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Full Privatization of U.S. Airports: Potential Issues and Options for Congress

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SUMMARY

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Full Privatization of U.S. Airports: Potential Issues and Options for Congress

In 1996, Congress established the Airport Privatization Pilot Program (Federal Aviation Reauthorization Act of 1996; P.L. 104-264, §149). The program was established to increase access to sources of private capital for airport development and make airports more efficient, competitive, and financially viable.

The FAA Modernization and Reform Act of 2012 (P.L. 112-95) increased the number of airports that may participate in the 1996 program from 5 to 10. The FAA Reauthorization Act of 2018 (P.L. 115-254) renamed the program the Airport Investment Partnership Program (AIPP; 49 U.S.C. §47134) and removed the restriction on the number and type of public airports that may participate in the program. Participation in the AIPP has been limited, in large part because major stakeholders have different, if not contradictory, objectives and interests.

As of June 2026, three U.S. airports—two commercial service airports and a general aviation airport—have completed the privatization process established under the AIPP. Two of those airports, Stewart International Airport in New York and Avon Park Executive Airport in Florida, subsequently reverted to public ownership. Luis Muñoz Marín International Airport in San Juan, PR, is now the only airport with a private operator under the provisions of the AIPP. Another AIPP participant, Hendry County Airglades Airport—a noncommercial general aviation airport in Clewiston, FL—has not completed its privatization process after receiving FAA approval in September 2019.

Some Members of Congress have expressed interest in airport privatization as a way to save money by making airports less dependent on federal assistance while increasing the nation's aviation capacity to meet growing demand for air travel in the long run by enlisting private sector financing and expertise in building and operating airports. Under current federal law and regulations, some argue the AIPP has struggled to achieve these goals.

Congress could terminate the AIPP, introduce new measures to reform the existing program, or establish a new program. If Congress were to have interest in encouraging full airport privatization, it might consider several policy options, including

- making privatization more attractive to public sector owners by facilitating the use of privatization revenue for non-airport purposes;
- providing similar tax treatment to bonds issued by public sector and private sector airport operators, as public sector operators have access to less costly, longer-term finance than private operators;
- easing requirements for private owners to comply with assurances previously made by public sector owners to obtain federal Airport Improvement Program grants; and
- accelerating the application and approval procedures for the AIPP.

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Introduction

Almost all commercial service airports in the United States are owned by local and state governments or by public entities such as airport authorities or multipurpose port authorities. These airports are included in a biannual Federal Aviation Administration (FAA) publication, the *National Plan of Integrated Airport Systems (NPIAS)*, and are eligible to receive federal Airport Improvement Program (AIP) grants (see **Appendix** for a list of airport definitions).[1]

Most of these commercial airports also have some form of private sector involvement—from service or management contracts (partial privatization) to full privatization. *Full privatization* is defined by FAA as the transfer of airport operations to a private sector operator through a formal transfer of federal grant obligations and the issuance of a Part 139 airport operating certificate to the new operator.[2]

In 1996, Congress established the Airport Privatization Pilot Program,[3] which was renamed the Airport Investment Partnership Program (AIPP) in the FAA Reauthorization Act of 2018 (P.L. 115-254). The program was to explore the prospect of fully privatizing publicly owned airports to improve and develop them using private capital. Privatization has been promoted as a way to reduce demand for government funds for these activities and to make airports more efficient and financially viable.

Participation in the AIPP has been limited. Since 1996, three airports have completed the privatization process; one of them, as explained below in the selected case studies, later reverted to public ownership. Other airport owners reportedly considered privatization but chose not to proceed. The lack of interest in privatization among U.S. airports, including the relatively profitable large or medium hub airports, could be the result of (1) readily available financing sources for publicly owned airports; (2) perceived lack of incentives to privatize; (3) potential implications for major stakeholders; and (4) satisfaction with the status quo.

President Donald J. Trump signed Executive Order 14344, "Making Federal Architecture Beautiful Again," on August 28, 2025. In December 2025, the Department of Transportation (DOT) issued a request for information (RFI) soliciting design, construction, and financing proposals, including public-private partnership (PPP) proposals, for replacing or improving the main terminal and satellite concourses at federally owned Washington Dulles International Airport (IAD) in Virginia.[4] Although the RFI was described as an information-gathering

[1] A *commercial service airport*, as defined in 49 U.S.C. §47102(7), is a publicly owned airport that receives scheduled passenger service and boards at least 2,500 passengers per year. There are 502 commercial service airports listed in the 2025-2029 National Plan of Integrated Airport Systems (NPIAS) published in September 2024. NPIAS airports are eligible to receive federal Airport Improvement Program (AIP) funding. Two commercial airports in metropolitan Washington, Reagan National (DCA) and Dulles International (IAD), are federally owned.

[2] U.S. airports serving passenger-carrying operations must be inspected and certificated by the Federal Aviation Administration (FAA) under 14 C.F.R. Part 139 if scheduled operations are conducted on aircraft with more than 9 passenger seats or unscheduled operations on aircraft with at least 31 passenger seats. FAA issues Part 139 certificates to airports that comply with safety and emergency response requirements specified in Part 139. See 14 C.F.R. Part 139 for more information.

[3] 49 U.S.C. §47134; §149 of the Federal Aviation Reauthorization Act of 1996 (P.L. 104-264).

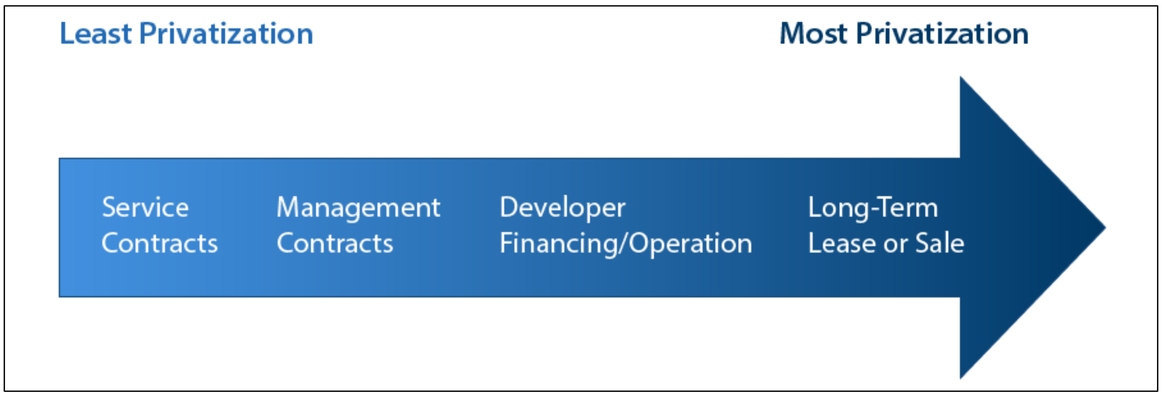
[4] The two federally owned airports, IAD and DCA, were transferred to Metropolitan Washington Airports Authority (MWAA) under a long-term lease authorized by the Metropolitan Washington Airports Act of 1986 (P.L. 99-500). MWAA is an independent public agency governed by a 17-member board of directors appointed by the governors of Virginia and Maryland, the mayor of Washington, DC, and the President. For more information, visit MWAA's website at https://www.mwaa.com/about-airports-authority.

initiative,[5] it appeared to reaffirm federal interest in private sector involvement in airport infrastructure development and therefore may renew discussion of airport privatization in Congress.

Overview of Airport Privatization

Privatization refers to the shifting of governmental functions, responsibilities, and sometimes ownership, in whole or in part, to the private sector. With respect to airports, privatization, such as a public-private partnership (PPP), can take many forms, including the formal transfer of an entire airport to private operation and/or ownership (see **Figure 1**). In the United States, most cases of airport privatization fall into the category of partial, not full, privatization.

Figure 1. Levels of Airport Privatization



Source: CRS based on Transportation Research Board, Airport Cooperative Research Program, *Considering and Evaluating Airport Privatization*, Report no. 66, 2012, p. 3.

Figure 1 illustrates four generic privatization models:

- **Service contracts.** Many U.S. airports outsource some ancillary operations to private firms that specialize in those functions. Examples of these specific and usually stand-alone operations that are frequently outsourced include cleaning and janitorial services, airport landscaping, and shuttle bus operations. Service contracts are the most common type of privatization among U.S. airports.
- **Management contracts.** Some airports engage the private sector's management expertise by contracting out airport facilities or responsibilities, such as parking, terminal concessions, terminal operations, airfield signage, fuel farms, and aircraft refueling. In a few cases, a private management company has been awarded a comprehensive contract to manage an entire airport. The operating company often acts as an extension of the airport owner, with operational control over budgeting, staffing, and regulatory compliance. This is a form of partial privatization. For example, Virginia-based Avports, a specialized aviation facilities company, has management services contracts with numerous airports,

[5] The request for information (RFI) received over 30 responses by the final deadline of January 20, 2026. The Department of Transportation (DOT) stated that the RFI was consistent with Executive Order 14344, "Making Federal Architecture Beautiful Again," signed by President Trump on August 28, 2025. DOT indicated that it "intends to provide all submissions received under this RFI to the Metropolitan Washington Airport Authority (MWAA), which operates the airport under a long-term lease, for MWAA's consideration and potential sponsorship." For more information, see Docket DOT-OST-2025-1887 at https://www.regulations.gov/document/DOT-OST-2025-1887-0001.

including Albany International Airport (ALB) and Westchester County Airport (HPN) in New York and Teterboro Airport (TEB) in New Jersey.[6]

- **Developer financing/operation.** A wide range of contracts have been used in PPPs to involve the private sector in providing financing, development, operation, and maintenance services, known as the Design-Build-Finance-Operate-Maintain (DBFOM) model. Airport DBFOM examples include passenger terminals (notably Terminal 5 at Chicago O'Hare International Airport [ORD] and Terminal 4 at New York John F. Kennedy International Airport [JFK]), parking garages, and rental car facilities.[7] In 2022, New York LaGuardia Airport (LGA) opened its new Terminal B, which was developed by LaGuardia Gateway Partners, a consortium selected by the Port Authority of New York and New Jersey to design, build, operate, and maintain the new terminal. In June 2022, Ferrovial Airports was appointed to design, build, and operate the New Terminal One at JFK, which would replace Terminals 1 and 2 and the former Terminal 3 at JFK upon full completion around 2030.[8]
- **Long-term lease or sale.** Full privatization involves the sale or long-term lease of an airport to a private owner or operator. Under a long-term lease or concession agreement, the airport owner grants full management and development control to the private operator in exchange for capital improvements and other obligations, such as an up-front payment and/or profit-sharing arrangements. Two U.S. airports (i.e., Stewart International Airport in New York and Luis Muñoz Marín International Airport in San Juan, PR) have successfully entered into long-term leases under the AIPP. Under a full sale, ownership and full responsibility for operation, capital improvements, and maintenance would be transferred to a private buyer. Several airports in Europe have been privatized in this way, but there have been no full sales of commercial service airports in the United States.

The following discussion refers to full privatization, unless otherwise stated.

Selected Stakeholders

Full airport privatization in the United States generally involves four major stakeholders: (1) airport owners, which in the United States are mostly local or regional governments or public entities; (2) air carriers; (3) private investors; and (4) the federal government. These stakeholders ultimately decide whether a privatization deal goes forward. They tend to have different objectives and, in many cases, divergent interests. Some commonly reported concerns of each of these stakeholders' interests are discussed below.

Airport owners, which are usually local governments, might opt for privatization if they can extract money for general (unrelated to the airport) use. Federal regulations generally require that lease or sale revenue from airport privatization be used for airport purposes only (unless the majority of airlines serving the airport agree otherwise, under the AIPP). Furthermore, privatization involves surrendering control of an economically important facility. The reduction

[6] See Avports website at https://avports.com/ for a list of Avports projects, as viewed in May 2026.

[7] Transportation Research Board (TRB), Airport Cooperative Research Program (ACRP), *Considering and Evaluating Airport Privatization*, Report no. 66, 2012, p. 4.

[8] For more information, see Port Authority Builds, "The Award-Winning Terminal B," https://www.portauthoritybuilds.com/redevelopment/us/en/lga/projects/terminal-b.html; and "Transforming JFK into a World-Class Global Gateway," https://www.portauthoritybuilds.com/redevelopment/us/en/jfk.html.

or elimination of the public owner's responsibilities or authority may lead to the loss of public sector jobs. Therefore, a public sector owner may not see benefits from selling or leasing an airport to a private operator unless the facility is losing money—in that case, private investors might not find the airport an attractive investment. The AIPP is meant to encourage privatization by granting certain exemptions to public sector owners regarding revenue diversion and other obligations known as AIP "grant assurances."[9]

Air carriers, including scheduled passenger airlines and cargo airlines, generally aim to keep their costs low. They also may want to have some control over how airport revenues are used, especially to ensure that the fees paid by themselves and by their customers are used for airport-related purposes. Their interest in low landing fees and low rents for ticket counters and other facilities may be contrary to a private operator's potential interest in increasing revenue. At the same time, air carriers have an interest in ensuring that the airports they use are well maintained and carefully managed. They might have reason to support privatization if it could result in lower charges, better airport services, and/or increased efforts to promote use of the airport.

Private investors and operators expect a financial return on their investments. They tend to look at growth potential, such as opportunities to bring additional passenger flights to the airport, to earn additional lease revenue by improving amenity offerings (e.g., shopping and dining options for passengers), or to draw more freight traffic by offering lower fees or improved facilities. If private entities attempt to increase profitability by raising landing fees or rents, this may conflict with the interests of air carriers using the airport.

The federal government, specifically FAA and generally DOT, has been directed by Congress to engage private capital in aviation infrastructure development and to reduce reliance on federal grants and subsidies.[10] FAA also has statutory mandates to maintain the safety and integrity of the national air transportation system and to enforce compliance with commitments, known as grant assurances, that airports have made to obtain AIP grants. Thus, while FAA administers the AIPP, it is likely to scrutinize privatization proposals that might risk runway closures or partial or complete airport closures, actions that could otherwise reduce aviation system capacity, or provisions that appear to favor certain airport users over others.

In addition, airline passengers may experience potential consequences of privatization (e.g., changes in airport concession offerings, prices and fees, and operational efficiency), as passenger interests are usually not represented formally in the privatization process.

One of the purposes of the AIPP is to strike a balance among stakeholders' divergent interests while facilitating full privatization.

The Airport Investment Partnership Program

Under the AIPP, the Secretary of Transportation and, through delegation, the FAA Administrator, may exempt participating airports from certain federal requirements. Specifically, the administrator may exempt the airports from all or some of the requirements to use airport revenue

[9] Airports receiving AIP grants must comply with federal requirements, known as "grant assurances," with respect to the use, operation, and maintenance of the airport. Examples of such assurances include making the airport available for public use on reasonable conditions and without unjust economic discrimination (against all types, kinds, and classes of aeronautical activities); charging air carriers making similar use of the airport substantially comparable amounts; and expending airport revenue only on capital or operating costs at the airport (no revenue diversion). For a complete list, see FAA, "Grant Assurances (Obligations)," updated April 28, 2025, https://www.faa.gov/airports/aip/grant_assurances.

[10] P.L. 104-264, §149.

for airport-related purposes only, to repay federal grants, or to return airport property acquired with federal assistance on the lease or sale of the airport deeded by the federal government.[11]

Section 160 of the FAA Reauthorization Act of 2018 specified that if an exemption from the requirement to use airport revenues only for airport purposes is granted to an airport sponsor, the obligation to repay federal grants must also be waived.[12] The provision also stipulates that if such waiver is granted, FAA must grant an exemption to the private purchaser or lessee to allow the purchaser or lessee to earn compensation from operation of the airport.[13] This provided more certainty to airports that they would be eligible for other exemptions if they were permitted to use airport revenues for non-airport purposes. This could make privatization more attractive to private investment, as investors would not need to face these obligations and restrictions.

Originally, the Federal Aviation Reauthorization Act of 1996 limited participation in the Airport Privatization Pilot Program to no more than five airports. The FAA Reauthorization Act of 2018 renamed the program and made it permanent. The law removed the restriction on the number and type of public airports that may participate in the program, though the condition stands that a commercial airport may only be leased to private operators, not sold. The 2018 law permitted public sponsors and private operators to jointly manage an airport. It also allowed a public sponsor to privatize multiple airports under its control if they are located in the same state.

The FAA Reauthorization Act of 2024 (P.L. 118-63) included a provision that could help expedite the review process in certain cases when a benefit-cost analysis is required as part of an AIPP application.[14]

There are no requirements, however, that airports must be privatized under the AIPP. Airports may be privatized outside the AIPP, though CRS is not aware of privatization cases outside the federal program. **Table 1** provides a comparison of the requirements and regulations governing airport privatization under and outside the AIPP.

[11] 49 U.S.C. §§47134(b)(1) and (2). Airports may obtain exemptions under the Airport Investment Partnership Program (AIPP) by applying to FAA and securing statutory approvals from air carriers. For any primary airport participating in the AIPP, the use of sale or lease proceeds for non-airport-related purposes requires approval by 65% of the scheduled air carriers serving the airport and by the scheduled and unscheduled air carriers representing 65% of the total landed weight of all aircraft serving the airport in the preceding calendar year. For more information about the AIPP, see FAA, "Airport Investment Partnership Program, formerly Airport Privatization Pilot Program," updated February 4, 2026, http://www.faa.gov/airports/airport_compliance/privatization/. See the **Appendix** for a definition of *primary airports*.

[12] 49 U.S.C. §47134(b)(2).

[13] 49 U.S.C. §47134(b)(3). For more information, see FAA, "Airport Investment Partnership Program (AIPP) – Formerly Airport Privatization Pilot Program," fact sheet, March 11, 2022, https://www.faa.gov/newsroom/airport-investment-partnership-program-aipp-formerly-airport-privatization-pilot-program-0?newsId=24114.

[14] 49 U.S.C. §47134(b)(4) directs the Secretary of Transportation to issue a preliminary and conditional finding within 60 days of receiving a benefit-cost analysis.

Table 1. Comparison of Full Airport Privatization Under and Outside the AIPP

	Privatization Under AIPP	Privatization Outside AIPP
Eligible airports	No restrictions on number or type of airports. Commercial airports may only be leased; general aviation airports may be leased or sold.	No restrictions on number or type of airports.
Use of sale/lease proceeds	Airports can request DOT approval to use sale/lease proceeds for non-airport purposes. For commercial service airports, this requires consent of 65% of airlines. For general aviation airports, this requires consultation with owners of aircraft based at the airport.	Sale/lease proceeds are considered airport revenue and must be used for airport purposes.
Grant repayment	DOT may grant exemptions from existing repayment obligations. Airports must abide by other grant assurance obligations.	DOT cannot grant exemptions from grant assurance obligations or existing repayment obligations.
AIP formula grants	Private operators are eligible for grants from AIP formula funds at a lower federal share than public operators.	Private operators may be eligible for grants from AIP formula funds under certain conditions, such as when a privately owned airport is used for public purposes as a reliever or provides at least 2,500 passenger boardings a year.
Rates or charges on airlines	Rates on airlines may not rise faster than the inflation rate without consent of 65% of airlines. Rate increases for general aviation aircraft owners may not exceed percentage rate increase for airlines.	Rates and charges must be reasonable and not unjustly discriminatory, pursuant to grant assurances.
Charges on passengers	Private operators are authorized to impose, collect, and use revenue from passenger facility charges (PFCs).	Private operators are authorized to impose charges on passengers (subject to reasonableness and nondiscrimination requirements of the grant assurances) but not to impose, collect, or use PFCs.

Source: Compiled by CRS using information from the Federal Aviation Administration (FAA).

Notes: AIPP = Airport Investment Partnership Program; DOT = Department of Transportation. The Airport Improvement Program (AIP) provides federal grants to support airport development and planning. AIP structure and authorizations are set in FAA authorization acts. Authorized by the federal government, PFCs are state, local, or port authority fees imposed on each paying passenger boarding an aircraft at an airport.

Participation in the AIPP

To begin the AIPP application process, an airport files a preliminary application for FAA approval. The application must include a summary of privatization objectives, a description of the process and a timetable, current financial statements, and a copy of the airport owner's request for potential private operators to submit proposals. FAA has 30 days to review the preliminary application.

Once an airport receives preliminary approval, it may select a private operator from among those offering proposals, negotiate an agreement, and submit a final application to FAA. There is no timeline as to how quickly FAA must complete its review of the final application. After FAA gives notice of its proposed approval of the final application and lease agreement in the *Federal*

Register, a 60-day public review and comment period begins. After that, FAA completes its review and prepares its findings and Record of Decision (ROD), in which it is to address any public comments and publish details of its decision.[15]

The AIPP has had limited success in increasing the number of privately run airports. Since its inception, 13 airports have applied to enter the program, and 3 have completed the entire privatization process. Two of these later reverted to public ownership. **Table 2** lists the AIPP applicants (in alphabetical order) and their status.

Table 2. Participation in the AIPP

as of June 2026

Status	Airport	Location	Application Results
Inactive	Avon Park Executive Airport	Avon Park, FL	Privatized in 2024 after Federal Aviation Administration (FAA) approval; private operator's lease terminated by the City of Avon Park on December 8, 2025
Inactive	Brown Field Municipal Airport	San Diego, CA	Application withdrawn in 2001
Inactive	Chicago Midway International Airport	Chicago, IL	Revised preliminary application withdrawn in 2013
Inactive	Gwinnett County Briscoe Field Airport	Lawrenceville, GA	Preliminary application withdrawn in 2012
Active	Hendry County Airglades Airport	Clewiston, FL	Preliminary application approved in 2010; final application approved by FAA in 2019
Inactive	Louis Armstrong New Orleans International Airport	New Orleans, LA	Preliminary application withdrawn in 2010
Privatized	Luis Muñoz Marín International Airport	San Juan, Puerto Rico	Preliminary application approved in December 2009; final application for privatization under long-term lease approved in February 2013
Inactive	New Orleans Lakefront Airport	New Orleans, LA	Application terminated in 2008
Inactive	Niagara Falls International Airport	Niagara Falls, NY	Application withdrawn in 2001
Inactive	Rafael Hernandez Airport	Aguadilla, Puerto Rico	Application withdrawn in 2001
Inactive	St. Louis Lambert International Airport	St. Louis, MO	Preliminary application withdrawn in 2020
Inactive	Stewart International Airport	Newburgh, NY	Privatized in 2000 after FAA approval; reverted to public operation in 2007
Inactive	Westchester County Airport	White Plains, NY	Preliminary application accepted in 2018; application removed in 2019 after extended window for submitting final application expired

Source: Compiled by CRS using FAA, "Airport Investment Partnership Program, formerly Airport Privatization Pilot Program," updated February 4, 2026, https://www.faa.gov/airports/airport_compliance/privatization.

[15] For more information about the AIPP application process, see FAA, "Airport Investment Partnership Program (AIPP) – Formerly Airport Privatization Pilot Program."

Selected Case Studies

CRS examined five AIPP applicants (three commercial airports and two general aviation airports) and their reported experiences and challenges of privatizing airports under the program.

New York Stewart International Airport

In 2000, New York Stewart International Airport (Stewart, or SWF) in Newburgh, NY, became the first commercial service airport privatized under the Airport Privatization Pilot Program. National Express Group PLC, a United Kingdom (UK)-based transportation company,[16] made a $35 million up-front payment to the owner, the State of New York, for a 99-year lease and agreed to pay the state 5% of the airport's gross income on the lease's 10th anniversary or after 1.38 million passengers used the airport, whichever occurred first. National Express made $10 million in capital contributions during its operation of the airport.[17] Unable to obtain airline approvals to use airport revenue for general purposes, the State of New York agreed to use the lease payments for airport purposes and to recoup past subsidies for Stewart and other state-owned airports in accordance with FAA's revenue use policy.[18]

According to FAA data, National Express registered 274,126 enplanements in 2000, the year it assumed management, and 156,638 six years later.[19] The company's attempt to make the airport more attractive to passengers going to and from New York City by renaming it "New York-Hudson Valley International Airport" was abandoned amid local opposition.[20]

In 2006, National Express decided to focus its U.S. efforts on school bus operations and moved to dispose of its lease on Stewart.[21] The following year, the Port Authority of New York and New Jersey purchased the remaining term of the lease for $78.5 million. Although National Express never disclosed the profitability of its operation at Stewart, the Port Authority reported a $0.8 million loss in 2007, when it ran the airport for part of the year, and a $5.5 million loss in 2008, its first full year of operation.[22] This suggests that the operation may not have been profitable for National Express. However, National Express booked a profit of £16.2 million (approximately $33 million in 2007) on the sale of the lease to the Port Authority, which suggests that it earned a significant return on its investment.[23]

[16] National Express Group PLC changed its name to Mobico Group PLC in 2023 (see Mobico Group, "Change of Name," June 20, 2023, https://www.mobicogroup.com/media/news-releases/2023/change-of-name-1/).

[17] TRB, ACRP, *Considering and Evaluating Airport Privatization*, pp. 43-44, 86-87; and FAA, *Report to Congress on the Status of the Airport Privatization Pilot Program United States Code, Title 49, Section 47134*, August 2004, p. 7.

[18] New York Department of Transportation (NYDOT), "Governor Pataki Hands Stewart Airport Keys to National Express (Orange County)," press release, March 31, 2000.

[19] Enplanements at Stewart International Airport fluctuated between 2000 and 2006; see NYDOT, "New York State Enplanements by Airport/Years 1997-2008," https://www.dot.ny.gov/divisions/operating/opdm/aviation/repository/Yearly%20Enplanements%201998-2008%20Web.pdf.

[20] Ulster County New York, "Resolution No. 143: Opposing the Name Change of Stewart International Airport," April 11, 2006, https://legislature.ulstercountyny.gov/sites/default/files/documents/143-06.pdf.

[21] National Express Group, *Annual Report & Accounts 2006*, pp. 16-20, https://www.annualreports.com/HostedData/AnnualReportArchive/n/LSE_NEX_2006.pdf.

[22] Port Authority of New York and New Jersey, *Annual Report 2007*, p. 94; and *Annual Report 2008*, p. 90, https://www.panynj.gov/corporate/en/financial-information/annual-report.html.

[23] National Express Group, *Annual Report and Accounts 2007*, p. 66.

Chicago Midway Airport

In the case of Chicago Midway International Airport (Midway, or MDW), the City of Chicago received airline approval to lease the city-owned airport to private investors. On October 3, 2006, FAA authorized the city to select a private operator, negotiate an agreement, and submit a final application under the pilot program.[24] On October 8, 2008, the Chicago City Council agreed to a $2.52 billion, 99-year lease with Midway Investment and Development Corporation (MIDCo), a consortium led by Citigroup, Inc., John Hancock Life Insurance Co., and a unit of Vancouver (British Columbia) International Airport. The deal was delayed because of the consortium's inability to secure financing in the credit market during the global economic crisis of 2008. The lease agreement was terminated when the group missed the April 6, 2009, payment deadline. MIDCo subsequently paid a $126 million penalty to the city.[25]

A renewed effort to lease Midway was abandoned in 2013 after one of the two bidding groups dropped out. The city then announced that it would suspend plans to lease the airport. On September 9, 2013, the City of Chicago withdrew its preliminary privatization application.

Luis Muñoz Marín International Airport

Luis Muñoz Marín International Airport (Muñoz Marín, or SJU), a medium hub airport in San Juan, PR, is the only commercial service airport operating under private management after privatization under the Airport Privatization Pilot Program, now the AIPP. FAA approved the final privatization contract in February 2013, and the airport was transferred to a private operator, Aerostar Airport Holdings (Aerostar), on February 25, 2013.

Aerostar paid $615 million in up-front proceeds to the Puerto Rico Ports Authority.[26] The company is to pay a further estimated $550 million over the 40-year lease, which includes an annual lease payment of $2.5 million for the first 5 years of the contract, 5% of gross airport revenues in the following 25 years, and 10% of gross airport revenues during the final 10 years of the lease.[27]

Aerostar also agreed to a $1.2 billion capital plan, including the remodeling and renovation of the terminal buildings. Aerostar reported that by the end of 2025, it had invested nearly $380 million in construction and rehabilitation, as well as in facilities and operational equipment.[28]

Hendry County Airglades Airport

Hendry County Airglades Airport (Airglades, or SI2) in Clewiston, FL, a public-use general aviation airport,[29] received preliminary approval from FAA for privatization under the Airport

[24] See FAA, "Fact Sheet: Chicago Midway Airport Pilot Privatization Program," *FAA News*, April 2008. Also see FAA Docket: 2013-0011 at https://www.regulations.gov/docket/FAA-2013-0011.

[25] TRB, ACRP, *Considering and Evaluating Airport Privatization*, p. 44.

[26] Aerostar Airport Holdings, LLC, is jointly owned by Aeropuerto de Cancún S.A. de C.V. and Highstar Capital. Aeropuerto de Cancún S.A. de C.V. is a subsidiary of Grupo Aeroportuario del Sureste S.A.B. de C.V. of Mexico. It operates the Cancún Airport. For more information on the lease, see FAA, *Record of Decision for the Participation of Luis Muñoz Marín International Airport, San Juan, Puerto Rico, in the Airport Privatization Pilot Program*, FAA Docket 2009-1144, February 25, 2013.

[27] Email exchange between CRS and FAA in 2016.

[28] Luis Muñoz Marín International Airport privatization status report (July 10, 2026) that FAA shared with CRS.

[29] General aviation airports do not receive scheduled commercial or military service and typically support business, personal, and instructional flying; agricultural spraying; air ambulances; on-demand air-taxis; and/or charter aircraft service.

Privatization Pilot Program in October 2010. The airport submitted a final application in August 2019 and received FAA's approval in a September 2019 ROD.[30] The airport has subsequently requested multiple extensions and is working to meet the conditions and requirements in the 2019 ROD, including securing investors and reaching financial closure.[31]

Avon Park Executive Airport

Avon Park Executive Airport (Avon, or AVO), a general aviation airport in Florida, filed a final AIPP application in July 2023. The application proposed a long-term lease of the airport to Florida Airport Management (FAM), a private operator, to operate the airport as a public-use general aviation facility. The airport received approval on October 29, 2024, when FAA signed the ROD permitting its participation in the AIPP.[32]

In December 2025, the City of Avon Park terminated the privatization lease with FAM, reportedly over a dispute involving alleged financial mismanagement and contract breaches.[33] The city is reportedly managing the airport in-house.[34] It is not clear if the city has notified or involved FAA with respect to AVOs current status in the AIPP.

AIPP Privatization Challenges

In its 30-year history, the AIPP and its predecessor pilot program have not been successful in stimulating wide interest in airport privatization. The program's modest results appear to have several causes.

AIPP Application Process

The process of applying to privatize an airport, FAA stated in 2004, makes the transfer from public to private ownership "time consuming" and presents risks that could cause a potential deal to fail.[35] From a federal perspective, the oversight and procedural framework described by FAA are put in place to ensure thorough evaluation of each application and compliance with federal aviation policy.

The process may take years to complete. In the case of Muñoz Marín, more than three years elapsed from the preliminary application submission to FAA's final approval, and informal discussions with FAA may have consumed additional time prior to the filing of the preliminary application. In the case of Airglades, approximately nine years elapsed between the preliminary and final approvals, and the airport appears to have difficulty finalizing financial arrangements.

[30] FAA Docket 2010-1052. Also see FAA, "Airport Investment Partnership Program (AIPP) – Formerly Airport Privatization Pilot Program."

[31] Based on emails between CRS and FAA, May-July 2026.

[32] FAA Docket 2023-1724.

[33] Romona Washington, "Avon Park works toward taking over airport operations," *Highlands News-Sun*, December 5, 2025, https://www.midfloridanewspapers.com/highlands_news-sun/news/avon-park-works-toward-taking-over-airport-operations/article_77960bc3-ba83-4574-9a0d-0799cd28ecf6.html.

[34] Diego De Jesus, "Avon Park Airport to be city managed," *Highlands News-Sun*, January 2, 2026, https://www.midfloridanewspapers.com/highlands_news-sun/news/avon-park-airport-to-be-city-managed/article_1f187d09-999c-4029-8daa-4ab23d3707e8.html.

[35] FAA, *Report to Congress on the Status of the Airport Privatization Pilot Program United States Code, Title 49, Section 47134*, p. 1; and Matthew Hummer, "Airport Privatization: A Plan to Help Fill a $50 Billion-Plus Investment Gap," Bloomberg Government, December 20, 2011, p. 13.

The length of the application process tends to introduce uncertainties. For example, within the application time frame, new local officials may be elected who might disagree with their predecessors' decision to privatize the local airport. For example, in 2019, Westchester County leadership decided to withdraw its airport privatization application, which had been championed by the previous county administration several years earlier.[36]

Regulatory Conditions and Obligations

Privatization under the AIPP involves numerous regulatory requirements, some of which have been criticized as overly restrictive. These requirements tend to consider and balance multiple stakeholders' interests but may lessen airport owners' and/or investors' interest in privatization. The requirements include, in the case of a commercial airport, that 65% of air carriers serving the airport approve the lease or sale of the airport,[37] restrictions on increases in airport rates and charges that exceed the rate of increase of the Consumer Price Index, and the private operator's compliance with grant assurances made by the previous public sector operator to obtain AIP grants.[38] After privatization, the airport is eligible for AIP formula grants to cover 70% of the cost of improvements versus the 75%-90% federal share for AIP projects at publicly owned airports. This may serve as a disincentive to privatize because an airport would receive less federal money after privatization.

Adequate Access to Funding

Publicly owned airports have access to five major sources of funding: federal grants, passenger fees, bonds, various types of charges, and state and local grants. The AIP provides federal grants to airports for planning and development of mainly capital projects relating to aircraft operations, such as runways and taxiways.[39] Local passenger facility charges of up to $4.50 per boarding passenger, imposed pursuant to federal law, can generate revenue for a broad range of projects, including "landside" projects on airport property (e.g., passenger terminals and ground access improvements), and for interest payments. Tax-exempt bonds, often secured by airport revenue, offer less costly financing than is generally available to private entities. Tenant leases, landing fees, and other charges provide revenue sources at some airports. Many airports, especially smaller ones, also benefit from state and local grants.[40]

Amid the COVID-19 pandemic, billions of dollars in federal emergency funding were distributed to eligible airports.[41] The Infrastructure Investment and Jobs Act (P.L. 117-58) provided airports

[36] FAA Docket 2016-9477.

[37] Approval must be granted by 65% of the air carriers using the airport *and* by carriers collectively accounting for 65% of the landed weight during the previous year.

[38] Examples of grant assurances include making the airport available for public use on reasonable conditions and without unjust economic discrimination (against all types, kinds, and classes of aeronautical activities); charging air carriers making similar use of the airport substantially comparable amounts; maintaining a current airport layout plan; making financial reports to FAA; and expending airport revenue only on capital or operating costs at the airport. For a listing of the AIP grant assurances, see FAA, "Grant Assurances (Obligations)."

[39] For more discussion of the AIP and airport financing, see CRS Report R43327, *Financing Airport Improvements*, by Rachel Y. Tang.

[40] Government Accountability Office (GAO), *Airport Finance: Observations on Planned Airport Development Costs and Funding Levels and the Administration's Proposed Changes in the Airport Improvement Program*, GAO-07-885, 2007, p. 8.

[41] The Coronavirus Aid, Relief, and Economic Security Act (H.R. 748, P.L. 116-136), signed into law on March 27, 2020, included $10 billion in emergency supplement funds to be awarded as economic relief to eligible U.S. airports (continued...)

with $25 billion between FY2022 and FY2026, in addition to annual AIP funding.[42] Airports receiving federal funding may have little motivation to seek private investment.

In addition, how an airport undergoes its privatization process has implications for its funding and financing options.

- If a publicly owned airport were to be privatized outside the AIPP, its private operator may not be eligible to receive AIP formula funds and may have to draw on its own resources to improve runways and taxiways. The operator would not be entitled to issue bonds with federal tax-exempt status and would therefore have to pay higher interest rates on its bonds than a public sector operator. The private operator would also have relative freedom to impose passenger usage fees and to increase landing fees, rents, and other charges, so long as this is not done in a discriminatory fashion.
- An airport privatized under the AIPP would have access to federal AIP grants, although the private operator would have to provide a 30% match, which is more than the 10%-25% match required of publicly owned airports. The operator would not be entitled to issue bonds with federal tax-exempt status and would therefore have to pay higher interest rates on its bonds than a public sector operator. It could collect passenger facility charges but could not impose charges higher than those authorized by federal law. Its ability to raise fees paid by air carriers would be constrained.

These factors, largely the consequence of federal laws, may offer insight into why airport privatization has been less attractive in the United States than in other places, such as Europe and Canada.

Airport Privatization in Europe and Canada

Several European countries and Canada have undertaken steps in airport privatization. At least two factors that have facilitated privatization in other countries do not exist in the United States. One factor is that many of the privatized major airports in Europe and Canada were previously owned by national governments, not by local or provincial governments, so the decision to privatize did not need to be deliberated at multiple levels of government. Another factor is that there is no analogous tax-favored status of debt issued by state and local governments in most other countries as there is in the United States, so the shift from public to private ownership does not necessarily entail higher borrowing costs in Europe and Canada.

affected by the COVID-19 pandemic. The Coronavirus Response and Relief Supplemental Appropriations Act (P.L. 116-260), signed into law on December 27, 2020, included nearly $2 billion in supplemental funds to these airports as economic relief. The American Rescue Plan Act of 2021 (H.R. 1319, P.L. 117-2), signed into law on March 11, 2021, provided another $8 billion in economic relief funds to eligible airports. For details, see FAA, "2020 CARES Act Grants," updated March 30, 2023; and FAA, "Airport Coronavirus Response Grant Program," updated September 2, 2025, https://www.faa.gov/airports/cares_act/ and https://www.faa.gov/airports/crrsaa/.

[42] The Infrastructure Investment and Jobs Act (P.L. 117-58) appropriated an additional $25 billion from the U.S. Treasury General Fund to eligible airports over a five-year period (FY2022-FY2026), including $15 billion for airport infrastructure projects that increase safety and expand capacity, $5 billion for FAA air traffic control facilities, and $5 billion for airport terminals.

Europe

Airport privatization in Europe gained momentum when British Prime Minister Margaret Thatcher's administration privatized the former British Airport Authority (BAA) in 1987. BAA had been part of the British Aviation Ministry from 1946 to 1966 and then became an independent government agency. The transfer of BAA to the private sector in 1987 transformed the airport sector in the UK and, eventually, in other countries. BAA plc was incorporated under the Airports Act 1986, which called for dissolution of BAA and the transfer of its property, rights, and liabilities to a new public limited company, BAA plc. By listing the shares of BAA plc on the London Stock Exchange, the government privatized the seven BAA airports, including Heathrow, Gatwick, and Stansted in the London metropolitan area.[43] The British government initially owned a stake in BAA plc but had sold all its shares by 1996. It retained a "golden share" until 2003, which entitled it to block a takeover by foreign investors.

Under the British approach to privatization, airports' charges were subject to economic regulation by the Civil Aviation Authority, a government agency, which had additional authority over the largest airports. Due to statutory changes enacted in 2012, only airports with more than five million annual passengers are subject to government regulation of their charges. Heathrow, Gatwick, and Stansted have been deemed "designated" airports subject to closer regulatory supervision.[44]

Some analysts have criticized the privatization of BAA. Some economists, for example, argued that by selling BAA's seven airports together, the UK government had, in effect, converted public assets into a regulated private monopoly.[45] In 2009, the UK's Competition Commission required BAA plc to divest Gatwick, Stansted, and either Edinburgh or Glasgow airports to maintain competition.

In 2006, BAA plc was acquired for £10.1 billion by Airport Development & Investment Ltd. (ADI), a consortium led by Ferrovial Aeropuertos S.A. of Spain. Ferrovial then sold the stakes that BAA plc held at the time in airports outside the UK, such as those in Budapest, Hungary, and a few Australian airports. The name BAA plc was officially dropped on November 12, 2012, and the company was rebranded as Heathrow Airport Holdings Ltd. (HAH). Following the transactions, Spain's Ferrovial remains the largest shareholder in HAH, with a 25% stake.

Not all privatized airports in the UK stayed in private hands. Cardiff Airport in Wales, formerly operated by a consortium of the Spanish companies Albertis and AENA,[46] was purchased by the Welsh government for £52 million in March 2013. The private owners were interested in selling after annual passenger numbers fell from 2.1 million in 2007 to just over 1 million in 2012, and

[43] The other airports originally owned by BAA plc were Glasgow, Edinburgh, Aberdeen, and Prestwick. BAA plc purchased Southampton Airport in 1990 and sold Prestwick in 1992. International Civil Aviation Organization (ICAO), "Case Study: United Kingdom," February 2013, https://www.icao.int/sites/default/files/sustainability/CaseStudies/UnitedKingdom.pdf.

[44] Civil Aviation Authority, Transition of the framework for the economic regulation of airports in the United Kingdom, 2013, https://www.caa.co.uk/publication/download/14494.

[45] GAO, *Airport Finance: Issues Related to the Sale or Lease of U.S. Commercial Airports*, GAO/T-RCED-96-82, February 29, 1996, p. 6.

[46] Aeropuertos Españoles y Navegación Aérea (AENA, translates to "Spanish Airports and Air Navigation"), the world's largest airport group, runs 46 airports and 2 heliports in Spain and has airport holdings in the United Kingdom, Mexico, and elsewhere. AENA formerly was entirely owned by the Spanish government, but 49% was sold through a public offering in 2015. See AENA, "Fact Sheet," https://www.aena.es/en/shareholders-and-investors/general-information/fact-sheet.html.

the airport became unprofitable.[47] Prestwick Airport in Scotland, which BAA plc sold to another private operator in 1992 and was most recently owned by the New Zealand company Infratil, was purchased by the Scottish government in November 2013 for the nominal amount of £1.[48] As with Cardiff, several carriers had ceased service at Prestwick and passenger numbers had fallen sharply.

After the British privatization action of 1987, numerous European governments (including Germany, Italy, and Spain) privatized their major airports, either fully or partially. Some of these private owners or operators then acquired full or partial ownership interests in other airports. At the same time, some public sector airport operators expanded by providing management services to other airports. Entities such as AENA, Ferrovial of Spain, Fraport of Germany, and Schiphol Group of the Netherlands are active internationally. Schiphol Group, of which the Dutch government is the majority owner, rebuilt and now operates Terminal 4 at JFK. According to Airports Council International Europe, in 2020, fewer than half of the European airports were 100% owned by public entities (down from about 78% in 2010); approximately 31% of European airports are owned by mixed public-private shareholders, and 21% are fully privatized.[49]

Canada

The Canadian Air Transportation Administration (CATA) of the Department of Transport (later renamed Transport Canada) owned and managed most airports and air navigation facilities in Canada until the early 1990s. In 1992, the Canadian government started to devolve the operation, management, and development of airports in Canada from Transport Canada to local airport authorities (LAAs) that were set up as not-for-profit corporations. These LAAs are fully responsible for funding all operating and infrastructure costs and must invest all profits back into the airports.[50] As a first round of airport transfer, the federal government leased out four major airports in the summer of 1992—Calgary, Vancouver, Edmonton, and Montreal.[51]

In July 1994, Transport Canada announced a National Airports Policy (NAP) that grouped airports into 5 categories: National Airports System (NAS) airports (26), regional and local airports (71), small airports (31), remote airports (13), and Arctic airports (11). The NAP required that ownership of regional and local airports be transferred from the federal government to regional or local interests, such as provincial and local governments, airport commissions, and private businesses. The NAS airports—that handled more than 200,000 passengers per year or served provincial or territorial capitals—were leased to Canadian Airport Authorities (CAAs), not-for-profit and non-share corporations similar to LAAs that are responsible for operations, management, and capital expenditures. The government retains ownership of the airports and receives rent payments from the CAAs and LAAs.[52]

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[47] Auditor General for Wales, *Welsh Government Acquisition and Ownership of Cardiff Airport*, January 28, 2016, https://senedd.wales/media/qk5buy2u/agr-ld10522-e.pdf.

[48] Auditor General for Scotland, *The Scottish Government's Purchase of Glasgow Prestwick Airport*, February 2015, https://audit.scot/docs/central/2015/nr_150224_prestwick_airport.pdf.

[49] Airports Council International (ACI) Europe data, per email exchange between CRS and ACI.

[50] For more detailed information, see Transport Canada, "List of airports owned by Transport Canada," https://tc.canada.ca/en/aviation/operating-airports-aerodromes/list-airports-owned-transport-canada#National_Airports_System.

[51] ICAO, Air Transport Bureau, Economic Analysis and Policy Section, "Case Study: Canada," January 9, 2013, https://www.icao.int/sites/default/files/sustainability/CaseStudies/Canada.pdf.

[52] ICAO, Air Transport Bureau, Economic Analysis and Policy Section, "Case Study: Canada."

The Canadian government removed operating subsidies from regional and local airports over a five-year period. In its place, an Airport Capital Assistance Program (ACAP) was established to provide federal funding for safety-related airside capital projects at these airports. Per a NAP requirement that all small airports be transferred to local interests or closed, 30 of the 31 small airports have been transferred to local interests. The government continues to support remote and Arctic airports that service isolated communities.[53]

Except for the airports operated by or on behalf of Transport Canada, the federal government does not regulate airport charges at airports already transferred to CAAs, LAAs, or local interests. The government permits airport authorities to determine airport charges as long as they are nondiscriminatory and competitive. Airports are free to impose local passenger fees to generate revenues for capital improvements or infrastructure expansions.[54] The airports pay hundreds of millions of dollars per year in rent to the Canadian government and hundreds of millions in "payments in lieu of tax" to municipal governments across Canada. In 2024, Transport Canada collected C$525 million in land lease from NAS airports.[55]

Some critics of Canada's "users pay" system question whether it has benefited aviation consumers. Some contend that these "quasi-independent" authorities, whose board members are often nominated by municipalities, often represent the interests of local stakeholders.[56] A 2012 report prepared for the Canadian government's Standing Senate Committee on Transport and Communications indicated that passengers departing Canadian airports often pay 60%-75% above the base airfare to cover taxes and charges, compared with 10%-18% in the United States. In the past, many passengers to and from Canada used airports on the U.S. side of the border, where fees and taxes are lower.[57]

Potential Issues and Options for Congress

Some Members of Congress have considered airport privatization as a way to save money by making airports less dependent on federal assistance while, in the long run, increasing the nation's aviation capacity to meet growing demand for air travel. Under current federal law, privatization has struggled to achieve these goals. Federal AIP spending is ultimately determined through the budget process, and therefore budget savings may or may not result from airport privatization.

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[53] ICAO, Air Transport Bureau, Economic Analysis and Policy Section, "Case Study: Canada." Eight Arctic airports were transferred to territorial governments between 1995 and 1996.

[54] ICAO, Air Transport Bureau, Economic Analysis and Policy Section, "Case Study: Canada."

[55] Daniel-Robert Gooch, "Why Canada's airport model is working for taxpayers," *The Globe and Mail*, March 7, 2014; Michel Kelly-Gagnon and Alexandre Moreau, "Canada's sky-high airport fees create turbulence for carriers," *The Globe and Mail*, June 6, 2016; and Canadian Airports Council, "Building One Strong Economy," August 2025, p. 3, https://canadasairports.ca/wp-content/uploads/2025/08/CAC-PBS-FINA-2025-FINAL-002.pdf.

[56] Charles McMillan and George Stalk, "It's time to privatize Canada's leading ports and airports," *The Globe and Mail*, February 17, 2014.

[57] The Hon. Dennis Dawson and the Hon. Stephen Greene et al., The Future of Canadian Air Travel: Toll Booth or Spark Plug? Report on the Future Growth and Global Competitiveness of Canada's Airports, Prepared for the Standing Senate Committee on Transport and Communications, June 2012, https://sencanada.ca/content/sen/committee/411/trcm/rep/rep05jun12-e.pdf. Kelly-Gagnon and Moreau's June 6, 2016, Globe and Mail article, "Canada's sky-high airport fees create turbulence for carriers," echoed these estimates that 80%-85% of passengers at Plattsburgh, NY, and 30% of passengers at Burlington, VT, are Canadian and that every year about 5 million Canadians cross the border to fly from U.S. airports. Also see "Flights are more expensive in Canada than the U.S. due to tax: 'Ottawa prefers to treat our airports as cash cows," National Post, December 7, 2023, https://nationalpost.com/news/canada/airlines-fees-canada, https://nationalpost.com/news/canada/airlines-fees-canada.

Privatization outside the framework of the AIPP is generally viewed as unattractive to both airport owners and potential investors, as it is likely to result in higher financing costs and loss of federal AIP grants and does not tend to provide the public sector owner with revenues that can be used for other purposes. Privatization under the AIPP may generate minor reductions in federal outlays because of the requirement for a privately run airport to match a larger share of federal AIP grants (see **Table 1**). It is unclear whether full privatization serves the interests of public sector owners or air carriers, except in cases where the airport is losing money or the owner can channel the proceeds of privatization into capital projects at other airports. Private investors' ability to earn money from an airport privatized under the AIPP is limited by restrictions on passenger facility charges and limitations on increases in other airport fees. Air carriers, in most cases, see benefits from privatization only if they can negotiate lower rents and landing fees in return for agreeing to airport privatization, which could diminish the potential financial return to investors.[58]

Congress could terminate the AIPP; this might not result in program administrative cost savings, since the program does not appear to have a dedicated office within FAA—it has been managed by the FAA Office of Airports Compliance and Management Analysis. If Congress were to terminate the AIPP, few airports would be affected, but FAA would need to facilitate transition for those airports privatized under the program.

Congress may choose to keep the program and introduce new measures that would affect it. Although streamlining the application and review process alone has not appeared to attract airports to the program, it might make privatization eventually more attractive by reducing the risks arising from the long application period, such as changes in economic and capital market conditions. To significantly increase interest in full airport privatization, structural changes to the existing airport financing system might be considered.[59] Congress might consider the following options if it were interested in reforming the existing program or establishing a new one.

- **Offer the same tax treatment to private and public airport infrastructure bonds.** This could be done by eliminating the current federal income tax exemption of interest on bonds issued by public sector airport owners or by extending tax-exempt or tax-preferential treatment to airport infrastructure bonds issued by private investors. Either change would help eliminate a disincentive to shift airports from public to private ownership. Removal of the tax exemption on public sector airport bonds could raise airports' financing costs, whereas extending it to private sector bonds could have consequences for federal revenues.
- **Change AIP requirements.** If Congress were to reduce the percentage match private operators must provide to obtain AIP grants to the level of comparable public operators, privatization might become more attractive to private investors while increasing the share of federal funding.
- **Relax AIP grant assurances.** If private investors were freed from some of the requirements agreed to by the public owner in order to obtain AIP funds, privatization might become more attractive to investors. However, some of the changes that might be most attractive to investors, such as allowing the sale of

[58] Brad McAllister, "Exploring Privatization," *Airport Business*, January 26, 2011.

[59] Robert Poole, "Incentivizing US Airport Privatization," Hutchins Center on Fiscal & Monetary Policy at Brookings, August 2025, https://www.brookings.edu/wp-content/uploads/2025/08/Incentivizing-US-Airport-Privatization_Poole.pdf.

airport property, might interfere with the federal interest in maintaining aviation system capacity and safety.

- **Liberalize rules governing fees.** Allowing privatized airports more flexibility to impose passenger facility charges and raise rents and landing and ramp fees might make privatization more attractive to investors. This might also increase airline opposition to privatization and could lead to higher costs for passengers and air cargo shippers.
- **Ease limits on use of privatization revenue.** If public sector owners faced fewer obstacles to using privatization revenue for non-airport purposes, this could stimulate local and state government interest in privatization. On the other hand, it could lead to a lower level of investment in aviation infrastructure.

Appendix. Airport Definitions

Title 49, Section 47103, of the *U.S. Code* requires the Secretary of Transportation to publish a national plan for the development of public-use airports in the United States. This appears as a biannual Federal Aviation Administration (FAA) publication called the *National Plan of Integrated Airport Systems (NPIAS)*, which lists nearly 3,300 airports across the United States that are considered significant to national air transportation.[60] These airports, which range from large publicly owned commercial airports to small general aviation airports that may be privately owned but are available for public use, are defined and categorized below.

Commercial Service Airports

Commercial service airports are publicly owned airports that receive scheduled passenger service and board at least 2,500 passengers per year. There are 502 commercial service airports.

Primary Airports

Primary airports are defined in 49 U.S.C.§47102(16) as public airports receiving scheduled commercial service with 10,000 or more enplaned passengers per year.

- *Large hub airports* are defined in 49 U.S.C. §47102(11) as commercial service airports that each account for 1.0% or more of total annual U.S. passenger enplanements (31 airports, 71% of all enplanements).
- *Medium hub airports* are defined in 49 U.S.C. §47102(13) as commercial service airports that each account for between 0.25% and 1.0% of annual U.S. passenger enplanements (33 airports, 17% of all enplanements).
- *Small hub airports* are defined in 49 U.S.C. §47102(25) as commercial service airports that each account for between 0.05% and 0.25% of total U.S. passenger enplanements (74 airports, 8% of all enplanements).
- *Non-hub airports* are defined in 49 U.S.C. §47102(14) as commercial service airports that each account for more than 10,000 but less than 0.05% of system-wide passengers (252 airports, 3% of all enplanements).

Non-primary Commercial Service Airports

Non-primary commercial service airports board between 2,500 and 9,999 passengers each year (112 airports, 0.07% of all enplanements).

General Aviation Airports

General aviation airports do not receive scheduled commercial or military service but typically support business, personal, and instructional flying; agricultural spraying; air ambulances; on-demand air-taxies; and/or charter aircraft service.

[60] FAA, "National Plan of Integrated Airport System (NPIAS) 2025-2029," updated November 6, 2024, https://www.faa.gov/airports/planning_capacity/npias/current/.

Reliever Airports

Reliever airports are those designated by FAA to relieve congestion at commercial airports and provide improved general aviation access.

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