

MINIMUM STANDARDS FOR COMMERCIAL AERONAUTICAL ACTIVITIES



AIRPORT
SUPPORT
NETWORK

PREFACE

The owners and operators of the nation's more than 5,200 publicly owned airports routinely allow businesses and individuals to conduct commercial aeronautical activities on airport property. Typically, the business operators must sign a lease or contract in which they agree to comply with minimum standards set by the airport owners/operators.

The minimum standards are intended to protect the level and quality of services offered to aircraft owners, pilot, and the public at large. While they are not required, the FAA strongly recommends that airport sponsors establish reasonable minimum standards that are relevant to the aeronautical activity being proposed.

The FAA stresses that, where minimum standards are adopted, they should be applied objectively and uniformly to all on-airport commercial aeronautical activities. Imposing unreasonable or onerous minimum standards on airport businesses may violate the FAA's policy on exclusive rights. Airport owner/operators who receive federal financial assistance must agree to uphold that policy.

When developing minimum standards, each airport owner/operator must examine what make its airport different from other airports. Minimum standards should be tailor made for the airport to which they will be applied. Fill-in-the-blank minimum standards, which may be copied from other airports service different roles, are not effective. For instance, it would be unreasonable for the owner/operator of a small rural airport to require a fixed base operator (FBO) at the airport to provide jet fuel if no jet aircraft utilize the field.

Many individual elements must be examined in developing minimum standards for commercial aeronautical activities on airports. The following elements are often considered in setting minimum standards:

- What type of airport are we talking about? Is it a small general aviation airport with limited aircraft operations and few based aircraft? Is it a busy reliever airport located in or near a metropolitan area? Is it an airport used by air taxi or commuter services? Or is it an airport that accommodates scheduled airline service.
- What type of businesses will be operating at the airport? What types of products and services are in demand at the airport?
- How much space will be required for each activity? Will the businesses need to rent airport property? Under what terms and conditions can specialized aviation service operations (SASOs) be accommodated?
- What minimum insurance coverage and indemnity provisions will be needed?
- Is each minimum standard directly related to the aeronautical activities to which it will be applied?
- What are the responsibilities of airport businesses regarding snow removal or facility maintenance?
- If flight training will be provided to the public, should it be on a full-time or part-time basis? How many and what types of aircraft should be involved? What types of training should be provided? What provisions should be made for storage and maintenance of aircraft?

Even when careful planning goes into establishing minimum standards, circumstances may change. That's why flexibility is the key to establishing and maintaining relevant minimum standards. Periodic reviews of minimum standards can ensure that they continue to be reasonable as the public's demand for general aviation products and services change.

This document offers some guidelines for establishing fair and reasonable minimum standards and includes a list of issues to consider when evaluating minimums.

DEFINITIONS

The following definitions explain how terms will be used in the sample minimum standards included in this booklet.

Aeronautical Activity: Any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or that is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to, the following:

- General and Corporate Aviation
- Air Taxi and Charter Operations
- Scheduled and Nonscheduled Air Carrier Ops
- Pilot Training
- Aircraft Rental and Sightseeing
- Aerial Photography
- Crop Dusting
- Aerial Advertising and Surveying
- Aircraft Sales and Services
- Aircraft Storage
- Sale of Aviation Petroleum Products
- Repair and Maintenance of Aircraft
- Sale of Aircraft Parts
- Parachute or Ultralight Activities

Note: Activities such as model aircraft and model rocket operations are not aeronautical activities.

Aviation-Related Activity: Any activity conducted on airport property that provides service or support to aircraft passengers or air cargo. The following are examples of aviation-related activities as opposed to aeronautical activities:

- Ground transportation
- Restaurants
- Auto parking lots
- Concessions
- Any other service or support activities that can appropriately be called aviation-related.

Agreement or Lease: A contract executed between the airport and an entity granting a concession that transfers rights or interest in property, or otherwise authorizes the conduct of certain activities. The agreement or lease must be in writing, executed by both parties, and enforceable by law.

Air Charter: An entity that provides on-demand, non-scheduled passenger service in aircraft having no more than 30 passenger seats. This entity must operate under the appropriate federal aviation regulations (FARs).

Aircraft Maintenance: The repair, maintenance, adjustment, or inspection of aircraft. Major repairs include major alterations to the airframe, powerplant, and propeller as defined in Part 43 of the FARs. Minor repairs include normal, routine annual inspection with attendant maintenance, repair, calibration, adjustment, or repair of aircraft and their accessories.

Airport Operating Area (AOA): The ramp, apron, runway, and taxiway system at the airport.

Airport Layout Plan (ALP): A drawing depicting the physical layout of the airport that identifies the location and configuration of runways, taxiways, buildings, roadways, utilities, nav aids, etc. The ALP must also show planned airport development.

Apron: A paved area suitable for aircraft staging and parking.

Assurance: A provision contained in a federal grant agreement to which the recipient of federal airport development assistance has voluntarily agreed in consideration for the assistance provided.

Commercial Aeronautical Activity: Any aeronautical activity intended to secure earnings, income, compensation, or profit, whether or not such objectives are accomplished.

Commercial Aviation Operator: A commercial aviation operator may be classified as either a fixed base operator (FBO) or a specialized aviation service operation (SASO).

Entity: A person, persons, firm, partnership, limited liability company corporation, unincorporated proprietorship, association, or group.

Equipment: All personal property and machinery together with the necessary supplies, tools, and apparatus necessary for the proper conduct of the activity being performed.

Exclusive Right: A power, privilege, or right that excludes another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred by express agreement, by the imposition of unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties but excluding others would be an exclusive right.

FAA: Federal Aviation Administration

FAR: Federal Aviation Regulation

Federal Airport Obligations: All references to federal grant programs, federal airport development assistance, or federal aid intended to address contractual commitments arising from the conveyance of land or from grant agreements.

Fixed Base Operator (FBO): An entity that is authorized and required by agreement with the airport to provide, at a minimum, the following aeronautical activities at the airport:

- Sale of aviation fuel and oil
- Tie-down, hangaring, and parking
- Aircraft maintenance
- Aircraft washings
- Ancillary aircraft ground services
- Flight instruction

Grant Agreement: Any agreement made between an airport sponsor and the FAA, acting on behalf of the United States, for the grant of federal funding or a conveyance of land, either of which the airport sponsor agrees to use for airport purposes.

Improvements: All buildings, structures, and facilities. Improvement may include pavement, fencing, signs, and landscaping that is constructed; installed; or placed on, under, or above any leased area.

Lease: A contract between the airport owner/operator and an entity granting a concession that transfers rights or interest in property, or otherwise authorizes the conduct of certain activities. The lease must be in writing, executed by both parties, and enforceable by law.

Land Use Identification Plan: A scaled, dimensional layout of the entire airport property, the primary purpose of which is to indicate the current and proposed use for each identifiable segment of property as well as the airport sponsor's intentions for the future allocation of airport property. The plan should identify areas dedicated to aeronautical activities and services such as fuel storage, general aviation, passenger loading, air freight and cargo handling, common use aircraft parking, and public automobile parking. Additionally, the plan should identify areas dedicated to future expansion. The land use identification plan may take the form of an airport master plan.

Minimum Standards: The criteria established by an airport owner as the minimum requirements that must be met by businesses in order to engage in providing on-airport aeronautical activities or services.

Operator: As used in these minimum standards, the term operator refers to both commercial operators and non-commercial operators.

Specialized Aviation Service Operation (SASO): An aeronautical business that offers a single or limited service.

Sponsor: A local municipal or state government body or a private entity obligated to the federal government to comply with the assurances contained in grant agreements or property conveyance instruments. A sponsor may be an entity that exists only to operate the airport, such as an airport authority established by state or local law. For the purposes of this document, the terms airport sponsor and airport owner are used interchangeably.

Sublease: A lease agreement entered into by a lessee with another entity that transfers rights or interests in property or facilities, and that is enforceable by law.

"Through the Fence" Rights: Rights to direct access to the airport from private property contiguous to the airport.

GENERAL REQUIREMENTS

The following general requirements shall apply to all commercial aeronautical activities at the airport. An operator engaging in a commercial aeronautical activity or activities at the airport must comply with the general requirements of this section.

1. Agreement: No entity shall conduct a commercial aeronautical activity unless a valid agreement authorizing such activity has been entered into by the entity and the airport sponsor. The agreement will have a maximum initial term of 20 years. At the request of the service provider, the airport owner/operator may provide for optional extensions of the agreement under agreed-upon terms and conditions.

The agreement will present the terms and conditions under which the activity will be conducted at the airport, including but not limited to: term of the agreement; rentals, fees, and charges; and the rights and obligations of the respective parties.

2. Fees and Charges: The operator shall pay the fees and charges negotiated with the airport sponsor for the applicable aeronautical activities. Information relative to fees and charges applicable to the aeronautical activity described will be made available to the prospective operator by the airport manager.

3. Leased Premises: [Note: Under the terms and conditions applied to specialized aviation service operations (SASO), a ground rental lease may not be required. For all others, the following leased premise guidelines apply.]

The operator shall lease, sublease, or construct sufficient ground space, facilities, and accommodations for the proposed aeronautical activity. When more than one activity is proposed or when the operator will be conducting activities from an FBO leasehold as an approved sub-lessee, the minimum lease terms may vary depending on the nature of each activity.

The operator must provide a full description and conceptual drawing [if required] of the location of the ground space, facilities, and accommodations to be utilized for the operator's proposed aeronautical activity. The operator must also provide a schedule of development and identify the location of aircraft parking and staging areas, general aviation customer lounges, vehicle parking, and restrooms.

The ground space shall include an appropriate aircraft parking apron with tiedown and/or hangar facilities sufficient to accommodate the current aeronautical activity and the types of general aviation aircraft frequenting the airport. Ground space shall also accommodate paved roadways and vehicle parking facilities which do not enter the AOA.

The facilities and floor space allotments shall include office and customer lounge facilities which must be properly heated, ventilated, cooled, and lighted. General aviation user accommodations shall include telephones for customer use, restrooms, and sufficient on-site customer vehicle parking spaces.

Access for commercial aeronautical activities will be assessed on a case-by-case basis and must comply with applicable federal regulations.

4. Site Development: Detailed development plans must be submitted to the airport owner through the airport manager's office. All construction plans must be submitted for approval prior to modification or construction of any building hangar, or other aeronautical facility on the leased premises.

Operators must maintain the leased premises in a neat and orderly condition and provide the necessary personnel to perform day to day operational duties and maintenance upon the facilities.

5. Products and Services: Products and services shall be provided on a fair, equal, and non-discriminatory basis to all users of the airport. These products and services shall be provided at fair, reasonable, and non-discriminatory prices. If lawful, reasonable and non-discriminatory discounts and other similar types of price reductions may be extended to purchasers and users.

6. Licenses, Permits, and Certifications: The operator shall obtain and comply with all necessary licenses and permits for the conduct of anticipated activities at the airport required by the airport owner or any other duly authorized governmental agency having jurisdiction. The operator shall not engage in any activities at the airport prior to obtaining any certification required by the FAA.

7. Personnel: The operator shall have in its employ, and on duty during defined operating hours, trained personnel in such numbers as are required to meet minimum standards herein. The operator shall also provide an employee in the office to supervise the operations on the leased premises. This employee must be able to address the service and product needs of aircraft owners and pilots. Such a person shall be authorized to represent and act for, and on behalf of, the operator during all business hours. All personnel are required to hold appropriate FAA certificates and ratings, as applicable.

8. Payment of Rents and Fees: No entity shall be permitted to engage in commercial aeronautical activities unless said entity is current in the payment of rents, fees, or other sums accruing to the airport under any and all agreements.

9. Laws, Rules, and Regulations: Any provider of commercial aeronautical activities and services at the airport shall engage in those activities only in accordance with all applicable laws, rules, and regulations of the federal government, the state of _____, and all other governmental bodies having jurisdiction, including the regulations of the FAA, the U.S. Department of Transportation, and the airport owner.

10. Insurance Requirements: The following insurance requirements apply to those operators who provide an aeronautical service on airport property:

- Comprehensive general liability insurance**, including, if applicable, products, completed operations, and hangar keepers liability.
- Aircraft liability insurance**, if applicable. For flight training and rental activities, the operator will be required to notify the customer as to whether or not any of the operator's insurance coverage applies to the customer while using the operator's aircraft.
- Workers compensation insurance**, if applicable.
- Ground vehicle liability insurance**, if applicable. Prior to using the airport property the operator will provide the airport with a certificate(s) of insurance identifying the policies described above. The certificate(s) will include a provision that gives the airport 30 days prior written notice of any modification or cancellation to the insurance policy. (Note: Some airports will specify in the minimum standards that they want to be identified as an additional insured on the operator's policy. Additionally, the minimum standards may also include indemnification/hold harmless provisions. However, these requirements are more often addressed in the lease agreement and therefore are not included here.)

11. Assignments, subletting, and Encumbrances: All assignments, subletting, and encumbrances of agreements between an authorized operator and another entity must receive prior written approval of the airport operator.

A request for such written permission, prepared in as much detail as required by the airport, will be submitted to the airport through the airport manager for its review and approval, which will be completed in a timely fashion. This does not apply to activities provided for under the terms of an existing agreement, including rental to tiedowns and hangar space for aircraft storage. Permission will not be unreasonably withheld and response to requests will be made within 45 days of receipt by the airport.

12. Taxes: The operator shall, at its sole cost and expense, pay any and all taxes, which now or in the future may be assessed against the leasehold land, improvements thereto, or otherwise assessed upon its operations.

13. Signage: The operator shall not erect, maintain, or display any sign on the leased premises or elsewhere on the airport unless he first obtains the prior consent of the airport manager. All signage must meet the requirements of the airport.

14. Environmental Compliance: All operators who dispense fuel, store fuel, and perform aircraft maintenance shall strictly comply with all federal, state, and local laws, rules, and regulations concerning the handling, use, and storage of fuel, oil, solvents, chemicals, and other hazardous materials. Operators will first obtain approval from the airport before engaging in, or permitting on the leased premises, the stripping and/or painting of aircraft or any other vehicles.

15. Safety of Others: All aeronautical activities at the airport shall at all time be conducted with due consideration to the safety of all airport users, other persons, and property located at or about the airport.

16. Hours of Operation: Operators providing fueling, customer services, and ancillary services shall be available to the public a predetermined number of hours per day, seven days per week.

RESTRICTIONS ON SELF-SERVICE

In accordance with FAA policy, the airport owner/operator may not exercise any right or privilege that would have the effect of preventing the operator of any aircraft utilizing the airport from performing services on his or her own aircraft with his or her own employees and equipment. Aircraft owners are entitled to use the landing area of the airport and may tie down, adjust, repair, refuel, clean, and otherwise service their own aircraft, provided the service is performed by the aircraft owner. Any unreasonable restrictions imposed on owners or operators of aircraft by airport commercial operator will be construed as a violation of airport policy.

Questions to Consider When Establishing Minimum Standards

The following questions are taken directly from the FAA AC 150/5190-7 on minimum standards for commercial aeronautical activities and are intended as a general guide for airport operators, prospective providers of products or services on airports, aircraft owners, and pilots.

FUEL AND OIL SALES

- Will fueling facilities need to be provided, and if so where should they be located?
- Will the fueling equipment be above ground? Have all environmental laws and considerations been addressed?
- What types of aircraft will require service? What fuel types should be offered? What are the physical space requirements for current and future needs?
- What capacity for fuel storage is required for current and future demand?
- What staffing and training requirements should be established?

FLIGHT TRAINING ACTIVITIES

- Will flight training be provided on a full-time or part time basis? Lease arrangements for flight schools as well as for SASOs will be accommodated.
- What space accommodations will be necessary if the school is required to comply with provisions of FAR 141?
- What types of aircraft and how many aircraft will be required for training purposes and to meet the demand for these products and services?
- How will aircraft maintenance and storage requirements be addressed?
- What types of training will be provided currently and in the future?

AIRCRAFT ENGINE AND ACCESSORY REPAIR

- What qualifications will be required of the repair station employees? Typically, the holder of a domestic repair station certificate must provide adequate personnel who can perform, supervise, and inspect the work for which the station is rated.
- What repair station ratings does the applicant hold?
- What type of services will the repair station offer the public? These services can vary from repair to maintenance of aircraft and include painting, upholstery, etc.
- Can the applicant secure sufficient airport space to provide facilities so work being done is protected from weather elements, dust, and heat?
- Will suitable shop space exist to provide a place for machine tools and equipment in sufficient proximity to where the work is performed?

SKYDIVING

- Will this activity present or create a safety hazard to the normal operations of aircraft arriving or departing from the airport? If so, has the Airports District Office or Regional Airports Office been contacted and have those FAA offices sought the assistance from FAA Flight Standards (FS) and Air Traffic (AT) to assess whether safe airport operations would be jeopardized?
- Can skydiving operations be safely accommodate at the airport? Can a drop zone be safely established within the boundaries of the airport? Is the guidance in FAA AC-90-66A Recommended Standards Traffic Patterns and Practices for Aeronautical Operations at Airports Without Operating Control Towers, 14 CFR 105 and United States Parachute Association's (USPA) Basic Safety Requirements being followed?
- What reasonable time periods can be designated for jumping in a manner consistent with Part 105? What experience requirements are needed for an on-airport drop zone?
- What is a reasonable fee that the jumpers and/or their organizations can pay for the privilege of using airport property?
- Has the relevant air traffic control facility been advised of the proposed parachute operation? Does the air traffic control facility have concerns about the efficiency and utility of the airport and its related instrument procedures?

ULTRALIGHT VEHICLES AND LIGHT SPORT AVIATION

- Can ultralight aircraft be safely accommodated at the airport? Is the guidance in FAA AC-90-66A Recommended Standards Traffic Patterns and Practices for Aeronautical Operations at Airports Without Operating Control Towers, 14 CFR 103 being followed?

- Can all types of Light Sport aircraft be safely accommodated at the airport?
- Will this activity present or create a safety hazard to the normal operations of aircraft arriving or departing from the airport? If so, has FAA Flight Standards reviewed the matter and issued a finding?
- Will an FAA airspace study be necessary to determine the efficiency and utility of the airport when considering the proposed activity? If so, has FAA Air Traffic reviewed the matter and issued a finding?

Similar general questions should be formulated for other commercial aeronautical activities that may be provided on airports, including aircraft charter and taxi, aircraft engine/accessory repair and maintenance operations, aircraft painting, prop and radio shops, and other such services as may be required by aircraft owners and pilots. Airport owners/operators should keep in mind that the FAA is now considering formal recognition of limited commercial activities as being specialized aviation service operations (SASOs) through which single or limited services can be provided.

Airports should also provide for periodic reviews of all airport minimum standards in order to ensure that the established minimum standards continue to be reasonable as demand for products and services change.

REFERENCES

AOPA research that went into the preparation of this document included a review of numerous minimum standards documents produced by various airport owners/operators through the country. Additional guidance was obtained from the FAA Advisory Circular 150/5190-7 entitled “Minimum Standards for Commercial Aeronautical Activities” (www.faa.gov/documentLibrary/media/advisory_circular/150-5190-7/150_5190_7.pdf), and FAA Order 5190.6B Airport Compliance Handbook Chapter 10 (www.faa.gov/airports/resources/publications/orders/compliance_5190_6/).

Disclaimer: The information contained in this document is intended as a guide to help you understand the issues, rules, procedures, and policies that apply to airport noise and compatible land use planning. It is not intended to replace the necessary research and review of applicable law that may be required in a particular case, nor is it intended to give legal advice or take the place of an attorney who can advise with respect to a particular situation. While every care has been exercised in the preparation of this booklet, AOPA does not accept responsibility for an individual's reliance on its contents.