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June 9, 2011

Theresa M. Cook, AAE Executive Director Coos County Airport District P.O. Box F North Bend, OR 97459

Dear Ms. Cook,

We appreciated receiving the fax which you sent on June 7, 2011 and the provided copies of a 2008 Airport Business article on "Airport Landing Fees: Tough Love" and a Wikipedia item on landing fees. Unfortunately, these fail to give us the answers to the very specific questions which we posed to the Coos County Airport District.

We do not dispute that the airport has authority to implement landing and parking fees. That is not the issue. Rather, the imposition of fees such as those now charged at Southwest Oregon Regional Airport must be tied to specific aeronautical activities and planned development at the airport and meet Federal Aviation Administration (FAA) policy and regulations.

The FAA provides rather detailed guidance regarding airport rates and charges. Additionally, the establishment of a fee and rate structure must also use a methodology which can withstand a test of the FAA Grant Assurances as well as the agency's *Rates and Charges Policy*. Any rate structure must be fair and reasonable and not discriminatory.

The FAA's Rates and Charges Policy discusses principles applicable to Airport Rates and Charges:³

- In general, the Department relies upon airport proprietors, aeronautical users, and the market and institutional arrangements within which they operate, to ensure compliance with applicable legal requirements. Direct federal intervention will be available, however, where needed.
- 2. Rates, fees, rentals, landing fees, and other service charges ("fees") imposed on aeronautical users for aeronautical use of airport facilities ("aeronautical fees") must be fair and reasonable.
- 3. Aeronautical fees may not unjustly discriminate against aeronautical users or user groups.
- 4. Airport proprietors must maintain a fee and rental structure that in the circumstances of the airport makes the airport as financially self-sustaining as possible.
- In accordance with relevant federal statutory provisions governing the use of airport revenue, airport proprietors may expend revenue generated by the airport only for statutorily allowable purposes.

³ FAA Order 5190.6b, Appendix D, page 49

¹ FAA Order 5190.6b, Chapter 18, section 18.5 - Principles

² Federal Register Volume 61, number 121, June 21, 1996, page 31994, Docket Number 27782

The FAA Rates and Charges Policy require airport sponsors to comply with a number of practices when establishing or setting rates and charges at a federally obligated airport.⁴

Therefore, we again ask that the airport provide us the following information:

- The methodology used to define the criteria used to establish each of the Rate classes (Rate I through Rate VII) and placement of specific named aircraft into a specific class.
- 2. The methodology used to establish the monetary amounts for each of the Rate Classes (Rate I through VII).
- The number of consultative meetings held with tenants and/or operators at the airport to present relevant information regarding the fees and structure.
- Costs (dollar amount and project/item) included in the rate base as defined in the FAA Rates and Charges Policy ⁶

Providing the requested information in a timely fashion will allow us to analyze the processes and methodologies utilized and determine if additional actions should be undertaken by AOPA on behalf of our members.

Sincerely,

Bill Dunn

Vice President, Airport Advocacy

CC:

Mr. Mike Lehman

Mr. Joe Benetti

Ms. Helen Brunell Mineau

Mr. John Briggs

Mr. Jon Barton

Ms. Carolyn Read Manager, Seattle ADO

Federal Aviation Administration

⁴ Federal Register Volume 61, number 121, June 21, 1996, page 332020, section 2.5.1 a-e or FAA Order 5190.6b, Appendix D, page 54

⁵ FAA Order 5190.6b, Chapter 18, section 18.6b – Local Negotiation and Resolution.

⁶ Federal Register Volume 61, number 121, June 21, 1996, page 32019, section 2.4.1 or FAA Order 5190.6b, Appendix D, page 52