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September 23, 2021

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Lynden Pindling International Airport
P.O. Box AP 59229
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Re: *Proposed Modification to Airport Fees and Charges to International General Aviation Operations at LPIA*

The Aircraft Owners and Pilots Association (AOPA) is the world's largest aviation membership association representing individuals who collectively operate 85% of all general aviation aircraft in the United States, including several thousand members who operate internationally to the Caribbean. AOPA respectfully submits this comment in response to the proposed increase to airport fees and charges to international general aviation operations landing at Lynden Pindling International Airport.

Background

On August 9, 2021 the Nassau Airport Development Company (NAD) published a proposed modification to airport fees and charges for general aviation.¹ The modification proposes to implement an airport improvement fee (AIF) of \$28.00 (VAT inclusive) for all passengers arriving to Nassau via private General Aviation (GA) aircraft from international flights to Lynden Pindling International Airport (LPIA). This proposed fee does not apply to passengers travelling on international or domestic commercial carriers. On August 30, 2021, NAD hosted a virtual GA stakeholder meeting where additional information was provided about the proposed fee and the research NAD completed to justify the fee.

AOPA understands and supports the need for airports to have adequate funding to maintain the infrastructure and services necessary for the safety, accessibility, and efficiency of its users. However, AOPA is strongly against unnecessary, unfair, and unreasonable fees and charges that negatively impact and restrict the economic benefit general aviation provides.²

AOPA believes the proposed implementation of a \$28.00 AIF to international general aviation passengers landing at Lynden Pindling International Airport is unnecessary, unfair, and unreasonable, and should be withdrawn. Alternatively, the proposal lacks sufficient data and

¹ <https://nassaulpia.com/wp-content/uploads/2021/09/Recommendation-for-Fee-Changes-Public-Issue-Date-August-9-2021-Updated-August-27.pdf>

² https://gama.aero/wp-content/uploads/General_Aviation_s_Contribution_to_the_US_Economy_FINAL_20200219.pdf

rationale to justify why a \$28 AIF is appropriate and in what manner it will be used to support infrastructure that directly benefits GA. NAD should provide the public with relevant data and rationale in justification of a \$28 AIF before any decision is made.

I. THE PROPOSED FEE IS UNNECESSARY, UNFAIR, AND UNREASONABLE

Recommendation: Withdraw the Proposed Modification to Airport Fees and Charges Notice

NAD asserts GA passengers, unlike commercial passengers, currently pay no direct airport improvement fees to NAD for their use of the airport. NAD also believes the new fee will allow GA to contribute more fairly towards NAD's maintenance of a strong financial position and will cover debt service and financial covenant obligations, and to fund important regulatory, security, maintenance, and capital projects to ensure efficient and safe airport operations.

AOPA believes GA currently pays their fair share for their use of LPIA and should not be burdened with additional fees used towards capital improvements where direct benefits are not realized. It is AOPA's understanding there is currently a \$29 per person fee imposed to all individual passengers and pilots in GA aircraft, and these operators also pay fees to FBOs (which in turn pay airport fees), and government customs fees. GA aircraft are not utilizing air carrier terminals or parking ramps. They utilize Fixed Base Operators (FBO) who have their own parking ramps separate from the air carrier ramps. Although there are areas where GA and air carriers share space, e.g. taxiways and runways, GA aircraft are significantly smaller and lighter than air carrier aircraft, therefore resulting in less wear and tear to asphalt and concrete over its design life.

Demanding GA pay a greater share for maintenance and capital improvement costs related to runways, taxiways, parking ramps and terminal buildings that are either used exclusively by air carriers, or damaged at a disproportionate rate by air carrier operations is unnecessary, unfair, and unreasonable. And while GA is more than willing to pay for justified fees for services and infrastructure that provides direct benefits, it is unreasonable and unfair to expect any entity to pay for fees that are a result of the inability to adequately plan and save for expected debt payments and scheduled capital improvements.

From all accounts, GA currently contributes its fair share to LPIA considering GA's proportional needs and usages of the existing infrastructure and the fees currently paid to FBO's, NAD and the Bahamian government. In the spirit of fairness and reasonableness, AOPA recommends NAD withdraw this proposed modification to airport fees and charges notice.

II. THE FEE PROPOSAL LACKS SUFFICIENT DATA AND RATIONALE

Recommendation: Provide the public with relevant data and rationale in justification of a \$28 AIF before any decision is made

Even if GA does not meet its financial obligations, there is little relevant data or rationale that justifies a \$28 AIF.

NAD provided many numbers and data sets in its proposal and during its August 30, 2021 stakeholder presentation to show how much air carriers and GA have proportionally contributed financially to NAD, however, there is no analysis or justification as to how much GA should be responsible for, why a \$28 AIF amount is appropriate, or how those funds will be spent.

For example, NAD asserts the percentage of commercial traffic compared to GA traffic is approximately 60% to 40%, respectively, and revenue attributable to all GA averaged 11% of aeronautical revenue in FY 2018, 2019, and 2020. However, there is no analysis or explanation as to whether this is an appropriate balance of revenue.

Also, there is no analysis or explanation as to whether a \$28 AIF amount is appropriate. NAD does compare fees for international flights for what it considers peer airports, however, just because peer airports may or may not charge a certain fee is not justification for needing funds for infrastructure or capital improvements that appear to mostly benefit air carrier operators.

Finally, there is little detail how the \$28 AIF will be appropriated to specific projects that will benefit GA. NAD believes the new fee will allow GA to contribute more fairly towards NAD's maintenance of a strong financial position and will cover debt service and financial covenant obligations, and to fund important regulatory, security, maintenance, and capital projects to ensure efficient and safe airport operations. NAD estimates 30 million will need to be invested in airside infrastructure improvements inclusive of pavement surfaces and lighting. However, these are broad areas and amounts for funding, many which have no direct impact to GA. If NAD chooses not to withdraw this proposal, AOPA recommends NAD provide additional data, analysis, explanation, and rationale that is relevant for any proposed AIF amount before a final decision is made.

AOPA appreciates NAD providing a virtual stakeholder meeting where it shared its willingness to consider alternative options other than a passenger-based fee. At the very least, and AOPA supports, alternative options be considered because a fee such as this would create unfairness for smaller GA aircraft who might carry more passengers than larger turbine aircraft.

Conclusion

AOPA understands the challenges the entire aviation industry has faced in the last year and a half, including airports in tourist dependent areas. COVID-19 crippled airlines' schedules and travel restrictions have kept people from travelling in large groups. However, the GA industry remained strong and resilient in the face of a pandemic. GA was able to continue to travel to areas like the Bahamas, bringing with it much needed economic benefit to airports and surrounding communities. Since many GA operators cannot pass on added fees and charges to customers, any additional exposure to costs will only discourage travel to those areas.

AOPA appreciates NAD's willingness to engage relevant stakeholders in this process and for consideration of our comment on this important issue. Please do not hesitate to contact me at 202-737-7950 if you have any questions.

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Sincerely,



Christopher J. Cooper
Senior Director, Regulatory Affairs

The Aircraft Owners and Pilots Association (AOPA) is a not-for-profit individual membership organization of General Aviation and UAS Pilots and Aircraft Owners. AOPA's mission is to effectively serve the interests of its members and establish, maintain and articulate positions of leadership to promote the economy, safety, utility, and popularity of flight in General Aviation aircraft and UAS. Representing two-thirds of all pilots in the United States including several thousand UAS operators, AOPA is the largest civil aviation organization in the world.

AIRCRAFT OWNERS AND PILOTS ASSOCIATION