Love Field Pilots Association

c/o Sean Lynch, Secretary

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May 24, 2018

VIA E-MAIL mark.duebner@dallascityhall.com and FAX (214) 670-5683

Dallas Airport System Mr. Mark Duebner, Director 8008 Herb Kelleher Way, LB 16 Dallas, Texas 75235-2852

Re: Pending Implementation of General Aviation Fees Under

New Dallas City Code Section 5-31.1

Dear Mr. Duebner:

Thank you for attending our Tuesday meeting and sharing with us some background information and your plans and thoughts regarding the pending implementation of certain fees on general aviation aircraft at Dallas Love Field pursuant to the new Dallas City Code Section 5-31.1, which was recently adopted by the Dallas City Council.

While we were grateful for this briefing, we do have three significant concerns with respect to the information you presented. First and foremost, you stated that the new landing fees based on an 80/20 formula (as described in new Section 5-31.1(d)) would apply to all general aviation aircraft operating at the field, regardless of whether or not these aircraft are based at the airport through sublease agreements. You acknowledged that certain lessees – which you confined to fixed-based operators and a limited number of additional lessees who are parties to master leases with the city – would not be subject to these additional fees, but you clearly stated that all other tenants who are sub-lessees under those master lease agreements would be subject these new fees.

Your understanding of the new ordinance appears to us to be in direct conflict with the actual language of the ordinance. As we read the ordinance, Section 5-31.1(b) says that all general aviation owners or operators will pay certain fees for the use of the airport. Section 5-31.1(c) says that any "owner or operator of a general aviation aircraft that has executed an airport use and lease agreement shall pay fees, including landing fees, to the city in accordance with that agreement," and Section 5-31.1(d) says that any owner or operator "who has not executed an airport use and lease agreement" will pay the fees determined through the 80/20 formula. In other words, each general aviation owner or operator at the field will pay fees for its use of the field in only one of two ways, either through a use and lease agreement at the airport or through the fees determined through the 80/20 formula.

Mr. Mark Duebner, Aviation Director May 24, 2018 Page 2

Moreover – and perhaps most importantly – please note that these sections do not reference the owner or operator having to be a direct party to a master lease agreement with the city as the lessor. Instead, the specific reference is simply to any owner or operator who has executed an "airport use and lease agreement."

Under this language, any owner or operator who has executed any form of use and lease agreement at the airport – and is paying rent under that agreement that eventually is paid to the city – is paying for its use of the facilities at the airport under that agreement, i.e., they have met the requirements listed under Section 5-31.1(c). The language of the ordinance does not differentiate whether the rental fee goes directly to the city initially or goes first to a sub-lessor who in turn pays rental through the master lease. To interpret this new section as you stated during our meeting would negate what appears to be the clear intent of this section, that each owner or operator only has to pay fees once. Your reading would instead cause all owners and operators at the airfield who have executed an airport use and lease agreement through the form of a sublease to have to pay fees twice – first through the rental it is paying under its lease, and again through the additional landing fees you seek to impose on them under Section 5-31.1(d). We very strongly believe that your interpretation of who these new 80/20 fees apply to is incorrect based on the language of the ordinance, and this is our major concern regarding the information you presented at our meeting.

Our second concern with the information you provided deals with the methodology used in setting the 80/20 fees, together with the amount of those fees, and the lack of transparency in this entire process. The general consensus of our membership is that all users of the airport – both commercial and general aviation – should pay for their fair share of the costs and expenses of running and maintaining the airport. However, based on the information you provided at our meeting, it appears to us that the factors the department took into consideration, and the allocation of costs and expenses as represented by this formula, are flawed and unfair to the general aviation community at the field.

This, in turn, leads to our third concern. As you acknowledged during your briefing, your department made no discernable effort to reach out to the long-established general aviation community at the airport to discuss these fees and how they might be assessed. While there were public meetings held, there was no effort to provide notice of those meetings to the businesses and individuals who would be most clearly impacted by these fees prior to the ordinance being presented to the city council for approval.

Instead, it appears to us that the Dallas Airport System has been considering these fees for a significant period of time, and has included commercial air carriers at the field in those discussions, but never made an effort to reach out to the vast majority of the general aviation operators based at the field who would be most affected by these fees. We do note that being a resource to the City and the Dallas Airport System for exactly these types of issues was one of the core reasons that the Love Field Pilot's Association was created back in the early 1980's in the first place.

We feel that the department's failure to make any effort to actually reach out to the vast majority of general aviation owners and operators at the field who be the most deeply and directly affected by these new provisions was extremely unfair. If the department had included the general aviation community in these discussions from the start, we believe that it would have been able to come up with an allocation and fee structure that was more fair and transparent, and would not now instead be in the process of being challenged by the general aviation community it is affecting.

In light of these very significant issues, the Love Field Pilots Association specifically and formally requests that the Dallas Airport System take the following four steps:

- 1. Delay the planned implementation of the collection of new fees instituted under Section 5-31.1(d) of the new ordinance for a reasonable period of time in order to allow for appropriate clarifications to be made by the city attorney on who these fees apply to.
- 2. Schedule one or more mutually-convenient meetings as quickly as possible with representatives of the general aviation community, specifically including those operators who are sublessee tenant-based at the airport, to discuss and make meaningful inputs to the methodology of determining the distribution and amount of fees to be paid by the different operators located at the field.
- 3. Amend the proposed fee collection plans briefed by you at our recent meeting to reflect the additional information gathered and considered during steps one and two above.
- 4. Work with the Love Field Pilots Association, and other interested general aviation tenants at the airport who are not necessarily members of the association, to have meaningful dialogue in the on-going master-planning process, as well as any other actions that could affect the general aviation community, in the future.

We would like to reiterate that our membership recognizes that there is an obligation on all of the users of Dallas Love Field Airport to pay their fair share of the costs and expenses related to the running and maintaining of the airport. We did agree with a great deal of the information that you presented during our meeting, and appreciated you taking time out of your busy schedule to provide that information to us. However, we very strongly feel that the implementation of these fees, as presented during our meeting, is unfair to the general aviation community at the airport, and should be further addressed, with all stakeholders, before these fees are actually implemented.

We therefore respectfully ask that we receive a response from you with respect to the items we have listed above as quickly as possible, but hopefully no later than June 15, 2018. We note that you stated that the planned implementation of the new fee structure will begin as early as July 1. If we do not hear from you by the above date, or if we learn that the steps we have proposed above have not been adopted, we will then be obligated to investigate what other remedies might be available to us to delay and reassess this planned implementation. We are confident this will not be necessary as Dallas Love Field and the Love Field Pilots Association enjoy a long standing partnership in working toward the best interests of the flying community. We are hopeful for this

Mr. Mark Duebner, Aviation Director May 24, 2018 Page 4

partnership to continue. But in fairness to our membership and in upholding the obligations to represent general aviation at Dallas Love Field Airport, we see it as our duty to take any steps necessary.

Thank you again for briefing us at our last meeting, and for considering the information and requests we have presented in this letter. We look forward to working with you on these matters as they progress.

Sincerely,

Sean Lynch Secretary

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