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October 23, 2018

VIA ELECTRONIC MAIL TO:

Hon. Dorothy Jaeckle, Supervisor, Chair jaeckled@chesterfield.gov
Hon. Leslie Haley, Supervisor, Vice-Chair haley1@chesterfield.gov
Hon. Jim Holland, Supervisor hollandj@chesterfield.gov
Hon. Steve Elswick, Supervisor elswicks@chesterfield.gov
Hon. Chris Winslow, Supervisor winslowc@chesterfield.gov

Chesterfield County Board of Supervisors
7511 Airfield Drive
Richmond, VA 23237-2252

Re: Application to operate Fixed-Based Operator Facility at Richmond Exec-Chesterfield County Airport

Honorable Chairperson Jaeckle and Chesterfield County Board of Supervisors,

The Aircraft Owners & Pilots Association (AOPA) is the world's largest aviation organization, representing the general aviation interests of more than 330,000 aircraft owners and pilots across the country, including more than 8700 members in the Commonwealth of Virginia. On behalf of our membership, AOPA recommends the Board of Supervisors act to approve the operation of a second Fixed Based Operator (FBO) at Richmond Executive-Chesterfield County Airport.

AOPA applauds local leaders for considering opportunities to expand service offerings at the airport. We believe competition is good for ensuring quality of service and reasonable pricing. In addition to ensuring compliance with AIP grant assurances, we believe it is in the public's interest for the Board to take the steps necessary to permit the operation of a second FBO at FCI.

In December 2017, the FAA Office of Airport Compliance published guidance on FBOs which summarizes the applicable grant assurances that Airport Sponsors must comply with. The excerpt below may be useful as the Board considers the second FBO at FCI:

“Federally obligated airport sponsors have a responsibility to ensure that FBO services and pricing practices are reasonable and applied in a non-unjustly discriminatory manner (Grant Assurance 22, Economic Nondiscrimination). In any agreement, contract, lease, or other arrangement that grant a right to conduct aeronautical services to the public at the airport, the sponsor must insert and enforce provisions requiring the contractor to (1) furnish services on a reasonable, and not unjustly discriminatory, basis to all users and (2) charge reasonable, and not unjustly discriminatory, prices for services. The FAA's Policy Regarding Airport Rates and Charges contains additional information about the requirement that rates and fees imposed on aeronautical uses of the airport must be fair and reasonable and pricing methodologies with regards to setting fees, rates, and charges imposed. Airport sponsors are prohibited from granting an exclusive right for the use of the airport, including granting an exclusive right to an FBO providing or intending to provide aeronautical services to the public (Grant Assurance 23, Exclusive Rights). In addition, airport sponsors are required to retain all rights and powers necessary to comply with Federal obligations (Grant Assurance 5, Rights and Powers). Airport sponsors are required to

maintain a fee and rental structure for the facilities and services at the airport that will make the airport as self-sustaining as possible (Grant Assurance 24, Fee and Rental Structure). The FAA recognizes that each airport is different and airport sponsors have discretion in managing their own facilities and procuring FBOs. Many airport sponsors procure FBOs through a competitive bid process in an effort to augment and maximize investment and service offerings at a particular airport. Business realities and other factors can influence the terms of the agreements between airport sponsors and FBOs. However, Federal obligations are not met merely through competitive process. The quality and affordability of the services being provided to airport users may be factors in determining the reasonableness of airport access and related fees. Airport-specific circumstances, including funding and investment levels, are additional integral factors in determining whether certain fees are reasonable or unjustly discriminatory.”

An equally important grant assurance is the airport’s binding commitment that the airport will be made available for public use on reasonable conditions and without unjust discrimination to all types and classes of aeronautical activity, including commercial activities offering services to the public. This assurance is a cornerstone of airport development and has been incorporated into each significant iteration of the federal aid program. Under this economic nondiscrimination obligation, the Board must “negotiate in good faith and on reasonable terms with prospective aeronautical service providers” if adequate space at FCI is available. The Board also does not have discretion in determining whether sufficient business activity exists to justify an additional FBO; the willingness of a prospective provider to lease space is deemed evidence as a public need for those services. While demand, location, facility conditions, and similar factors may justify differing lease conditions or rates, the Board cannot deny access on those grounds.

If you have any questions or if we can be of further assistance, please feel free to contact me at your convenience at (202) 509-9670, or by email at Mike.Ginter@aopa.org. Please consider AOPA a resource on all matters impacting General Aviation.

Best regards,



Mike Ginter
VP – Airports and State Advocacy
Aircraft Owners and Pilots Association (AOPA)

Copy to:

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