

Federal Aviation Agency



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AIRPORTS

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SUBJECT : MINIMUM STANDARDS FOR COMMERCIAL AERONAUTICAL ACTIVITIES
ON PUBLIC AIRPORTS

1. **PURPOSE.** This Circular provides basic information and broad guidance material to assist the owners of public airports in developing and applying minimum standards for commercial aeronautical activities on public airports.
2. **REFERENCES.**
 - a. Federal Aviation Agency Policy Statement "Exclusive Rights at Airports" as published in the Federal Register (30 FR 13661), October 27, 1965.
 - b. Federal Aviation Agency Handbook AS P 5190.1 "Compliance Requirements for Airports Developed or Improved with Federal Assistance."
 - c. Federal Aviation Agency Advisory Circular AC 150/5190-2, "Exclusive Rights at Airports" dated 9/2/66.
3. **CONTENT.** This Circular discusses minimum standards in general, explains how they are developed, and illustrates how, through proper application, they can operate to the advantage of the airport owner, the operator of a commercial aeronautical activity, and the general public. Some examples of standards are offered to suggest how their various elements may be related to aeronautical activities commonly conducted at a public airport.
4. **DEFINITIONS.** As used in this Circular:
 - a. **Minimum Standards** - the qualifications which may be established by an airport owner as the minimum requirements to be met as a condition for the right to conduct an aeronautical activity on the airport.

b. Aeronautical Activity - any activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

The following activities, commonly conducted on airports, are aeronautical activities within this definition: charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other included activities, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can appropriately be regarded as an "aeronautical activity."

The following are examples of what are not considered aeronautical activities: ground transportation (taxis, car rentals, limousines); restaurants; barber shops; auto parking lots.

c. Land Use Identification Plan - a scaled, dimensional layout of the entire airport property, indicating current and proposed usage for each identifiable segment.

5. BACKGROUND. The owner of a public airport developed or improved with the assistance of funds administered by the FAA assumes certain responsibilities, among them the obligation to make the airport's facilities and services available on fair and reasonable terms without unjust discrimination. The grant of an exclusive right to conduct an aeronautical activity on one of these obligated airports is specifically forbidden by law. On an airport which is not so obligated, the grant of an exclusive right should also be avoided since it limits the usefulness of the airport and deprives the using public of the benefits of competitive enterprise. Where Federal funds have been expended on an airport the opportunity to engage in an aeronautical activity not provided by the airport owner should be made available to any person, firm or corporation meeting standards established by the owner which are relevant to the proposed activity, reasonable, and in the public interest. The owner of a public airport can restrict the commercial use of the airport, or the solicitation of business thereon, based on nondiscriminatory standards. He may insist, in return for the privilege of conducting an aeronautical activity on the airport, that the person, firm or corporation selected must meet the standards established by the airport owner governing the quality and level of services that are offered to the public in connection with the conduct of a particular aeronautical activity on the airport. These standards must, however, be reasonable, relevant to the proposed activity, and applied objectively and uniformly.

6. USE OF STANDARDS. The requirements of standards imposed on those proposing to conduct an aeronautical activity on a public airport should relate primarily to the public interest. As building and sanitary codes are enacted for the protection of the local community, airport standards should be designed to protect airport patrons from irresponsible, unsafe or inadequate service. Because the cost of meeting reasonable standards must be accepted as a normal business expense, no prudent operator will undertake the investment involved unless he foresees a volume of business that has not been fully developed. Thus, the use of reasonable standards, while safeguarding the public interest, has the additional effect of preserving the stability of an established business. Proper standards discourage the unqualified for the protection of both the established operator and the public.

7. NEED TO BE REASONABLE AND RELEVANT. If an airport owner adopts qualifications and standards which are capricious, irrelevant, or unreasonable, they could have the effect of perpetuating a monopoly. Since the situation is different at each airport it is not possible to provide rigid criteria to measure the reasonableness of standards. Each case must be evaluated on its own merits in the light of circumstances existing at that specific airport. The fairness and reasonableness of standards normally is judged against the background of general practices which have found acceptance at airports of comparable size and situation.

Similarly, proposed standards must be evaluated for their relevancy to the type of activity to which they apply. A requirement that may be perfectly reasonable when applied to a flight instruction school, for example, could be quite unreasonable if imposed on an air taxi operator. The elements of the standards selected should express the particular requirements to be met by each different type of aeronautical activity contemplated at the airport. Examples of how some elements may be shown in standards for certain common aeronautical activities are outlined in paragraph 9 below.

8. COMBINATIONS OF ACTIVITIES. A basic need at every airport is the provision of essential primary line services. Essential services include the sale of aviation fuel and oil, facilities for tie-down or other storage of aircraft, ramp services and some capability for minor flight line repairs. It would not be unreasonable for an airport owner to insist that, as a condition for the right to engage in any of these primary services, the standards relevant to all of them be met. Except for these primary services, however, if standards for one type activity incorporate requirements which obviously relate to another, the possibility of an implied monopoly is raised. A "package" of standards which is reasonable when applied to the operator conducting a variety of activities could be unfair and discriminatory if imposed on an operator proposing to engage in only one activity. For example, to require radio repair service to provide shop facilities for engine repair would be unreasonable, particularly so, if adequate shop facilities were already available on the airport.

A distinction should be made between a "standard" imposed as a prerequisite for all operators and contractual commitments made by the individual. However, the willingness of a commercial operator to provide a variety of aeronautical activities should benefit both the airport and its patrons.

9. **ELEMENTS.** A review of standards adopted by many communities reveals a frequent reliance on the financial commitment. This is usually expressed as a requirement to lease and develop minimum acreage or building space, or as an outright minimum dollar investment. Such a requirement, to be meaningful, should be clearly connected to other specific requirements which relate directly to the aeronautical activities proposed. Some of the elements that should be incorporated into standards at most airports would require the service operator to:
 - a. Arrange for suitable spaces, structures or facilities.
 - b. Provide adequate fixtures and equipment.
 - c. Maintain an adequate staff of employees with skills, licenses and certificates appropriate to the activities proposed.
 - d. Operate during specified minimum hours.
 - e. Conform to safety, health and sanitary codes.
 - f. Show evidence of financial stability and good credit rating.
 - g. Meet stated indemnity and insurance minimums.
10. **LAND USE IDENTIFICATION PLANS.** Land use identification plans are closely related to minimum standards. They offer a convenient and effective device for outlining the airport owner's program for development of balanced land usage. Such a plan indicates the airport owner's intention and capability to provide essential support services by allocating space for commercial aeronautical activities. To the prospective service operator the plan is evidence of the expected economic potential of the airport and it alerts him to other operations, existing or planned, which might be competitive. The plan should identify areas dedicated to aeronautical services, fuel storage, general aviation, passenger loading, air freight and cargo handling, common use aircraft parking, public automobile parking, etc.; plus parcels held for future expansion. It is an advantage to have the aeronautical services area platted, for it is often useful to make reference to the plat in the grant of leasehold rights. Indeed, land use plans quite properly can be made a part of the minimum standards themselves.

11. EXAMPLES. The examples below illustrate how the elements of a standard may be related to some of the aeronautical activities commonly found at a public airport. These should not, however, be considered as criteria for judging the reasonableness of standards. The level of qualifications to be imposed under each standard will vary, depending on the circumstances at each individual airport. The right to offer services and commodities to the users of a public airport might reasonably be conditioned on the ability to meet any combination of the following, adjusted to suit local circumstances. But care must be taken to make the standards realistic, especially to insure that they are not so demanding that they compel the service operator to extend his investment beyond the economic potential of the airport.

a. Fuel and Oil Sales.

- (1) Suitable space in a convenient location to service the types of aircraft using the airport.
- (2) Tank storage capacity, either above or below ground as mutually agreed upon, for a stated minimum capacity of both jet fuel and gasoline in specified grades.
- (3) Mobile and fixed pumping equipment with reliable metering devices, and of sufficient capacity to refuel the largest aircraft likely to be serviced within a specified maximum time.
- (4) Uniformed personnel on full time duty during the stated hours, which may range up to 24 hours, seven days a week, depending on local requirements.
- (5) Demonstrated capability to perform minor repairs coupled with a requirement for tools, jacks, towing equipment, tire repair equipment, etc.
- (6) Suitable aircraft parking and tie-down areas and the demonstrated capability to efficiently and safely move aircraft to such areas and store them in compliance with local regulations.
- (7) A requirement that the operator install adequate grounding rods at all fueling locations to eliminate the hazards of static electricity.
- (8) Provision of energizers, starters, passenger loading steps, oxygen, compressed air and such other equipment and supplies as may be required to serve the types of aircraft using the airport.
- (9) Availability of conveniently located, comfortably heated waiting rooms for passengers and crew members of itinerant aircraft, including sanitary rest rooms and public telephone.

- (10) A commitment to remove snow and otherwise clean up the fueling areas, coupled with the provision of the equipment necessary for this purpose.
- (11) Provision of special fire detection or fire fighting equipment where justified, coupled with a commitment to have employees participate for a minimum number of hours in fire, rescue or other emergency training when provided for tenants by the airport owner.

b. Flight Training Activities.

- (1) The availability, on a full time basis, of personnel and equipment appropriate to the types of training planned.
- (2) The availability of a number of aircraft of specific types, compatible with the training proposed.
- (3) The provision of a minimum amount of classroom space and related rest rooms, cloak rooms and arrangements for food service.
- (4) The availability of specified minimum training equipment such as mock-ups, engine cut-aways, instrument flight trainers.
- (5) The continuing ability to meet certification requirements of the FAA (and any pertinent state or local authorities) to conduct the training proposed.

c. Aircraft Charter and Taxi.

- (1) Suitable arrangements for passenger shelter, rest rooms, public telephones, etc. However, where these and other convenience facilities are provided by the airport owner for public use, it would be unreasonable to require that they be duplicated by air carrier, air charter, or air taxi operators.
- (2) Satisfactory arrangements for checking in passengers, handling luggage, ticketing and ground transportation.
- (3) An assurance of the continued availability of suitable aircraft, with qualified operating crews, located at the airport (under acceptable separate arrangements) ready to depart within a specified maximum notice period.

d. Aircraft, Engine and Accessory Maintenance.

- (1) Specific minimum hangar, shop and storage space.

- (2) Availability of full time repairmen and mechanics in such fields as airframe and engine maintenance, electronics instruments, and others as required.
- (3) Specified minimum equipment such as machine tools, jacks, lifts, and test centers.
- (4) Arrangements for access to, or the provision of, specified minimum capacity for the storage of aircraft, coupled with a requirement to remove any nonairworthy aircraft from the airport premises within a reasonable time.
- (5) Suitable facilities for washing and cleaning aircraft.
- (6) A commitment to promptly remove from the public landing area (as soon as permitted by cognizant FAA and CAB authorities) any disabled aircraft; coupled with the availability of suitable tractors, tow bars, jacks, dollies and other equipment as might be needed to remove the largest type aircraft that normally could be expected.
- (7) Provision of spaces and equipment meeting all applicable safety requirements for painting aircraft.

e. Crop Dusting and Spraying.

- (1) Suitable arrangements for the safe storage and containment of noxious chemical materials.
- (2) Availability of aircraft suitably equipped for agricultural operations with adequate safeguards against spillage on runways and taxiways or dispersal by wind force to other operational areas of the airport.

f. Aircraft Rental and Sales.

- (1) Availability during specified hours of aircraft commensurate with the scope of the planned activity.
- (2) Sales or distributorship franchise from an aircraft manufacturer for new aircraft, or adequate sources of used aircraft.
- (3) Suitable sales and office facilities, leased, rented or constructed on the airport property.
- (4) Satisfactory arrangements at the airport for repair and servicing of sales aircraft during the sales guarantee.
- (5) Minimum stocks of spare parts peculiar to the aircraft types for which sales privileges are granted.

12. APPLICATION. Many communities choose to state their standards only in actual use agreements at the time they are executed. While standards can be effective in this form, it makes them vulnerable to challenge by prospective operators of aeronautical activities on the grounds that they are not objective. An airport owner can most closely approach complete objectivity by developing and publishing minimum standards before negotiating with any specific tenants. However, this is not always practicable. On occasion, a community finds it difficult to attract competent service agencies and, as an inducement, may elect to waive standards which, if applied at a later stage of airport development, might be perfectly reasonable. The owner of a public airport may quite properly increase the standards from time to time for the purpose of improving the quality of service to the public. But juggling of standards solely to protect the interest of an existing tenant would clearly be incompatible with this objective. In any event, any standard which a tenant operator is required to meet must be uniformly applicable to all operators seeking the same franchise privileges. A community may find it especially helpful to ask an FAA airports program representative to comment on the relevance and reasonableness of standards it proposes to adopt.

13. HOW TO OBTAIN THIS CIRCULAR. Obtain additional copies of this circular, AC 150/5190-1, Minimum Standards for Commercial Aeronautical Activities on Public Airports, from the Department of Transportation, Distribution Unit, TAD-484.3, Washington, D.C. 20590.



Cole Morrow
Cole Morrow, Director
Airports Service