

For Immediate Release

MAINE PASSENGERS WILL PAY UP TO \$4.6 MILLION IN ADDITIONAL AIRPORT FEES UNDER NEW PROPOSAL

Despite Access to Millions of Dollars, Congress Pushing Massive Tax Hike on Maine Fliers

AUGUSTA, ME (DEC 14) – Stop Air Tax Now, a project of Airlines for America, today released an analysis detailing the higher fees that Maine fliers will pay if Congress approves a proposal to raise a fee passengers pay when flying out of commercial airports. The fee hike could be approved as early as December 22.

The proposal would increase the Passenger Facility Charge (PFC), a tax added to the cost of plane tickets that is transferred directly to airports, by \$4, which raises the total to \$8.50 on the first leg of each flight. The study shows that travelers flying out of Maine will annually pay up to \$4.6 million more in PFCs under the new proposal.

Several Maine leaders have also spoken out against this increase. In a letter to the editor in the <u>Bangor Daily News</u>, Maine's Commissioner of Economic and Community Development George Gervais, stated, in part:

"Maine has made impressive economic progress in the past seven years. Unemployment has hit a record low, and confidence in our state as a place to do business has grown. We need to keep Maine on that road, and we must discourage policies that could push us off track.

Last year, Maine's tourism economy was worth \$6 billion. With tourism as one of our primary economic drivers, we simply can't afford any policy change that makes it more expensive for American families to fly to Maine."

Maine Governor Paul R. LePage has also spoken out against a PFC increase, signing a letter in opposition to the proposal.

Legislators have also stated their opposition, including former Transportation Committee House Chairman and current Committee Member, Representative Rich Cebra from Naples.

The tax increase, proposed under the guise of modernization and expansion requirements, comes as airports in Maine took in \$36.27 million in operating revenue last year, \$3.55 million in PFC revenue and \$8.86 million in grants. Additionally, Maine airport facilities have access to \$6 billion in federal funding from the FAA's trust fund.

The tax increase would add up to \$3.51 million annually to the coffers of Portland International Jetport (PWM), the most of any airport in the state. PWM already has \$17.83 million in unrestricted cash and investments and collected \$3.5 million in PFCs last year.

Bangor International Airport would also be pocketing nearly \$1 million annually from the increased tax. See table below for more detailed information.

Airport Name	FAA Location Identifier	Additional PFCs From Increase (Max.)	Total Operating Revenue	Grant Receipts	PFCs	Unrestricted Cash & Investments
Portland International Jetport	PWM	\$3,511,248	\$20,919,614	\$5,188,818	\$3,504,626	\$17,831,359
Bangor International Jetport	BGR	\$961,696	\$13,636,403	\$0	\$0	\$0
Northern Maine Regional Airport at Presque Isle	PQI	\$49,472	\$1,006,221	\$3,118,434	\$48,148	\$0
Hancock County-Bar Harbor Airport	внв	\$33,692	\$712,431	\$551,385	\$0	\$0
Knox County Regional Airport	RKD	\$28,284	\$0	\$0	\$0	\$0
August State Airport	AUG	\$19,700	\$0	\$0	\$0	\$0

Sources: FAA CATS Form 127 for FY2016; US DOT O&D Data for 2016 via airlinedata.com

Passengers flying from smaller airports, such as Knox County Regional Airport, would pay the highest amount in PFCs because most trips from smaller airports require a connecting flight. Under the fee increase, passengers flying out of smaller airports will pay \$13 in PFCs on each flight: \$8.50 on the initial leg of the trip and \$4.50 for the second flight.

The existing Passenger Facility Charge (PFC) Program allows the collection of PFC fees up to \$4.50 for every enplaned passenger at commercial airports controlled by public agencies. PFCs are capped at \$4.50 per flight segment with a maximum of two PFCs charged on a one-way trip or four PFCs on a round trip, for a maximum of \$18 total. The proposed \$4 increase on the first leg of a flight will increase the round-trip maximum to \$26.

More detailed information on specific states and airports can be found at http://www.stopairtaxnow.com/pfc-impact-revenue-state.

Representative Rich Cebra is available to discuss the issue. He can be reached at (207) 693-6782.

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ABOUT STOP AIR TAX NOW

Stop Air Tax Now is a project of Airlines for America, the industry trade organization for the leading U.S. airlines. The project aims to educate flyers about the Passenger Facility Charge (PFC) and how a Congressional proposal to nearly double the PFC tax would force passengers to pay an additional \$2.68 million each year – just for using the airport. With the increase, a family of four would pay up to \$104 in the PFC tax alone on a round trip ticket.

Learn more about how the PFC hike would increase the price of your plane ticket by visiting stopairtaxnow.com.

ABOUT A4A

Annually, commercial aviation helps drive \$1.5 trillion in U.S. economic activity and more than 10 million U.S. jobs. Airlines fly more than 2.2 million passengers and 50,000 tons of cargo each day. Airlines for America

(A4A) advocates on behalf of the American airline industry as a model of safety, customer service and environmental responsibility and as the indispensable network that drives our nation's economy and global competitiveness.

A4A works collaboratively with the airlines, labor groups, Congress and the Administration to improve air travel for everyone.

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