

Grant Assurance #24

Resource: *Airport Sponsor Assurances* (3/2011)

[http://www.faa.gov/airports/aip/grant_assurances/media/airport_sponsor_assurances.pdf]

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

[The airport sponsor] will maintain a fee and rental structure for the facilities and services at the airport, which will make the airport as self-sustaining as possible

Note: Fair market fees for use of the airport are required for non-aeronautical use of the airport.

Resources:

- FAA Order 5109.6B, *Airport Compliance Manual*, Chapter 17 (see also Chapters 9, 10, & 18 and Appendix O) (http://www.faa.gov/documentLibrary/media/Order/5190_6b.pdf)
- FAA Advisory Circular Order 5190-7, *Minimum Standards for Commercial Aeronautical Activities* (http://www.faa.gov/documentLibrary/media/advisory_circular/150-5190-7/150_5190_7.pdf)
- FAA Policy Regarding the Establishment of Airport Rates and Charges (http://www.faa.gov/airports/airport_compliance/media/airports_rates_charges_policy_with_amendments.pdf)

Key Terms to Remember:

Similarly Situated: FAA requires entities to that have similar circumstances (e.g., requested lease at same time; provide similar services; leases similar facilities) to receive the same rates, fees, rentals, and other charges from the airport sponsor. Those entities that are not similarly situated (e.g., build new vs. lease existing building; single-service vs. full-service aeronautical provider; initiate lease during poor economy vs. booming economy; poor location vs. prime location) are allowed by FAA to have different rates, fees, rentals, and other charges from the airport sponsor.

Comparable vs. Equitable: FAA allows rates that are not comparable, however, the rates must be equitable. FAA does not allow rates that are not equitable.

Commonly Found Types of Charges for Use of Airport Facilities:

- landing fees
- tiedown/hangar fees
- fuel flowage fees
- percent of gross revenues
- ground/land lease
- hangar/building lease
- concessionaires fees
- equipment rental fees