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The People's Republic of **AOPA**

AOPA's recent actions against FBOs are misguided and target a key gateway to the aviation industry.

The Aircraft Owners and Pilots Association (AOPA) has been the tip of the spear in several victories for its members since its founding in 1939. In my brief time as a pilot, those noble efforts led to product liability reform, which manufacturers such as Cessna saw as the opportunity to restart production of their venerable single-engine series and launch new platforms.

More recently the pilot's medical reform act will allow a great many to remain in or return to the cockpit. Yet, AOPA's most recent call to arms against the Fixed Base Operation (FBO) community is an uncharacteristically misguided and ill-informed effort. Most troubling, it appears AOPA has turned their guns on their membership and they may not realize it.

While some may consider these strong words, they are informed by two unique and relevant perspectives. The first comes from

that of a general aviation pilot. At age 16, I soloed an airplane for the first time. The following year, I obtained my Private Pilot's

license- the high water mark of my young adult life. Though I've added a handful of ratings since that time, I've remained firmly in the saddle of piston-powered, light general aviation aircraft, both fixed and rotary wing. With each rating I learned more, and had great instructors. After 25 years as a pilot, I still actively fly today.

Returning to that cockpit 25 years ago, as I nervously taxied out on my first solo, I did so only after clocking out from the FBO where I then worked. Mimicking additional pilot ratings I would obtain over the years, I've likewise had the opportunity to gain experience in the FBO industry, working at different FBOs both large and small, chain and independent, on both coasts. Each time I learned more, and had great mentors along the way. I still work in the FBO industry today. As a result, my other perspective on AOPA's vilification of the FBO industry is through the eyes of a 25 year FBO employee.



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FBO MANAGEMENT

In brief, AOPA claims through the most anecdotal of evidence that FBOs are gouging light aircraft customers through extortionist-style handling fees which can only be waived by purchasing exorbitantly priced fuel. As AOPA's argument goes, FBOs are really no more than quasi-public utilities, access to airport infrastructure is a taxpayer's right, and AOPA's members must be permitted to come and go as they please. Really? Admittedly, the FBO industry shares some culpability- as do airports themselves. Consolidation hasn't helped competition in certain markets; there are always few bad apples, and always will be. Airports, stretched thin and just as desperate for funds have also ratcheted up fee structures FBOs pay, which in turn get passed along to the end user. But, before we grab the torches and pitchforks, let's apply some logic to the situation.

First, FBOs charge handling fees or require minimum fuel purchases because the operating costs at major airports are astronomically high by comparison to say, a smaller rural airport miles from a city center. In an age when courtesy still existed between business and consumer, pilots would buy a little bit of fuel-called "courtesy fuel"- at the FBO. It was the equivalent of stopping at a gas station on a long road trip when you didn't need gas, but needed to use the restroom. Courtesy dictated

that the consumer made a modest purchase of some sort, to thank the proprietor for keeping the doors open, the lights on, and restroom clean. Somewhere along the way, such pleasures died, and with it the courtesy fuel purchase at an FBO. What didn't go away for those FBOs were the aforementioned fixed costs. Instead, they increased disproportionately to inflation, and courtesy fuel went the way of the dinosaur. Today, major airports charge FBOs not only leasehold fees and fuel flowage fees, but concession fees and more. And if those mechanisms don't meet the minimum threshold for the FBO to operate at that airport, fear not friends, because some airports further charge FBOs and other concessionaires Minimum Annual Guarantees or MAGs for short. MAGs are what they sound like; if an FBO doesn't pay enough to its landlord through its leasehold fees, concession fees and fuel flowage fees, they are guaranteeing they'll make up the difference. And MAGs run into the millions of dollars for FBOs. This drives FBO fee structures, and fuel pricing.

Painful though they are, the fees airports charge lessees such as an FBO actually fund the airport, not just the Federal General Aviation Fuel Tax (FGAT) on Avgas or Federal Excise Tax (FET) on Jet fuel. FGAT and FET go into a general fund which are used for Airport Improvement Program (AIP) infrastructure

projects such as runways, taxiways, approach lighting and airway and NavAid improvements. Fuel taxes do not fund private FBO construction. But, AOPA argues that airports should set aside in effect, "free parking" for general aviation aircraft or allow its members unfettered access through the fence line via the FBO at no charge. After all, their members pay fuel taxes, and this is the People's Republic of AOPA. This notion defies logic for both FBO and airport alike. What would compel an airport, which must monetize every square inch of its real estate to meet its budget, to ask its tenant base to subsidize transient customers just so they can park for free?

I pay taxes, yet when I park my car in downtown Seattle, it's not free. In fact, on a per square foot basis, it's more expensive than if I parked an airplane at nearby Boeing Field. In many cases, it's more expensive in whole dollars as well. And those parking rates are increased when the local sports teams are playing- called special event fees. (AOPA also took pains to identify some FBOs charge special event fees as something only the most evil FBOs must have concocted.) By AOPA's logic, I should be permitted to drive up to the stadium and park for free, on game day no less. If not, I can always petition the NFL to regulate its teams, and have them set aside free parking at the stadium just for me.

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As further proof of the ills of FBOs and their fee structures, AOPA notes such fees only seem higher at major airports where there's one FBO. Well, that's odd. Or is it? Here's a clue: Several airports which are major air carrier airports- think Boston Logan (BOS), Miami International (MIA), San Francisco (SFO)- actively deter light general aviation aircraft because of both airspace constraints and the aforementioned limitations of the airport property itself. Major airports often only set aside enough land for a single FBO. And, they charge them very high leasehold fees, MAGs or otherwise. Miami charges its FBO a \$10 million MAG; San Francisco has a 28 percent concession fee.

As a brief aside, before anyone gets up in arms over the idea that light GA being "actively deterred" at major airports, keep in mind it is incredibly difficult for a bicycle to safely merge onto a highway, which curiously approximates the difference in approach speeds between light GA and airliners. Frankly, the last clearance I want to hear when flying a light GA airplane is "You're cleared to land following a Boeing triple-seven on a three mile final. Please keep your speed up and caution wake turbulence." I'm half expecting the controller to add "It was nice working with you."

So why is it smaller airports can charge so little for fuel by comparison? The fact that AOPA can't seem to put two and two together on this question is baffling to me. This is the equivalent of living in a small town in the Midwest, traveling to New York City, and wondering why it's difficult to find an inexpensive hotel room in midtown Manhattan. It's all about location- and always will be. Hence, to answer the question, yes, the fuel in Manassas, Virginia (KHEF) is less expensive than Washington Dulles (KIAD) because Manassas is further distant from Washington, D.C., the likely destination. Manassas is a viable alternative for a cost-conscious pilot; the fuel price is \$4 per gallon less than Washington Dulles and it's only 14 miles away. Moreover, this is emblematic of something altogether missed by AOPA's recent article. Most major airports have at least one or two nearby airports that are geographically viable alternatives, and those FBOs would love the business. Cheaper fuel and handling fees are available nearby; one simply needs to be willing to drive or fly a few more miles.

Finally, in much the same way a good family intervention involves the phrase "You're only hurting yourself and those around you," it must be underscored to AOPA that their recent actions against FBOs are also hurting them, and their members. When I was 16, and had obtained my student pilot certificate- I got an invitation in the mail to join AOPA for \$39. I did so, and was a member for years. All my pilot friends were too. I learned that like me, many learned to fly at their local FBO, as opposed to the military. As my career took me from FBO to FBO, I observed that FBOs are aviation's front door, and the individual now in the left seat of an airplane for a living, likely once worked line service at an FBO. Truly, FBOs serve as the access point into any number of aviation jobs. It's not unusual to find that the young person fueling an aircraft on the FBO's ramp is either a private pilot, an aircraft mechanic, or working on advanced ratings on those paths. And- note to AOPA- I'm betting a quite a few of those FBO employees learning to fly have an AOPA card tucked in their wallet somewhere.

The paychecks of those FBO employees are paid by the visiting pilots who pay a handling fee, purchase courtesy fuel or otherwise. Those paychecks help fund their dreams of becoming pilots, which in turn sustains an industry now starved for pilots. If AOPA's unreasonable demand for unfettered access and free parking negatively risks their livelihood and those dreams, those current and potential young members of AOPA will continue to wither. The answer isn't regulating FBOs. I'd instead encourage AOPA members and others to drive change the old fashioned way- by voting with their feet.

ABOUT THE AUTHOR

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