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Aviation Group Client Update

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FEDERAL AVIATION ADMINISTRATION (FAA) RELEASES FACTS ON ITS AIRPORT PRIVATIZATION PILOT PROGRAM

On December 6, 2016, the FAA released some facts about its [Airport Privatization Pilot Program](#).

Background. The program allows airports to generate access to sources of private capital for airport improvement and development. The pilot program was established under the 1996 Reauthorization Act, Title 49 United States Code §47134, which authorizes the FAA to establish the program. In 2012, the number of airports that could participate in the program increased from five to 10. Per the program's participation restrictions, only one large hub airport can participate in the program, and one of the airports must be a general aviation airport. Commercial service airports can only be leased and general aviation airports can be sold or leased.

Program. Airport sponsors wishing to participate in the airport privatization pilot program must receive preliminary FAA approval, through an application process to reserve one of the slots available under the program. Once approval has been obtained, the sponsor can select a private operator to manage the airport, negotiate an agreement with the private operator, and prepare a final application for submittal to the FAA. A public airport sponsor and the private operator selected to purchase or lease an airport may request participation in the pilot program by filing an application for exemption.

There are currently 3 airports participating in the pilot program:

- (1) **Westchester County Airport (HPN)** – its preliminary application to participate in the program was accepted by the FAA on December 2, 2016;
- (2) **Hendry County Airglades Airport (2IS)** - the FAA approved its preliminary application on October 18, 2010 and the airport sponsor is preparing a final application; and
- (3) **Luís Muñoz Marín International Airport (SJU)** – the FAA approved its final application on February 25, 2013.

If you have any questions or would like further information, please contact Shelley Ewalt.

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