July 26, 2011

The Honorable Harry Reid
United States Senate
Washington, DC 20510

Re: Federal Aviation Administration Extension

Dear Senator Reid:

Since April 2006, the construction industry has lost 2.2 million jobs, a workforce decline of 29 percent. Construction spending fell for the sixth straight month in May, reaching an 11-year low. Publicly-funded construction has skidded 12 percent in the past eight months as state and local budget cuts have taken their toll on the industry. In addition, significant sudden cuts in or just delays to federal construction spending detracts from the effectiveness of these important federal investments.

The Associated General Contractors of America urges Congress to expeditiously enact an FAA authorization extension and to get serious about concluding the nearly four-year delay in negotiating a long-term authorization. The failure of Congress to extend authorization for Federal Aviation Administration programs, including the Airport Improvement Program, is irresponsible. It delays contracts from being let and it shuts down contracts that have already begun. Since the FAA authorization expired on September 30, 2007, Congress has kept the program operating under a series of 20 short-term extensions. While this is far from the ideal way to administer federal programs, it has minimized immediate harm on aviation and on the construction industry.

The failure last week, however, to pass a 21st extension has already resulted in the shutdown of FAA-assisted airport construction projects totaling nearly $2.5 billion. This is yet another blow to an industry that is already suffering depression-like conditions. The construction industry suffers an unemployment rate of almost 16 percent, 7 points higher than the rate in the general economy and the highest level for any economic sector.

A multiyear aviation bill will add certainty to the market; ensuring the best choices will be made to prioritize investment decisions. It will also allow companies, their employees, their suppliers, and their lenders to know that there is a future for their investment efforts in the United States. Please pass a multiyear aviation authorization.

Sincerely,

Jeffrey D. Shoaf
Senior Executive Director
Government Affairs