



**Airlines for America**  
We Connect the World

December 17, 2014

Mr. Randall S. Fiertz  
Director, Airport Compliance & Field Operations  
Federal Aviation Administration  
800 Independence Avenue SW  
Washington, DC 20591

Dear Mr. Fiertz:

As discussed at the A4A Airport Affairs Council meeting on November 12, 2014 and at our meeting on October 2, 2014, our carriers are concerned that a number of smaller airports, in an effort to attract and/or retain certain air service, are implementing rates and charges mechanisms that are unjustly discriminatory and therefore violate the DOT Rates and Charges Policy ("Policy"). As we discussed, our view is that the FAA Air Carrier Incentive Program is the appropriate mechanism for airports to incentivize airlines to add or increase service.

As we and our members consider these issues and potential responses/actions, it would be helpful to be clear on several aspects of the Policy. Specifically, we would appreciate FAA clarifying the following:

- Can an airport discriminate between airlines by discounting the terminal rental rate for one concourse by an arbitrarily picked percentage but not applying the same discount to another concourse; in other words, in establishing differential terminal rental rates, can the airport ignore the actual costs (such as debt and operating expenses) for each facility?
- Does the Policy allow airports to calculate turn charges (whether at the gate or ticket counter) based on a methodology that does not achieve full cost recovery even if the facility is fully utilized? For example, an airport sets the turn rate assuming usage will be at the maximum of 8 turns per day but even that usage would not achieve full cost recovery and actual usage may, in fact, be less.
- When calculating facility charges, are airports required to use reasonable usage and space assumptions? For example, an airport sets the turn charge based on 8 turns per day when actual and projected usage is 4 turns per day.
- If an airport wishes to offer airlines rate methodology options, does the Policy allow an airport to discriminate between airlines by excluding an airline from an option made available to other airlines? For example, can an airport offer a turn charge methodology to some airlines but not others? If so, under what circumstances can an airport discriminate in this manner between operators?
- May an airport discriminate between airlines in implementing a cost methodology by fully allocating the costs of facilities to some airlines but not others?
- Does the Policy permit a rate methodology that charges air carriers different rates based solely on the number of their scheduled daily departures?
- Is a common use space/facility rate methodology that is strictly use-based and does not include a component to allocate some portion of fixed costs evenly to all users reasonable under the Policy when that methodology disproportionately shifts costs to signatory carriers and results in competitively advantageous charges for limited use per-turn users?



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- Is imposing or threatening to impose Ordinance Rates if carriers refuse to sign a lease agreement they believe discriminatory considered good faith negotiations under the Policy?

We look forward to your prompt attention to these important policy concerns. If you have any questions, please feel free to contact me at 202-626-4100.

Sincerely,

Laura A. McKee  
Vice President, Airline Services

LAM/bms

cc: David A. Berg, A4A SVP & General Counsel  
Sharon Pinkerton, A4A SVP Legislative & Regulatory Policy  
Cindy Baraban, DOT Senior Attorney Advisor  
A4A Airport Affairs Council