



## AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

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May 21, 2010

The Honorable Sander M. Levin  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

On behalf of airport executives around the country, I am writing to thank you for proposing to extend Alternative Minimum Tax relief and the Build America Bonds program. Both proposals would help airports continue to build critical infrastructure projects, improve aviation safety and stimulate the economy by creating good-paying jobs.

As a result of your leadership, the American Recovery and Reinvestment Act, which Congress passed in 2009, excluded private activity bonds from the Alternative Minimum Tax (AMT) for bonds that airports and other state and local government entities issue in 2009 and 2010. The bill also allows airports to current refund bonds issued after 2003 that are refunded in 2009 and 2010.

As we have discussed, the AMT provisions are helping airports move forward with critical infrastructure projects that had been delayed because of the financial crisis and the collapse of the bond market. According to the Federal Aviation Administration (FAA), 34 airports have issued more than \$8.7 billion in bonds that have benefited from the AMT provisions in the Recovery Act. We estimate that airport projects funded with private activity bonds that are not subject to the AMT will support hundreds of thousands of jobs.

The Recovery Act also created the Build America Bonds program to help state and local governments reduce their financing costs and build infrastructure projects. A number of airports are taking advantage of this successful program. According to the FAA, airports in Chicago, Denver, Las Vegas, Long Beach and Los Angeles have issued approximately \$1.7 billion in Build America Bonds. We estimate that airport projects funded with Build America Bonds will support tens of thousands of jobs.

Airport executives around the country strongly support provisions in H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010, that would extend the AMT

relief through 2011 and extend the Build America Bonds program through 2012. We completely agree with your assessment that this legislation will help “State and local governments spur job growth....”

Extending AMT relief and the Build America Bonds program will help airports continue to build critical infrastructure projects, improve aviation safety and stimulate the economy by creating good-paying jobs. These much-needed extensions would enable airports to build on what is already an incredible success story in terms of infrastructure development and job creation. We urge Congress to pass this important legislation as quickly as possible.

We also encourage Congress to take the next step and permanently exclude airport private activity bonds from the AMT like Congress did for housing bonds in 2008. A permanent AMT fix could save airports billions of dollars in lower financing costs and allow airports to invest in more infrastructure projects that stimulate the economy and create even more jobs. We also support proposals to permanently extend the successful Build America Bonds program.

Sincerely,

A handwritten signature in black ink that reads "Charles Barclay". The signature is written in a cursive, flowing style.

Charles Barclay, A.A.E.  
President, AAAE