

June 16, 2016

Docket Management Facility
U.S. Department of Transportation
1200 New Jersey Avenue, SE
West Building Ground Floor, Room W12-140
Washington, DC 20590-0001

Re: Supplemental Comments, Proposed Policy Amendment Regarding PFC Eligibility of Ground Access Projects Meeting Certain Criteria, Docket No. FAA-2016-6596

On May 31, 2016, the San Diego County Regional Airport Authority submitted comments opposing the proposed change to FAA policy to allow for the use of Passenger Facility Charges (PFCs) to fund rail access projects that do not exclusively serve an airport. This supplemental letter provides additional comments outlining in more detail reasons that the current PFC eligibility rules should not be amended as proposed in Docket No. FAA-2016-6596.

Intended Use of PFCs

PFCs were established to be used for three purposes: 1) preserve or enhance safety, security, or capacity of the national airport system; 2) reduce noise from an airport that is part of such a system; or 3) furnish opportunities for enhanced competition between or among air carriers. The proposed use of PFCs for a rail line does not meet any of those three purposes.

Political Influence

There is no mechanism for airports to resist local political pressures to use PFCs to fund rail projects in close proximity to airports. Without strict controls on the use of PFCs, airports - whether municipal/county-owned or governed by an independent authority – could be pressured to use PFC revenues to build projects that have little or no value to airports and their stakeholders. City or county-owned airports, in particular, could be subject to local influence by elected officials and regional leaders. For example, a transfer of adjacent property interest to the airport through a right-of-way could increase the apparent PFC eligibility for the 'on-airport' portion of a city or county owned rail system.

As a result, airports would have to hope that the FAA rejects PFC applications to which the airport was opposed. Revenue diversion regulations were designed to help protect airports from undue political influence. Expanding the eligibility of PFC use, as has been proposed, would begin to open the door to using PFCs on non-airport/aviation projects if not strictly defined.

Cost Allocation Methodologies

The FAA's proposed change to PFC eligibility for rail access outlines three different allocation methodologies: 1) Incremental Cost Comparison; 2) Separate System Comparison; and 3) Prorated Costs Based on Ridership Forecast. Having multiple methodologies could cause issues to arise between the project sponsor and the FAA during review of an application. FAA staff could struggle

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with approving a project based on a methodology for which they have no reference point. One of the three proposed methodologies (eligibility based on ridership) is unverifiable and can subject the airport to an unwarranted share of costs. The people mover method could create unwarranted and astronomical cost eligibility. The best method of the three - the incremental cost method – still has the potential to inflate the cost eligibility beyond what it actually should be. Notwithstanding these concerns, the identification of one cost allocation method would allow a better framework for FAA to evaluate a project, and would be commensurate with other eligibility formulas, such as the two choices for terminal project eligibility (square footage or specific cost).

Airport Improvement Program Funding

There should exist a requirement that airports who use PFCs for rail and similar projects must forego AIP discretionary funds. Although there could be some limitation on that exclusion (e.g. funding levels not to exceed the amount received the year prior to adding rail project to their Airport Capital Improvement Plan). Airports using PFCs for rail projects should also be excluded from participating in the Letter of Intent (LOI) Program.

We appreciate your consideration of these additional comments regarding the proposed policy amendment regarding PFC eligibility of rail access projects and hope that you find them helpful.

Please contact me at (619) 400-2444 or via e-mail at tbowens@san.org if you need additional information or clarification regarding our comments.

Sincerely,



Thella F. Bowens
President/CEO