

**Congress of the United States**  
**Washington, DC 20515**

August 6, 2012

Mr. Michael P. Huerta  
Acting Administrator  
Federal Aviation Administration  
800 Independence Avenue, SW  
Washington, D.C. 20591

Dear Administrator Huerta,

We write to you today to address our concern with the recent trend of Airport-Sponsored Fixed Based Operations (FBO's) competing with privately-owned FBO's. We are concerned that Airport-Sponsored FBO's, whose budgets are supplemented by federal funding, have a competitive advantage stemming from these taxpayer subsidies when compared to privately-held FBO's. Therefore, we request the FAA provide guidance to ensure that Grant Assurance 22 (Economic Non-Discrimination) is properly enforced so that all FBO's, both privately and publicly owned, compete on a level playing field. Additionally, we believe the FAA should reinforce 5190.6B, FAA Airport Compliance Manual, which states, "As a practical matter, most airport sponsors recognize that aeronautical services are best provided by profit-motivated, private enterprises."

The FAA had the foresight to attempt to prevent problems arising from Airport-Sponsored FBO's when it drafted Grant Assurance 22(g) as follows:

*"In the event that a sponsor exercises any rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishings of such services by commercial service providers under these provisions."*

We believe it is necessary to further define this Assurance so that Airport-Sponsors fully understand the rules they must follow if they are to engage in competition with privately-owned FBO's. Further guidance will lessen the risks of unfair competition by those Airport-Sponsors that decide to launch their own FBO. That Airport-Sponsors have access to taxpayer funding creates a competitive imbalance and warrants additional safeguards against unjust discrimination.

In addition to federal funding, which creates artificial operating budgets, Airport-Sponsored FBO's may also derive an unfair competitive advantage by serving as its own regulator. Such a relationship provides the opportunity for preferential treatment on everything from ramp cleaning to fuel farm site selection to tasks as simple as garbage removal or parking spot

allocation. Such an imbalance negatively affects privately-owned FBO's and discourages private investment.

Recent evidence from the Chattanooga Metropolitan Airport proves that Airport-Sponsored FBO's do not operate efficiently and require unnecessary and costly taxpayer support. The City of Chattanooga reported losses of \$317,000, which was \$200,000 more than anticipated. Since Airport-Sponsored FBO's do not have a profit motivation, capital losses do not present a fundamental problem. However, these losses are passed on and result in wasted taxpayer dollars. Such scenarios can be avoided by the use of privately-owned FBO's who do not rely on taxpayer subsidies and must operate within a budget.

Although the Grant Assurances prohibit such discrimination, we believe the temptation for the Airport-Sponsors to advance their own business interests, with the aid of taxpayer subsidies, to the detriment of privately-owned FBO's may lead to abuse and unnecessary waste of increasingly limited taxpayer dollars. Therefore, we respectfully request that the FAA put controls in place to ensure that conflicts do not arise when Airport-Sponsors assume the dual role of regulator and competitor.

We appreciate your timely attention to this matter and look forward to your prompt reply.

Sincerely,

Bob Essing  
TX-32

Ralph M. Hall  
TX-4

Jim Frown  
TX-13

Lamar Smith  
TX-21

Steve TX 23.

Cheryl Huff TX 24

David GA 3

John TN-2

Quinn Black

Maisha Blackburn

Kami Yoder

Blake Ferretter

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---