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Without change in law, Des Moines airport upgrade in jeopardy

Kevin J. Foley, Iowa View contributor Published 3:34 p.m. CT Aug. 17, 2017 | Updated 4:09 p.m. CT Aug. 17, 2017



(Photo: Special to The Register)

The Des Moines International Airport has enjoyed considerable growth over the past seven years. Since 2009, passenger traffic has grown more than 35 percent, and new passenger traffic records have been set each year since 2012.

Passenger traffic continues to grow this year, with a growth rate of 4.2 percent year-to-date. Des Moines International Airport is the largest airport in the state of Iowa and serves more than three quarters of the entire state. It is our capital city airport connecting Iowa to the world with 19 nonstop destinations, which in turn provide connections to the rest of the world.

The 1948 passenger terminal is rapidly becoming overcrowded and obsolete. With the growth in passenger traffic, the terminal is at the threshold of becoming a deterrent to economic growth in the state, rather than a tool that fosters growth.

In 2014, the Airport Authority approved a terminal study conducted by aviation planning professionals. The study determined that the current terminal was well beyond rehabilitation and that a [new terminal was necessary \(/story/money/business/2016/08/23/dm-airport-likes-eastern-location-new-500m-terminal/89223526/\)](#) to accommodate passenger demand. The preliminary financial analysis indicated that after all financial avenues were utilized, including a heavy load of debt, the Airport Authority would need an additional \$200 million for the terminal plan to become reality.

Airports across the nation are in similar circumstances. According to a 2016 Airport Infrastructure Needs Survey, airports of all sizes require \$20 billion annually to fix aging runways and terminals, relieve congestion and delays, and spur new airline competition. That estimate is more than three times the annual revenue airports receive from FAA Grants and Passenger Facility Charges, or PFC, that help fund capital improvement projects.

What is a PFC? PFCs are set fees attached to airline ticket sales. Currently, the congressional cap on PFCs is set at \$4.50. Every passenger purchasing a ticket from Des Moines pays the \$4.50 fee. Airlines collect the fee and remit the monies directly back to the airport. The money never goes to Washington, D.C., and PFCs have absolutely no effect on our federal budget. Simply put, if you never purchase an airline ticket, you will never pay a PFC.

Late in July the Senate Appropriations Committee, on a broad bipartisan basis, took a step to break the infrastructure investment logjam by passing [Senate Bill 1655 \(https://www.congress.gov/bill/115th-congress/senate-bill/1655/text\)](https://www.congress.gov/bill/115th-congress/senate-bill/1655/text). The bill includes an increase in the federal cap on PFCs for originating passengers only. The federal PFC cap was last adjusted in 2000. The bill raises the federal cap to \$8.50, a \$4.00 increase that would go a long way toward [closing the \\$200 million funding gap in Des Moines International Airport's Terminal Plan \(/story/money/business/biz-buzz/2017/01/20/des-moines-airports-new-terminal-may-depend-upon-trump/96735646/\)](#). Without that increase, a new terminal in Des Moines may not become a reality for many years.

While it is encouraging that the Senate Appropriations Committee passed S.1655, the bill has a long way to go. The House Appropriations Committee must also pass the funding bill, and at some point it will come up for debate on the floor of both the Senate and the House.

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Airports in the U.S. have been compared to "Third World" facilities. (</story/travel/columnist/mcgee/2017/03/29/airports/99744116/>) An increase in the PFC cap will benefit all commercial service airports including Des Moines International Airport. Without an increase in the PFC cap, the airport's terminal plan will certainly be delayed, possibly for decades.



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