

# **Bond Case Briefs**

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## **Some Good News May Be Getting Off the Ground in Washington D.C.**

Kroll Bond Rating Agency (KBRA) published a special report today that examines the impact of the U.S. Senate's proposed FY 2018 spending plan on America's airports. The current bill raises the cap on U.S. airports' Passenger Facility Charge (PFC) rate to \$8.50 from \$4.50 on non-connecting flights. The Senate spending measure also proposes to expand the overall Airport Improvement Program (AIP) grant funding to \$3.6 billion from \$3.35 billion where it's been stuck since 2012.

The Senate plan would require the thirty largest airports by passenger activity to give up their federal Airport Improvement Program (AIP) entitlement grants if they decide to exercise the right to raise the PFC above \$4.50. KBRA estimates that the net effect of giving up the AIP entitlement grant and lifting the local airport PFC could bring more than \$6.3 billion of new investment dollars to these airports over the next five years. The FAA will also be able to reallocate the freed up AIP entitlement grant dollars toward other airports' infrastructure needs across the country. So, as written, the Senate spending measure is a win-win for both the largest and for many smaller airports.

If the incremental PFC revenues are committed to funding proposed capital projects, KBRA estimates that at least nine large hub airports could have 25 percent or more of their currently projected five-year capital needs covered by the new PFC revenues.

To access the full report, please click on the link below:

[Some Good News May Be Getting Off the Ground in Washington D.C.](#)

If you have any difficulties accessing the report, please contact [info@kbra.com](mailto:info@kbra.com) or visit [www.kbra.com](http://www.kbra.com)