Foley: Bill in Congress would leave D.M. airport project searching for cash

BY PERRY BEEMAN, Managing Editor
Tuesday, September 25, 2018 10:00 AM

Des Moines airport chief Kevin Foley has said more forcefully that it would be difficult at best to put together the financing for a nearly half-billion-dollar overhaul of Des Moines International Airport, including a new terminal, if Congress didn’t give airports the opportunity to raise a specific fee on tickets.

Airports have long proposed that Congress raise the passenger facility charge cap to $8.50 per flight segment from $4.50, the cap since 2000. The fee is charged per flight segment with a maximum of two fees charged on a one-way trip or four on a round trip, for a maximum of $18 total.
But with an Oct. 1 expiration of the Federal Aviation Administration’s funding bill looming, Congress is looking at a bill, H.R. 302, that not only leaves a key airport infrastructure spending account flat through 2023, but also leaves the $4.50 limit on passenger facility charges.

Foley had expressed hope that when President Donald Trump supported greater spending on the nation’s infrastructure, including airports, after he took office, that the reauthorization bill might show increases in charges.

There’s no sign of that yet.

“The bill does not increase passenger facility charges, which is the single most important funding source for airport development, including the terminal development project in Des Moines. There is one thread of hope — the bill requires an independent study of infrastructure and financing needs at airports, which would include passenger facility charges,” Foley said in an interview.

“With all the talk of infrastructure improvements needed at airports coming out of our federal government, nothing has materialized,” Foley said. “While the Des Moines Airport Authority [the panel that oversees the airport] is pushing ahead with the terminal development plan, passenger traffic is far outpacing projections and the need for a new terminal that allows for continued economic growth in Iowa is coming sooner than expected. An increased [passenger facility charge] cap is paramount to the completion of the terminal development project that culminates in a new passenger terminal able to accommodate the growing passenger numbers and represent Iowa as the progressive state that it is.”

The national airport lobby wasn’t happy, either.

Airports Council International-North America President and CEO Kevin Burke and American Association of Airport Executives President and CEO Todd Hauptli issued this joint statement this week:

“There’s no sugar-coating the fact that the long-term FAA reauthorization bill that the House and Senate will soon consider will do nothing for airports and travelers eager to see modernization of aging airport facilities. 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. In even the best case scenario, this measure 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. Washington can best help by getting out of the way and letting airports address their needs locally, and we remain committed to convincing a future Congress to adopt the approach that puts the good of the traveling public and communities across the country first.”