

Primary Management Compliance Documents

Project Workshop

Presented by

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Aviation Management Consulting Group

Project Team

→ Bryan Johnson (Senior Consultant)

- 30 years of aviation/airport - planning, business and land development, management, financial, operations and leadership experience

→ Bob Trimborn (Senior Consultant)

- 54 years of aviation/airport - planning, business and land development, management, financial, operations, consulting and leadership experience

→ Brandon Borne (Managing Analyst)

- 10 years of aviation management consulting (airports and aviation businesses) and government relations experience including policy development and civic engagement



Aviation Management Consulting Group

- **AMCG provides a wide range of aviation management consulting services**
- **Specializes in Aviation Industry Services**
 - Airports
 - Fixed Based Operators (FBOs)
 - Specialized Aviation Service Operators (SASOs)
 - Aviation Agencies, such as ACRP, NASAO, etc.
- **Denver Office (Centennial, CO)**
- **Celebrating 21+ years!**



Workshop Overview

- **Project Overview**
- **Discussion of Sponsor Assurances**
- **Overview of Primary Management Compliance Documents**
- **Document Development Process**
- **Stakeholder/Public Involvement**
- **Next Steps**
- **Question and Answers**



Project Overview

- ➔ **The County has engaged AMCG to develop the following Primary Management and Compliance Documents (PMCDs):**
 - **Rules and Regulations**
 - **Minimum Standards**



Airport Sponsor Assurances

- ➔ The San Luis Obispo County Regional Airport is a federally obligated airport having received Airport Improvement Program (AIP) funds from the FAA
- ➔ To secure **AIP** funds (a grant), an airport sponsor is required (or “obligated”) to give certain assurances to the FAA known as the **Airport Sponsor Assurances**
 - In essence, airport sponsors must agree to comply with the assurances (currently 39) as a condition of receiving AIP funds.
 - Included in the AIP grant application



Definition of Airport Sponsor

- An airport owner (County of San Luis Obispo) that has accepted AIP funds (grant)
- Public Agency Sponsor
 - A public agency with control of a public-use airport (authority/city/county/state)
- Private Sponsor
 - A private owner of a public-use airport



Additional Legal Obligations

- ✈ In addition to complying with the assurances, **sponsors** must comply with the following legal obligations:
- Federal requirements (cited in the grant) including, but not limited to:
 - Laws and Regulations (rulings and precedents)
 - Executive Orders
 - Policies, Guidelines, and other Requirements
 - FAA Compliance Manual
 - Office of Management and Budget (OMB) Circulars
 - FAA Advisory Circulars (ACs)



Background on Sponsor Assurances

- ✈ The assurances provide a means for the federal government to ensure that public use airports are developed, operated, and maintained in a safe, secure, efficient, compatible, and compliant manner.
 - The assurances apply to:
 - Entire airport (inside the fence)
 - Relationships with tenants and users
 - The assurances do “not” apply to:
 - Non-aeronautical activities
 - Activities occurring off-airport (outside the fence)



Background on Sponsor Assurances

- Civil Aeronautics Act of 1938
- Surplus Property Act of 1944
- Federal Airport Act of 1946
- Federal Aviation Act of 1958
- Airport and Airway Development Act of 1970
- Airport and Airway Improvement Act of 1982
- Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) (2000)
- Vision 100 – Century of Aviation Reauthorization Act (2003)

Originate in federal law (derived from statutes)



And... numerous Authorization/Reauthorization Acts



The 39 SPONSOR ASSURANCES

1. General Federal Requirements
2. Responsibility/Authority of the Sponsor
3. Sponsor Fund Availability
4. Good Title
5. Preserving Rights and Powers
6. Consistency with Local Plans
7. Consideration of Local Interest
8. Consultation with Users
9. Public Hearings
10. Air and Water Quality Standards
11. Pavement Preventative Maintenance
12. Terminal Development Pre-requisites
13. Accounting System, Audit, and Record Keeping Requirements



The 39 SPONSOR ASSURANCES

- 14. Minimum Wage Rates
- 15. Veteran's Preference
- 15. Conformity to Plans and Specifications
- 17. Construction Inspection and Approval
- 18. Planning Projects
- 19. Operation and Maintenance
- 20. Hazard Removal and Mitigation
- 21. Compatible Land Use
- 22. Economic Non-Discrimination**
- 23. Exclusive Rights**
- 24. Fee and Rental Structure
- 25. Airport Revenues
- 26. Reports and Inspections



The 39 SPONSOR ASSURANCES

27. Use by Government Aircraft
28. Land for Federal Facilities
29. Airport Layout Plan
30. Civil Rights
31. Disposal of Land
32. Engineering and Design Services
33. Foreign Market Restrictions
34. Policies, Standards, and Specifications
35. Relocation and Real Property Acquisition
36. Access By Intercity Buses
37. Disadvantaged Business Enterprises
38. Hangar Construction
39. Competitive Access



ECONOMIC NON-DISCRIMINATION

Economic Non-Discrimination

- ✈ Sponsor will make its airport available as an airport for **public use** on **reasonable** terms and **without unjust discrimination** to all types, kinds, and classes of aeronautical activities (SA-22(a)).



ECONOMIC NON-DISCRIMINATION (Self-Service)

Economic Non-Discrimination Self-Service

- ✈ Sponsor will not exercise or grant any right or privilege which operates to prevent any person operating aircraft on the airport from **performing any services** on its **own aircraft** with its **own employees** and **equipment** that it may choose to perform including, but not limited to, maintenance, repair, and fueling of aircraft (SA-22(f)).
 - The key word is 'own'



EXCLUSIVE RIGHTS

Exclusive Rights

✈️ Prohibition against exclusive rights

- Sponsor will permit **no exclusive right** for the use of the airport by any person providing, or intending to provide, aeronautical services to the public (47107(a)(4)) and SA-23.

✈️ Definition of an exclusive right

- Any power, privilege or right excluding or debarring another from enjoying or exercising a like power, privilege, or right.



✈️ Purpose of exclusive right prohibition

- Is to prevent monopolies and to promote competition at federally-obligated airports (which, incidentally, is intended to improve safety and lower prices) (AC150/5190-6).



Primary Management Compliance Documents (PMCDs)

✈️ Definition

- A compendium of documents that govern the Operation, Management and Development of an airport

✈️ Rules and Regulations (includes General Provisions)

✈️ Minimum Standards

✈️ Leasing Policy (Rents & Fees)

- Lease, Use, or Operating Agreements

✈️ Development Standards



Primary Management Compliance Documents (PMCDs)

→ **Purpose** – in combination, these documents:

- **Contribute** to the financial health of an airport
- **Facilitate** (foster) orderly development
- **Promote** the provision of quality products, services, and facilities
- **Protect** the health, safety, interest, and general welfare of the public
- **Reduce** the potential for conflict with lessees, consumers, and users
- **Reduce** the potential for (and provide a platform for the resolution of) Part 13 (informal) and 16 (formal) complaints



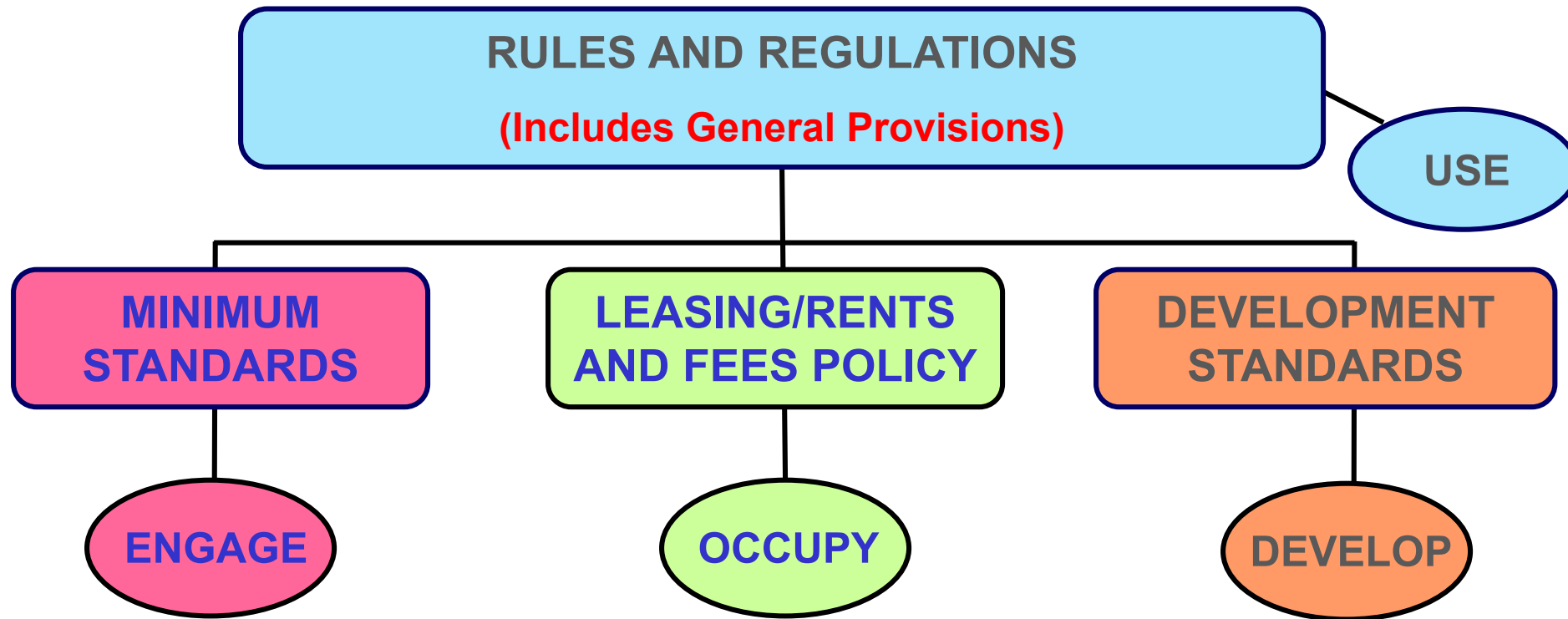
Primary Management Compliance Documents (PMCDs)

→ *Role*

- Set the stage (parameters) for the way an airport does business
- Play an important (essential) role in the operation and management of an airport (large or small)
- Essential to have all of these documents (or tools) in the executive director's toolbox
- While these documents are interrelated, they function independently of each other
- Consistent with (not duplicate):
 - Airport Sponsor Assurances
 - Applicable legal requirements
 - FAA directives and policies; Orders (e.g., 5190.6B)
 - ACs (e.g., 150/5190-6 and 150/5190-7)



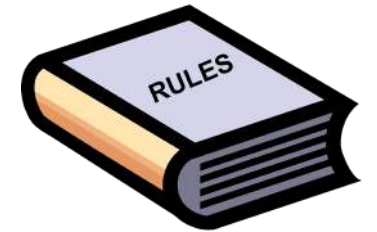
Primary Management Compliance Documents



Rules and Regulations

✈ Definition

- Sets forth the rules and regulations for the safe, orderly, and efficient use of an airport
- Conveys general provisions and definitions (key terms) – common to all PMCDs
- Eliminates redundancy (sets stage for PMCDs)



✈ Role/Purpose

- Protects the public health, safety, interest, and welfare on the airport
- Applies to **all persons using the airport** – at all times – for any purpose



Minimum Standards

✈ Definition

- Sets forth the requirements that need to be met to engage in commercial aeronautical activities at an airport

✈ Role/Purpose

- Establishes consistent threshold requirements – which **levels the playing field and promotes fair competition among operators** (minimum “ante”)
- Applies to entities who want to **engage in commercial aeronautical activities** at an airport



Document Development Process

- ➔ **Identify and understand influencing factors**
 - Internal and external
- ➔ **Stakeholder input** (public outreach program)
 - On-airport and off-airport
- ➔ **Consult resources and references** (FAA orders, regulations, advisory circulars)
- ➔ **Utilize a structured development/review process**
- ➔ **Conduct a comprehensive assessment**
- ➔ **Land and improvements**
- ➔ **Operators**



Influencing Factors – Internal

→ Airport profile

- Airport type, infrastructure, products, services, and facilities

→ Activity levels

- Based aircraft, aircraft operations, and fuel volumes

→ Planning and development

- Master Plan (ALP)/Land Use Plan
- Available land and improvements
- Designated uses (highest and best)
- Anticipated future growth/development

→ Financial and economic

- Rents, fees, and other airport rates and charges



Influencing Factors – Internal

✈ **Managerial**

- Mission (purpose)
- Vision (aspirations)
- Values (beliefs)
- Goals, objectives, action plans (and budgets)

✈ **Existing guiding documents**

- Policies, procedures (SOPs), memorandums, directives, correspondence, etc.



Influencing Factors – External

- **Political**
- **Governing body**
- **Operators** (FBOs and SASOs), other lessees (non-commercial), consumers, users, and community
- **Community**
- **National, regional, and local marketplace**



Assessment

- Land and improvements
- “Available” verses “leased” (lease summary)
- Operators
- Products, services, and facilities (and amenities)
- Vehicles and equipment
- Personnel
- Hours of operation
- Certifications and licenses
- Insurance



Input Sources

✈ On-Airport

- Governing body
- Operators, lessees, consumers, and users

✈ Off-Airport

- Industry colleagues (peers)
- Professional advisors (consultants)
- Community
- FAA

✈ Methods

- Committees, working (focus) groups, task forces
- Public meetings (open house/forum)



FAA Advisory Circulars (ACs)

✈ The FAA issues ACs to:

- Help explain the intent of a regulation
- Provide guidance and information to the aviation public in a designated subject area
- Show a method acceptable for complying with a related regulation

✈ When incorporated by reference in the Airport Sponsor Assurances, ACs become mandatory (contractual) obligations of the sponsor



FAA Orders and Regulations

- ➔ Order 5100.38D – Airport Improvement Program (AIP) Handbook, September 30, 2014
- ➔ Order 5190.6B – FAA Airport Compliance Manual, September 30, 2009
- ➔ Advisory Circular 150/5150-2C – Federal Surplus Personal Property Program for Public Airport Purposes, August 31, 2012
- ➔ Advisory Circular 150/5190-6 – Exclusive Rights at Federally Obligated Airports, January 4, 2007
- ➔ Advisory Circular 150/5190-7 – Minimum Standards for Commercial Aeronautical Activities, August 28, 2006
 - FAA recommends that airport sponsors develop and implement Minimum Standards



Document Development Process

- **Importance of structure**
- **Internal development/review**
 - Management
 - Operations
 - Properties
 - Risk Management
 - Legal
 - Governing Body
- **External review**
 - Key Stakeholders (Outreach Program)
 - FAA (Airport District Office)



Document Development Process

- **PMCD Expanded Outline**
 - Airport Management
- **First Draft**
 - Airport Management Review and Comment
- **Second Draft**
 - Legal and other Departmental Review and Comment
- **Third Draft**
 - Stakeholder/Public Review and Comment
- **Fourth Draft**
 - Integrate Stakeholder Comments & Final County Review
- **Fifth & Final Draft**
 - Board of Supervisors Adoption



Stakeholder/Public Review and Comment

- ➔ **Transparent and well-documented review process**
- ➔ **Three ways to comment:**
 - Dedicated web portal to PMCD survey
 - Written comments via mail/email
 - Written comments submitted directly to Airport Management
- ➔ **All comments will be thoughtfully considered**



Stakeholder/Public Review and Comment

→ **AMCG will:**

- **Compile and review** the stakeholder / public comments and suggested modifications with Airport staff
- **Integrate**, where appropriate, **comments** and **suggested edits** into a **fourth draft** for further review by Airport staff and legal counsel
- **Prepare a report** addressing all comments



Final Work Product

→ Self-contained

- with exception of references

→ Easy to read and follow

- well organized, clear, and concise

→ Compliment (not duplicate)

- Applicable federal, state, and local legal requirements



Final Work Product

✈️ How important is the process?

- The process can be more important (and more beneficial) than the final work product (final documents)

✈️ Review and Update

- PMCDs should be reviewed on a periodic basis and updated (as needed)
- It is important to ensure that PMCDs continue to be relevant for the market and the airport into the future
- Situations and/or circumstances can change such as industry, market, airport, etc.



Questions and Answers



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