CEO of the American Association of Airport Executives, said in a joint statement last month.

Burke and Hauptli said the best case scenario “keeps airports stuck in neutral for the next five years by failing to address the fact that more travelers are taking to the skies thus further crowding outdated terminals and tarmacs.”

The legislation also passed the House last week by a lopsided 398 to 23 vote.

Included in the package is \$1.68 billion in supplemental disaster funding to help cover the cost of recovery and rebuilding from Hurricane Florence last month.

The Disaster Recovery Reform Act (DRRA) that was packaged with the FAA reauthorization contains new time limits on the ability of the Federal Emergency Management Agency to claw back disaster aid funds that Congress appropriated for a disaster and use that money for another disaster.

National League of Cities President Mark Stodola, the mayor of Little Rock, Ark., praised the disaster provisions of the legislation.

“Congress has clearly heard cities’ call to rebuild stronger, and the DRRA will shift federal resources to help communities be proactive to mitigate risk and make neighborhoods safer,” Stodola said in a press release. “Investment in mitigation, both pre- and post-disaster, is the best defense against natural disasters, and it will reduce future federal spending for disaster recovery.”