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April 25, 2025

Ralph Cutie, Interim Aviation Director Miami-Dade County P.O. Box 025504 Miami, FL 33102-5504

Emailed to: <u>rcutie1@miami-airport.com</u>

Informal 14 CFR Part 13 Notification Airport Compliance Program Complaint

Dear Mr. Cutie:

This letter concerns an airports compliance complaint that the Federal Aviation Administration (FAA) Office of Airports recently received. On April 10, 2025, an Air Cargo firm operating under Title 14 Code of Federal Regulations (CFR) Part 135 (§Part 135) submitted a written complaint of airport noncompliance regarding the Miami-Opa Locka Executive Airport (OPF). The compliance issues are regarding concerns that OPF owner/sponsor, which is Miami-Dade County's Aviation (MDAD), is currently in violation of its federal obligations. Specifically, the complainant is alleging that MDAD is unreasonably allowing several local Fixed Based Operator (FBO) tenants at OPF to restrict access to the airport for air cargo firm Conquest Air Cargo (Conquest) and other similarly-situation aeronautical users. The FBO firms allegedly contributing to the unreasonable restriction of access are doing business on the airport as Fountainebleau Aviation, Atlantic Aviation, Embassair, and Signature Flight Support.

Airport Compliance Program

Before providing federal assistance for airport development, the FAA must receive certain assurances from an airport grant sponsor. Upon acceptance of an applicable grant by an airport sponsor, these assurances become binding contractual obligations between the airport sponsor and the federal government. These assurances define the scope of the FAA's oversight with respect to airport-related matters. FAA will investigate reasonable complaints and allegations of airport compliance concerns. FAA may also initiate inquiries after reviewing public information

¹Conquest operates scheduled and unscheduled international air freight transport and taxi services to the Caribbean; some services are also provided to regions of the United States. Conquest operates three C-131F's, two Saab 340s and one Convair 5800. In total they had 6 aircraft based at OPF. Three C-131Fs were recently moved to another base airport due to lack of access at OPF.

² FAA Grant Assurances can be reviewed @ <u>Airport Improvement Program Grant Assurances for Airport Sponsors</u>, <u>May 2022 (faa.gov)</u>

that may indicate airport compliance concerns at federally obligated airports. Further, during complaint reviews, FAA may review an airport owner's federal obligations regarding federally assisted land, such as real estate deeded to the airport owner via the Federal Surplus Property Act of 1944.

Complaint Summary

According to complaint allegations, Conquest has operated on the airport and has self-serviced for about 20 years. However, it has recently received an eviction notice from Fountainebleau Aviation on March 6, 2025. The letter demands Conquest cease operations by March 31, 2025 and demands Conquest vacates its current sub-lease premises within 30 days. Reportedly, the other FBOs have also declined to provide Conquest with a reasonable access agreement that would allow it to continue to conduct §Part 135 air cargo operations. Apparently, none have responded affirmatively to accepting a reasonable subleasing contract to accommodate Conquest's needs moving forward. In fact, according to the complaint, on March 9, 2025, Signature Flight Support communicated to Conquest that it is not interested in supporting any aeronautical cargo operation and that aircraft parking space was unavailable.

This apparent total airport restriction for Conquest currently stands although there is available space for development at the northeast corner of the airport. According to the complaint, that space is unused 11 months of a typical year and is only used for special airport events. Despite that, the airport staff reportedly has informed Conquest that the area cannot be developed even though Conquest does not need permanent facilities or the authorization to improve the area to operate. Below are a diagram and a photograph of Conquest's proposed alternate operating location, which has previously been used by a firm called Trans Air Link.





According to complaint information, the only other recent §Part 135 air cargo operators at OPF (Florida Air Cargo and Atlantic Air Cargo) have also received similar notices to vacate. This essentially restricts all the airport's air freight carriers from conducting §Part 135 air cargo transport operations at the airport. This effectively bans an entire class of aeronautical users from the airport. Moreover, other similarly sized airports in the MDAD system, such as Miami Executive Airport (TMB), do not have United States Customs and Border Protection (CBP) outbound customs capability that is needed for Conquest's air cargo operations. Establishing operations at any of the other nearby large or small airport locations, as MDAD suggested in its April 2, 2025 letter to Conquest, would be unduly and unreasonably burdensome and costly in addition to be unnecessary, according to Conquest.

Meanwhile, it appears that public and private corporate operators with large jets are preferred sub-tenants of the FBOs. The FBOs have allegedly systematically put large corporate operators in place to be able to charge excessive fees for access to tie-down and hangar spaces that are currently in high demand while discriminating against a particular class of aeronautical operators. Also, the complaint alleges that there are aircraft parked on "overflow" ramps daily but only certain large corporate jet aircraft operators (i.e. Boeing 767, Boeing 737, etc.) are allowed to use overflow areas to park aircraft. Thereby, the airport is also unlawfully granting exclusive rights to large corporate jet operators. It appears that those operators are preferred by the airport's FBOs for financial reasons, since they appear to have significant economic resources.

The complaint additionally alleges that the airport has permitted its FBOs to charge unreasonably costly access fees and service fees to aeronautical customers and sub-tenants. This alleged "price gouging" has resulted in Conquest being priced out of the airport market while large corporate jet owners are able to remain and outcompete small air carrier firms for airport parking space. Conquest has indicated in the complaint that by not policing the rates and charges to aeronautical customers of the FBOs, MDAD has allowed the FBOs to dictate

which groups of operators may access the airport. Again, the group the FBOs appear to prefer are those that seemingly can afford to pay very expensive access fees. For example of the allegedly exorbitant fees, a recent quote to access 5,000 square feet of ramp space was \$22,500 monthly. Also, the large aircraft owners allowed to park on overflow ramp space reportedly pay \$20,000-\$24,000 per aircraft monthly.

The complaint also claims that MDAD has not preserved its rights and powers to control the airport, its tenants, and its operations, since MDAD did not retain the authority to do so in master lease agreements. Airport owners must demonstrate the ability to control airport land, contracts, development, and activities to ensure reasonable access standards and remain an eligible FAA grant sponsor. Allegedly, MDAD has neither ensured that the FBO tenant master contracts prevent unjust discrimination between classes of aeronautical fixed-wing service providers, nor has it prevented the unlawful granting of exclusive rights to a particular class of aeronautical operators while debarring others. This alleged failure is regarding both discriminatory rates and charges and discriminatory access standards for small air carriers operating under §Part 135.

Conquest sent correspondence, during March-April of 2025, to MDAD informing of the concerns about the alleged operating restrictions, expensive access rates, and eviction. MDAD has since not directed Fontainebleau Aviation to rescind the eviction notification or change any other problematic policies of the FBOs. MDAD also has not directed any of the FBOs to accommodate Conquest's operations via a reasonable contract with a sufficiently lengthy period. Although MDAD has provided a temporary 30-day extension for the deadline set for Conquest and to vacate the airport premises, that is not a long-term solution to the unjust access restriction. That short extension does not allow Conquest to reasonably plan its operations. Again, according to the complaint, inaction to change discriminatory actions of the FBOs demonstrates MDAD's lack of authority to sufficiently control FBOs that go awry of FAA Grant Assurance requirements.

Lastly, the complaint alleges that MDAD is allowing the OPF staff to close aprons, taxilanes, taxiways, and runways to hold special events. This could be contrary to federal law. Federally obligated airports may not close airport landing areas without prior FAA approval if the event is primarily nonaeronautical and not related to preservation of safe operating conditions. Also, ground operations safety plans are often required to ensure safety of airport operations during closures and of alternative aircraft parking plans.

Summary of Alleged FAA Grant Assurance Violations

The complaint states that MDAD has an obligation to ensure that terms of access imposed on aeronautical customers of FBOs at OPF are reasonable for the facilities and services provided. Grant Assurance 22, *Economic Nondiscrimination*, requires that an obligated airport grant sponsor will make the airport available as an airport for public use on reasonable terms and without unjust discrimination between all types, kinds and classes of aeronautical activities. Therefore, if space is available, aeronautical users should be reasonably accommodated, including for the purposes of operations and self-service. This grant assurance requirement flows down to all airport agreements and sub-agreements on the airport. Discriminating

unreasonably against §Part 135 operators for the purposes of aeronautical access in favor of large corporate jet operations may be a violation of this grant assurance. This is regardless of whether the airport owner or its tenants are making the alleged discriminatory actions/inactions.

The complaint states that Conquest believes MDAD has further violated FAA Grant Assurance 22, *Economic Nondiscrimination*, because MDAD allegedly has not ensured that the FAA Rates and Charges policy is observed by FBO master tenants. Conquest has indicated those master tenants appear to be discriminating between groups of aeronautical users regarding setting aeronautical access rates. Grant Assurance 24, *Fee and Rental Structure*, states that aeronautical users should be charged self-sustaining rates and provides that public aeronautical service providers should not be charged Fair Market Value (FMV) rates for airport access. Conquest believes that federally obligated airports should also not seek to set aeronautical rates that would cause excessive surpluses to its aeronautical operational accounts, and grant assurance requirements flow down to all airport contracts and subcontracts.

Additionally, Grant Assurance 23, *Exclusive Rights*, requires that airports not grant an exclusive right to a certain airport user or group of users while debarring an aeronautical user or applicant a similar opportunity to enjoy the same or similar right or privilege. Removing all §Part 135 operators from the airport to provide aircraft parking space only to larger operators that will be of a higher economic benefit to the FBO and/or airport may be a compliance issue. That could result in both unjust discrimination and the unlawful granting of an exclusive right to the large aircraft operators. Ultimately, failure of an obligated airport sponsor to retain the rights and powers needed to monitor/control sub-tenant access standards and rates may be a violation of Grant Assurance 5, *Preserving Rights and Powers*. Airport owners with federal obligations must retain sufficient control over all airport activities, agreements, tenants, and sub-tenants to prevent issues with other FAA Grant Assurances.

Lastly, Grant Assurance 19, *Operations and Maintenance*, requires FAA pre-approval if federally obligated airports close or partially close airport operational/landing areas to host nonaeronautical events. Note, also, special approval may also be required to allow certain kinds of overflow parking for aircraft; this helps ensure continuous safe operations. Further, Grant Assurance 25, *Airport Revenue*, may be violated if the airport does not receive FMV in exchange for allowing nonaeronautical events on airport property. Allowing such access without FAA pre-approval and without charging FMV may also be violations of Grant Assurances 22 and 23. This is because an obligated airport's operational areas must be used for airport purposes without unjust discrimination against aeronautical users and without unlawful granting of exclusive rights to any airport user.

Complaint Interrogatory

1. Please describe the nature of any special events that caused the airport to close or partially close any aeronautical operational areas of OPF (e.g. aprons, runways, taxiways, taxilanes, safety zones, etc.) between December 1, 2024 and January 5, 2025. Please provide all the event dates, the names of the event proponents (include whether they are

for-profit or non-profit), and the duration of each closure. Please provide the exact location of these events, and provide a map or diagram, if possible. Please provide the ground operations safety plan for these events, if any. Also, please explain whether and how FMV fees were received by the airport's aeronautical operational accounts in exchange for providing the nonaeronautical access. Please also provide conditional approval letters from FAA that allowed the closures, if any.

- 2. Please disclose all aeronautical land and facilities at OPF that are currently available for aeronautical use and development. Provide a map or diagram to show the locations and acreage.
- 3. Please provide a map or diagram of the aeronautical operational areas where overflow parking is allowed on OPF.
- 4. Please provide the rates and charges schedule for overflow parking at OPF and explain how that aircraft parking space is approved and assigned. How are safety risks assessed, and how does MDAD ensure equitable access? Has the airport received any local complaints from any person or entity regarding overflow parking other than Conquest? If so, please explain each.
- 5. Please disclose whether all recent §Part 135 air cargo operators at OPF have been asked to cease operations at OPF. If so, please explain why in detail. Please explain whether there is a blanket restriction of all §Part 135 air cargo operators on OPF. If so, please explain why.
- 6. Please disclose whether MDAD reviews all eviction and termination letters proposed by master tenants for subtenant commercial and private aeronautical users of OPF prior to the letters being sent. If so, please explain the review process. If not, please explain why.
- 7. Please provide the March 6, 2025 eviction correspondence from Fontainebleau Aviation to Conquest as well as any and all eviction notices that may have been sent to Conquest, Florida Air Cargo, and Atlantic Air Cargo from any FBO at OPF.

Please provide a complete, written response to the complaint and the above questions in as much detail as possible by May 27, 2025.

Complaint Processing

All informal reports of alleged violations received by the FAA are addressed in accordance with 14 CFR § 13, Reports of violations. A copy of the applicable section of this regulation can be found at the following link: eCFR :: 14 CFR Part 13 -- Investigative and Enforcement Procedures (FAR Part 13). The allegations and supporting information provided by the anonymous complainant are being reviewed by the FAA Southern Region Office of Airports Regional staff. Those allegations which do not fall within the scope of FAA Airports Division

³ See <u>Airport Sponsor and Airport User Rights and Responsibilities, 2013 (faa.gov)</u> for information about the FAA's Airports Compliance Complaint Process.

jurisdiction, or those which lack sufficient evidence to support investigation, will be referred to the appropriate FAA offices or dismissed without further action. The remaining allegations will be investigated. Additional information may be requested from the complainant and airport leadership during any stage of this complaint review. Upon completion of our investigation of these allegations, parties to the complaint will receive an informal, preliminary determination setting forth this office's position on the matter unless the parties agree to reach an informal resolution resolving the matter.

If you need an extension for the complaint response, if you have any questions regarding the allegations, and/or if you have questions about the informal 14 CFR Part 13 complaint process, please contact me directly via email at Keturah.A.Clark@faa.gov.

Sincerely,

Keturah A. Clark

Regional Airport Compliance Specialist

Safety and Standards Branch

Zetural Clark

Southern Region, Office of Airports

cc: Melissa Y. Rivera-Davis, Manager, Safety and Standards Branch, Southern Region, Office of Airports

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