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April 25, 2007

Mr. Kirk A. Huddleston
Chairman, Board of Commissioners
Metropolitan Knoxville Airport Authority
P.O. Box 15600
Knoxville, TN 37901

VIA FACSIMILE (865) 342-3050

Dear Mr. Huddleston:

The National Air Transportation Association (NATA), the voice of aviation business, is the public policy group representing the interests of aviation businesses before Congress, federal agencies and state governments. NATA's 2,000 member companies own, operate and service aircraft. These companies provide for the needs of the traveling public by offering services and products to aircraft operators and others such as fuel sales, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, fractional aircraft program management and scheduled commuter operations in smaller aircraft. NATA members are a vital link in the aviation industry providing services to the general public, airlines, general aviation and the military.

At the request of industry members, NATA formed the Airline Services Council (ASC) to further the interests of companies that provide services to scheduled air carriers as their primary business. ASC-member company services include aircraft fueling, waste management services, catering, terminal services, cargo services, aircraft handling, de-icing, maintenance, security services, and aircraft grooming. They are an integral component of the national air transportation system.

I am writing to express NATA's concerns regarding the Metropolitan Knoxville Airport Authority's interest in providing underwing services at McGhee Tyson Airport and strongly encourage the airport to issue a request for proposal (RFP) so interested aeronautical service providers can also bid on the service opportunity.

It is standard business practice to file an RFP, an invitation for suppliers to submit a proposal, typically through a bidding process. NATA is aware that the Metropolitan Knoxville Airport Authority Board of Commissioners has recently approved a feasibility study to assess the viability for McGhee Tyson Airport to provide underwing services to air carriers. The next logical step in providing air carriers with the option of contracting out underwing services would be to open the bidding process to other aeronautical service providers.

According to AC 150/5190-6, *Exclusive Rights at Federally-Obligated Airports*, published by the Federal Aviation Administration (FAA),

“The purpose of the exclusive rights provision as applied to civil aeronautics is to prevent monopolies and combinations in restraint of trade and to promote competition at federally-obligated airports. An exclusive rights violation occurs when the airport sponsor **excludes others**, either intentionally or unintentionally, from participating in an on-airport aeronautical activity.”

Mr. Kirk A. Huddleston
April 25, 2007

Page 2 of 2

Although AC 150/5190-6 is not regulation, the FAA strongly suggests to all members of the aviation community that they adhere to these guidelines. It is very disconcerting that the Metropolitan Knoxville Airport Authority has chosen to dismiss this Advisory Circular and has not considered issuing an RFP.

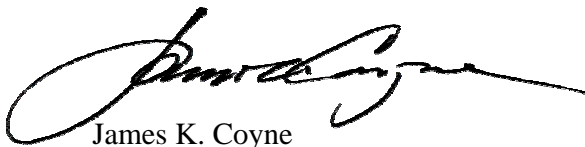
Recently, a member of the NATA ASC was informed of the feasibility study being conducted on behalf of the Metropolitan Knoxville Airport Authority's Board of Commissioners. The member was interested in the business opportunity at McGhee Tyson Airport and stated that if the airport authority had issued an RFP, the ASC-member company would have enthusiastically responded.

The Metropolitan Knoxville Airport Authority should consider the benefits of contracting professional aeronautical service providers to perform these important ground support services to the airlines. NATA contends that it is neither cost-effective nor practical for an airport to provide aeronautical services to the airlines. Even from an airline perspective, it is not lucrative for an airport to be the exclusive provider of underwing services.

Also, according to the International Air Transport Association (IATA), allowing and promoting open competition among fuel suppliers and into-plane service providers is a key prerequisite to meeting shared airline/airport objectives at a facility. IATA believes that a lack of competition in service areas has an enormous negative impact on both price and level of service. This can only translate, according to the association, into less traffic and fewer flights and passengers at an airport. When looking at unsuccessful airports, in terms of either operations or profitability, a common theme is closed markets or restrictive business practices that hinder competition.

On behalf of NATA and its member companies, I want to thank you for your consideration in issuing an RFP. Not only would the process benefit the airlines financially, it would be less strenuous for the McGhee Tyson Airport Authority and its employees. Please feel free to contact me should you have any questions.

Sincerely,



James K. Coyne
President