



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning
and Programming

800 Independence Ave., SW.
Washington, DC 20591

December 19, 2024

Ms. Tracy Borda
Chief Financial Officer
Philadelphia International Airport
Executive Offices
Philadelphia, PA 19153

**Subject: Philadelphia International Airport
Review of 2024 Competition Plan Update**

Dear Ms. Borda:

Thank you for submitting the fifth Philadelphia International Airport (PHL) Competition Plan Update (2024 Plan Update) to the Federal Aviation Administration (FAA). The FAA reviewed your 2024 Plan Update and finds it to be generally in accordance with the requirements of Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L No. 106-181 (April 5, 2000), codified as 49 United States Code (U.S.C.) §§ 40117(k) and 47106(f).

The 2024 Plan Update is required because PHL is a covered airport¹ and the City of Philadelphia (City) and multiple air carriers executed a new Airport-Airline Use and Lease Agreement (Agreement).² Since your fourth Plan Update in November 2015, the City has executed a new Agreement which became effective July 1, 2023. During the review we observed that the City is:

- reducing the term on the Agreement from five years with the option for two one-year extensions to three years with the option of two one-year extensions;
- simplifying the minimum use requirement to 5 turns per day, or 625 seats, instead of 4.25 turns per day with a 50% seat discount on regional jets; and
- increasing the Majority-in-Interest (MII) disapproval threshold from \$1.25 million to \$10 million and requiring 50% plus one signatory, representing more than 50% of enplaned passengers, to disapprove a capital project. The FAA notes that this MII disapproval threshold does not apply to portions of projects or projects funded with Passenger Facility Charges (PFCs).

¹ As defined by 49 U.S.C. § 47106(f)(4), a covered airport “means a commercial service airport...that has more than .25 percent of the total number of passenger boardings each year at all such airports; and...at which one or two air carriers control more than 50 percent of the passenger boardings.”

² See 49 U.S.C. § 40117(k)(2): the FAA “shall review its implementation from time-to-time to ensure that each covered airport successfully implements its plan.”

In consideration of the pro-competitive policies and practices described in the 2024 Plan Update, and in view of the circumstances described above, the 2024 Plan Update appears generally to be in accordance with the applicable statutory requirements and is therefore, approved by the FAA.³ We thank you for providing us with a copy of the Agreement.

The FAA now has approved the initial PHL Competition Plan and five Plan Updates. No further Plan Updates are required for PHL unless certain circumstances arise.⁴ The most common of these circumstances would be if the Authority executes a new or significantly amended lease and use agreement, including an amendment due to the use of PFC financing for gates. Plan Updates should include the content noted in Table W-4 of FAA Order 5100.38D, Change 1, and if such information was not submitted previously, it should be included in the next Plan Update. Also, when appropriate, a public agency should explicitly state there has been no change since the last FAA approval to information previously submitted.

The Secretary of Transportation is required by law⁵ to review implementation of Competition Plans from time to time, to verify that each covered airport implements its Competition Plan successfully. In connection with our review, we may determine that it would be useful to visit your airport or hold a teleconference with airport officials. We will contact you if we decide to visit PHL in connection with its Competition Plan.

If you have any questions regarding this letter or the FAA's review of your 2024 Plan Update, please contact Carlos N. Fields, Manager, Airports Policy Branch, at (202) 267-8826 or Carlos.Fields@faa.gov.

Sincerely,

Danielle J. Rinsler, AICP
Director, Office of Airports
Planning and Programming

Cc: Dave Fish, Director, FAA Airports Division, Eastern Region
Patricia Henn, Manager, FAA Airports Planning and Programming Branch,
Eastern Region
Rick Harner, Manager, FAA Airports Harrisburg Airports District Office

³ 49 U.S.C. §§ 40117(k) and 47106(f).

⁴ See FAA Order 5100.38D, Change 1, Airport Improvement Program Handbook, Appendix W, which provides guidance on which circumstances may require submission of a Plan Update.

⁵ 49 U.S.C. § 40117(k)(2).