

## **SECTION 8 - OPERATING PERMITS/FEEES**

### **A. AIR CARRIER/AIRPORT OPERATING AGREEMENTS**

1. Airport Operating Agreement
  - a. No person shall operate scheduled Air Carrier service from the Airport unless (i) it is a party to the Airline/Airport Use & Lease Agreement, Terminal A Memorandum of Understanding, an Airline Operating License Agreement, or a Fee Payment Agreement, with the Division of Aviation; or (ii) it has prepaid all applicable operating rates and charges prior to entering the Airport.
  - b. Requests relative to Airport Operating Agreements or prepayment arrangements should be directed to the office of the Airport Properties Manager.
2. Charges and Fees
  - a. In accordance with Section 18-201 of the Philadelphia Code, the Department of Commerce is authorized to fix, regulate and collect rates and charges for the use of buildings, grounds, facilities, utilities, and structures controlled by the Division of Aviation in accommodation of air commerce.
  - b. The payment of rentals, fees, and charges relating to the use of Airport premises and facilities shall be made before takeoff. In lieu of such payments, satisfactory credit arrangements shall be made by the pilot or owner of Aircraft with the Director of Aviation. The Director of Aviation may restrict any Aircraft from leaving the airport where the owner and operator of the Aircraft has outstanding, unpaid charges or fees due to the City.
  - c. A copy of the Airport Rates and Charges Regulation, which is updated periodically, is attached hereto as Appendix H or may be obtained from the Airport Finance Department.
3. Security Deposit
  - a. In order to guarantee the payment of all fees and charges when conducting air commerce at the Airport, an Air Carrier who is a party to an Airline Operating License Agreement or a Fee Payment Agreement must remit a security deposit in the amount of Twenty-Two

Thousand Five Hundred Dollars (\$22,500) 0; three times the estimated monthly landing fees for said Air Carrier, whichever is greater, as determined by the Director of Aviation.

- b. The deposit shall not be in cash but shall take the form of a bond, irrevocable letter of credit, or such other form of deposit as is deemed acceptable by the Director of Aviation, all to be approved as to form by the City Solicitor's Office.
- c. The documents evidencing each deposit must provide that the same shall remain in full force and effect from year to year until such time as the agreement is canceled in accordance with the terms of the written agreement. If cancellation terms are not set forth in the written agreement, then cancellation shall be by a written notice, sent via certified mail, to the City Solicitor, delivered thirty days prior to the effective cancellation date.
- d. The Director of Aviation may review the sufficiency of the amount of each security deposit twice each year and increase or decrease the required amount to conform with these regulations.
- e. If an Air Carrier is not a party to an Airline Operating License Agreement or Fee Payment Agreement, said Air Carrier will be required to prepay all rates and charges no less than 72 hours in advance of entering the Airport. Prepayment of all rates and charges will be based upon the anticipated activity to be conducted at the Airport and will be "wire transferred" to the City of Philadelphia, Department of Commerce, Division of Aviation.

#### 4. Reporting Requirements

All landings and, if applicable, Terminal A Building Use Charges and Federal Inspection Services charges must be reported on the Monthly Self-Invoicing Form that is supplied by the Division of Aviation in the name of the Air Carrier under whose FAA Operating Certificate the flight is made. In the event that a Air Carrier is hired to provide services of another Air Carrier through a long or short term agreement, in which the hiring Air Carrier agrees to pay the landing and applicable charges. the ultimate responsibility for reporting all landings and applicable charges rests with the Air Carrier under whose FAA Operating Certification the flight is made.

## **B. NON-EXCLUSIVE LICENSE AGREEMENTS**

Airlines or ground service companies desiring to perform around handling or fueling services at the Airport must obtain a non-exclusive license agreement with the Division of Aviation by contacting the Airport Properties Manager.

1. Ground Handling License Agreement
  - a. Airlines or ground handling service companies requesting to enter into a ground handling license agreement must be a Tenant or subtenant of the Airport prior to execution of the Agreement
  - b. For the rights and privileges granted in the ground handling license agreement, each month the licensee shall pay a fee in an amount equal to ten percent of the licensee's "commissionable revenues" defined in the ground handling license agreement for the previous month's activity.
2. Signatory Airlines to the Airline/Airport Use & Lease Agreement may provide ground handling services to Subtenant Air Carriers under the following terms and conditions:
  - a. Subtenant Air Carriers are subject to a ten percent ground handling fee to be collected and submitted to the Division of Aviation by the Signatory Airline. However, if the Subtenant Air Carrier is a party to the Airline Operating License Agreement the Subtenant Air Carrier is exempt from the ten percent ground handling fee.
3. Aircraft fueling rights at the Airport shall only be extended to any person, or persons, including corporations, who:
  - a. Lease, operate and maintain a fuel farm facility on the Airport; or
  - b. Lease, operate and maintain a fixed base operator (FBO) facility, (fixed base operators are granted the right to provide fueling services to general aviation customers only); or
  - c. have been granted the right to perform fueling of their own Aircraft pursuant to a separate agreement with the Division of Aviation.
4. The Director of Aviation, at its sole discretion, reserves the right to develop or issue other operating permits, licenses or agreements as required.