

# FAA LEGAL PRECEDENCE

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AIRCRAFT OWNERS AND PILOTS ASSOCIATION

## Complainant's Argument

AOPA has filed an FAA Part 13 Complaint against certain FBO's, represented by NATA. AOPA alleges that these FBO's have violated the requirements for the Airport Improvement Programs federal grant obligations. The complaint states that these FBO's have engaged in "egregious pricing" of services that users are being required to pay when they are not warranted, limiting access to public-use airports. AOPA's **main objective** is for the FAA to investigate these FBO's pricing practices and take necessary actions to ensure that FBO's **egregious fees are investigated and ensure compliance with grant obligations**. This is also to ensure that the sole FBO of an airport does not take advantage of pilots by controlling transient parking and monopolize on it. Airport/ FBO's listed in the complaint:

- Asheville Regional Airport, NC/ Signature Flight FBO
- Key West International Airport, FL/ Signature Flight FBO

**If AOPA win:** Assures pilots have unfettered access to public-use airport without paying egregious prices. FAA will need to stipulate what it deems "egregious pricing."

**AOPA's Statement:** If NATA wins, this may be seen as a "green light" for FBO's to configure their prices based on what they see as a service. Leading to high prices and low-quality service.

Asheville Regional Airport (AVL) FBO Fees	No Fuel Purchase		Fuel Purchase	
	C-182T	PC-12/45	C-182T	PC-12/45
Handling Fee	\$40.00	\$300.00	\$0.00	\$0.00
Infrastructure Fee	\$5.00	\$25.00	\$5.00	\$25.00
Min. Fuel Fee	\$0.00	\$0.00	\$48.40	\$648.00
Fuel Prices (\$/gal.)	-	-	SS: \$4.84 FS: \$6.97	\$6.48
Min. Gallon Purchase	-	-	10	100
Min. FBO Fee	\$45.00	\$325.00	\$53.40	\$673.00
Each Overnight Fee	\$12.00	\$98.00	\$12.00	\$98.00
Min. FBO Fee, 24-Hour Visit	\$57.00	\$423.00	\$65.40	\$771.00

Airport	Distance from AVL	100LL SS	100 LL FS	Jet A FS
Asheville Regional Airport (AVL)	0	\$4.84	\$6.97	\$6.48
Jackson County Airport	33 miles	\$4.40	-	-
Greenville Downtown Airport	36 miles	-	\$5.75	\$4.84
Greenville Spartanburg Airport	36 miles	\$4.64	\$5.64	\$4.76
Pickens County Airport	38 miles	\$4.12	\$4.52	\$4.20
Donaldson Field Airport	41 miles	\$4.52	\$4.82	\$4.56
Spartanburg Memorial Airport	42 miles	\$4.10	\$4.54	\$3.09

## ABSTRACT

The Airplane Owners and Pilots Association (AOPA) and the National Air Transportation Association (NATA) are pitted against each other in a potential legal battle concerning public-use, federally funded, airports. The issue surrounding these airports is whether their Fixed Based Operation's (FBO) are engaged in egregious pricing practices concerning fuel, ramp fees, and other maintenance services. General aviation pilots are being required to pay for services when they do not need, want, or benefit from it. NATA, which represents the FBO's, is disputing the Federal Aviation Administration (FAA) **Part 13 complaint** on the grounds that AOPA doesn't understand the particulars of FBO's aviation's economics. The FAA has yet to make a final decision on this **legal landmark case** if the FBO's have violated any **grant requirements**, or if reasonable grounds exists for an investigation. It may lead to a potential lawsuit, **Part 16**, if there are unsettled grievances and dissatisfied parties.

## FAA Procedures For Grievances or Complaints

### Part 13 (Informal)

This approach is **less formal** when filing a complaint. It can be made in writing or orally, to any FAA regional district office. The FAA is required to have all parties submit their statements and supporting documents, in order to make a decision. The issue with this, is that it does not impose any timeline for the FAA to issue a decision on the matter.

### Part 16 (Formal)

This approach is the formal process when filing a complaint, which takes the form of a **judicial hearing formality**. There are two Primary requirements; 1) Must have engaged in good faith, efforts to resolve issues with airport informally. 2) Be directly affected by noncompliance. A decision is made within 60 days of last reply.

## Grant Requirements

Every airport that receives federal grants are required to follow certain Grant Assurances: The FAA uses these regulations for their final decisions.

- **Grant Assurance 22**, Economic Nondiscrimination; States that a sponsor must a) Make the airport available as an airport for public use on reasonable terms and without unjust discrimination b) Apply nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and charges.
- **Grant Assurance 23**, Exclusive Rights; Either directly or indirectly, grant or permit any person, firm, or corporation, the right at the airport to conduct any aeronautical activities.
- **Grant Assurance 24**, Airport Self-Sustaining; Maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible.

## FAA's Go/No-Go Decision

**\*UPDATE: Determination issued as of June 29, 2018\***

1. The FAA has determined that Key West international Airport is in compliance with its grant assurances, **except for Grant 22**, as it relates to the requirement of the airport to provide a location for self-service. The FAA will address the compliance with the airport.

2. The FAA has concluded that all complaints raised by AOPA against Asheville Regional Airport concerning Grant Assurances is denied. Asheville Airport is in compliance with its grant assurances especially Grant 22 and Grant 23 as it relate to being the sole FBO.

**\* The FAA's informal review is not final subject to judicial review\***



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## Respondent's Argument

NATA's assertion on the issue is that, AOPA does not see the big picture. That the complaints reflect a misunderstanding of a number of key points related to the **economics of aviation business**. These **key points that factors and influence pricing**, are:

- land and its facilities lease
- types of services provided
- capital investment
- labor supply and corresponding rates
- ground support equipment
- federal policy requirements including increased insurance limit
- increase in rents and other fees paid

According to NATA, since 2000, **private pilot certificates have dropped by 32%** which relates to the **decline of avgas fuel consumption by 41%**. The organization believes that the issue can and should be resolved without FAA involvement because it takes away from a united aviation front against other issues.

**If NATA win:** The status quo will be maintained, services and operations costs at certain high-end FBO's will be justifiable. Affording airports/ FBO's to be self sustainable.

**NATA's Statement:** If AOPA wins, this could mean the diminish quality of services provided and eventually render an FBO/ airport to be unsustainable due to fees and overhead costs.

Private Pilot Certificates and U.S. GA Avgas Consumption



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