

August 14, 2015

U.S. Department of Transportation
West Building, Ground Floor
Room W12-140, Routing Symbol M-30, 1200
New Jersey Avenue S.E., Washington, DC 20590

Delivered electronically via www.regulations.gov

RE: DOCKET NO. FAA-2015-2022 PETITION OF THE AIRCRAFT OWNER AND PILOTS ASSOCIATION (AOPA) TO AMEND FAA POLICY CONCERNING FLYING CLUB OPERATIONS AT FEDERALLY-OBLIGATED AIRPORTS

The National Air Transportation Association (NATA) is the public policy group representing the interests of aviation businesses before Congress, federal agencies and state and local governments. NATA's nearly 2,300 member companies are a vital prerequisite for a vibrant general aviation sector providing fuel, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, and fractional aircraft program management. As a result, our members are directly impacted by the FAA's general policies regarding commercial aeronautical services and flying clubs on an airport. Therefore we appreciate the opportunity to submit comments on the Aircraft Owners and Pilots Association (AOPA) proposal to update the FAA's policy concerning flying club operations at federally-obligated airports.

NATA understands that AOPA's initiative is intended to grow general aviation activity through the strengthening of flying clubs. The proposal recognizes the issues that can arise when commercial entities attempt to avoid compliance with important safety and business principles, forgoing airport minimum standards requirements through classifying themselves as "flying clubs."

Safety and a level economic playing field are of paramount importance to NATA members. In some instances, "flying clubs" present themselves to the public as

alternatives to traditional flight schools and aircraft rental providers. Some publish flight training rates, including instruction fees and rental rates, and only charge nominal annual "club fees." As the agency itself noted, "At issue is the fact that some entities operating at federally-obligated airports identify themselves as "flying clubs," while not meeting the definition of a "flying club." Rather, they are engaged in providing commercial services at the airport." In this respect NATA agrees with the agency; such behavior is in direct conflict with federal grant assurances.

The difficulty of enforcing the current policy is exemplified on AOPA's website. Currently scores of flying clubs are listed in the AOPA "Find a Flight School" database and many of these clubs utilize language that indicates the aim is to provide commercial aeronautical services to the public. The following quotes are examples taken directly from some of these flying clubs' websites:

"Providing 40 years of quality flight instruction and aircraft rental in the [name of region omitted]."

"Whether your goal is to learn to fly or you're already an accomplished pilot, become a member of our club and make all your dreams of flight a reality."

"Are you currently a [name of region omitted] pilot looking for safe and affordable flying? Or are you a sky-gazer who wants to take the next step and learn how to fly?"

Clearly, there are flying clubs promoting themselves as flight schools and aircraft rental facilities.

The AOPA proposal delineates the line between genuine flying clubs and those that are attempting to act as aviation businesses while avoiding compliance with airport minimum standards. To accomplish this AOPA proposes that flying clubs be prohibited from holding themselves out to the public as fixed based operators, a specialized aviation service operation, maintenance facility or a flight school. With this proposed change, flying clubs would be prohibited, for example, from advertisements similar to the ones listed above or be alternatively required to comply with the appropriate airport minimum standards.

This is consistent with NATA's long supported view that aviation businesses should be provided a level economic playing field. NATA supports competition throughout our industry and believes that when the playing field is truly level, competition, regardless of who is providing the services, will benefit everyone. Airport minimum standards benefit incumbent and future aeronautical service providers by protecting against the devaluation of current investments and allowing potential aeronautical service providers to accurately predict initial investment, thereby allowing a more thorough business plan to be developed.

The agency itself encourages the development of, and adherence to, such standards because it creates a safer operating environment, guarantees higher quality services to the public, and protects airports by ensuring service providers maintain a minimum level of insurance coverage. AOPA's proposal could strengthen the protections provided for aviation businesses by building increased awareness by airport sponsors of their role in preventing flying clubs from acting like flight schools, FBOs and other commercial aeronautical service providers.

AOPA also proposes that flight instructors and mechanics who are club members be allowed to receive monetary compensation for flight instruction for club members or maintenance performed on club aircraft. It further allows for airport sponsors to set limits on the amount of instruction or maintenance that can be performed for compensation. NATA does not object to either of these proposals but recommends that instructors or mechanics receive either 1) monetary compensation or 2) discounted/waived regular club member dues or flying time – but not both. Absent such language, outside instructors or mechanics could receive waived dues and monetary compensation for performing work without ever having invested in the club as would a bona-fide member.

We hope the agency recognizes that ultimately it will be the final arbiter of the compensation limits set by airport sponsors. In conjunction with the issuance of any policy changes, the agency may therefore wish to consider whether it should provide additional guidance or specific limitations to any allowance for monetary compensation and how such restrictions on compensation could be adequately surveilled and enforced to prevent prohibited discriminatory conditions.

Of course, a change in a long-standing policy is only one side of the coin; the dissemination and actual enforcement of the policy being the other. It is critical that any policy change be communicated in a manner that prevents confusion, discord or complaints. Changes to the current guidance will require an effort on the part of the agency to ensure that effective education is provided to airport sponsors to guide them in determining what constitutes a genuine flying club versus a commercial entity. This education should also reinforce the FAA suggested standards for flying clubs including minimum insurance requirements and safe fuel handling training. Absent such an educational effort by the agency, the concerns outlined by the FAA in the petition summary concerning businesses disguising themselves as flying clubs would be worsened, not helped by changes to the current guidance.

NATA looks forward to working with the agency, AOPA and other interested parties in ensuring that any change in policy is communicated in a manner that fully explains its impact, particularly the vital role the airport sponsors will play fostering a safe and level playing field for all tenants.

Sincerely,



Megan Eisenstein
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