

# AIRPORT LAW

Are you ready?  
Creating an Airport Law Toolbox



WORLDWIDE AIRPORT LAWYERS ASSOCIATION  
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ARGENTINA

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# ARE YOU READY?

Do you have the legal tools you need to address:

- day-to-day airport law issues?
- new issues, business models, risks?

Or, is your legal toolbox empty?



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# APP-BASED CAR SERVICES



# WHEN AIRPORTS RUN IT ALL

City of McKinney, Texas, Takes Total Control of Collin County Airport including FBO



# Google Founders private air terminal takes off



# NEW ULTRA LOW COST CARRIERS

NO CHECK-IN COUNTERS

REGIONAL AIRPORTS

*jet* **Naked**

Undressing the Duopoly and Stripping Down Fares.

# AIRPORTS EVOLVING

Airports have largely moved from government facilities:

- taxpayer paid improvements
- strategic thinking compromised by politics and bureaucracy
- a largely operational focus



Transitioned to a business enterprise model:

- a commercial focus
- investment had to be justified
- costs cut
- revenue opportunities exploited
- investment made to replace aging infrastructure and meet demand



# IMPROVEMENTS

- Organizations such as ACI and WALA have encouraged exchange of best practices
- Non-Aeronautical revenues have risen
- Improved facilities and passenger experience





# AIRPORT MANAGEMENT

- Emphasis on immediate issues of growing revenues or building facilities

Sometimes:

- Lack of understanding of airport's regulatory role
- Reluctance to publish stated policies and procedures
- Slow to implement control and risk management mechanisms
- “We don't want to be bureaucratic”
- “We don't want to stifle innovation”
- “We're too busy to write policy”

Busy: engaged in activity, occupied

Too busy: a relative term, meaning we have prioritized certain activities above other activities.

# OVERVIEW

Every airport needs a basic toolbox of airport law documents to deal with everyday transactions and the constant changes in the airport business:

- guide management
- regulate airport operation and development
- maintain control of airport activities
- achieve sustainability and community goals



# What is Airport Law?

A unique discipline that combines

- national and international aviation law
- airport specific legal, environmental, economic, safety and security regulation
- airport business principles that aim to achieve control and economic efficiency.
  
- Airport businesses require a high level of sophisticated and specialized legal advice well beyond the size of the organization.

# Understanding the Regulation of Airports

- Int'l treaties – landing rights, non-discrimination
- Customs, immigration, health, agriculture
- Airport Certification – safety, security, zoning
- Economic – fees and charges
- Environmental – noise, water, soil, spills, sewage, fuelling
- Competition – between and within the airport
- Labour and Employment – wages, taxes, occupational health and safety, pensions, workers' compensation
- Ground Transportation – Persons with Disabilities
- Airside and Landside Traffic
- Human Rights
- Privacy and Access to Information

# Understanding the Business of Airports

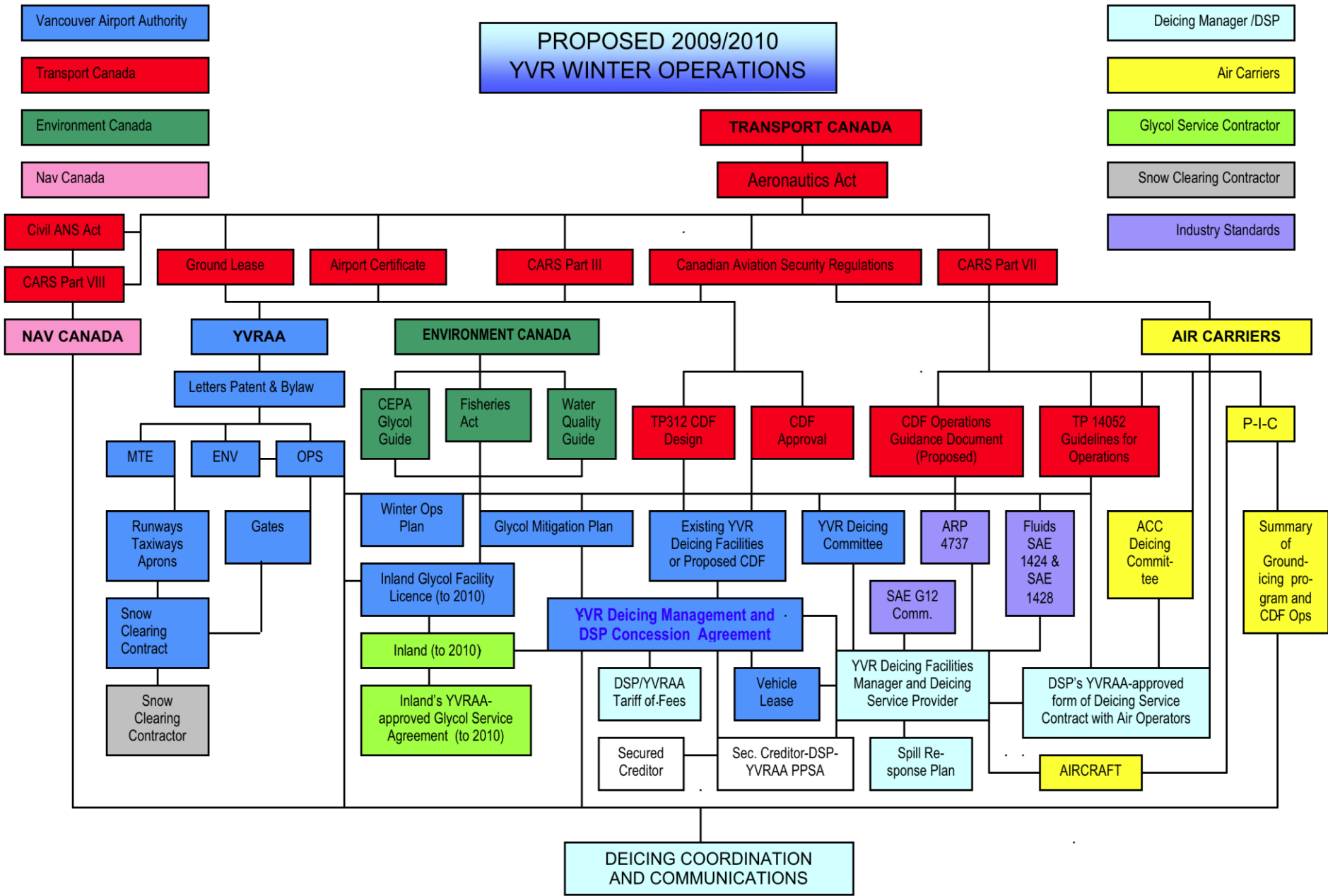
- Air Carriers
- FBOs
- Fuelling Consortiums
- Cargo Facilities
- Flight Catering
- Ground Transportation
- Car Parking
- Retail and Food and Beverage Concessions
- Ground Handling Operators

# Understanding the Airport Operator as Regulator

Airport Operator becomes a regulator of activities on the airport through plans, policies and procedures designed to:

- assure own and others regulatory compliance
- achieve economic sustainability
- manage risk
- protect reputation





# Airport Operator Regulatory Roles and Responsibilities

Overall obligation to manage, operate and develop airport.

## Airport Board “control” role

- Create policies on business planning processes and management’s responsibilities to report on risk
- Ensure management has embedded financial, operational, compliance and risk management controls



## Airport Management “risk” role

- Assessment of significant risks
- Translate internal control policy into design, operation and monitoring of the internal control system
- Monitor effectiveness of internal controls in managing risks





# Wrong Approach to Achieving Control and Managing Risk

Make it up as you go along

- change the rules from deal to deal; tenant to tenant

Result

- end up writing policy in the middle of a negotiation, in response to a complaint, or as a result of a lawsuit
- stress on management and staff
- cost and expense to airport
- damage to reputation



# Better Approach: An Airport Law Toolbox

A set of basic airport guiding documents that become management tools:

- Airport Master Plan – restricts anything inconsistent with it.
- Airport Policies – guiding administrative or regulatory principles
- Airport Strategic Plan – action plan transforming policy to operations
- Airport Operations Directives and Procedures – routine standard operating procedures
- Leases, Licences and Permits – standardized agreements with every occupant

# Airport Law Toolbox

## Benefits to Board and Management

- Easier if have fixed policies, procedures and standards because inconsistency invites problems
- Reduces 'learning curve' when change in staff and management
- Less stress: allows management and staff to focus on new issues



# AIRPORT MASTER PLAN

- An Airport Master Plan:
- is **NOT** an action plan and
- is **NOT** about airport operations because it does not address the type or quality or activities to be performed
- It only **restricts any undertaking** that is not consistent with the Master Plan
  - includes a Land Use Plan
- Example: Must non-aviation commercial development be “complementary to aviation” or merely “compatible with aviation”?



# AIRPORT POLICY

- A set of guiding principles to assist in decision-making for airport managers and to delegate authority to managers
- Based on mission and objectives of the airport
- Must be conscientiously done taking into account social, economic and political factors



# AIRPORT STATED POLICY

- Stated Policy provides information to potential stakeholders to help them prepare for any business ventures at the airport
- Example: Land Development Guidelines and Exclusivity Policy

Airport Policy is NOT:

- Based on operational expediency
- Rigid - should contain residual
- discretionary power
- About enforcing decisions, which is operational



Publish on website and incorporate into agreements by reference

# Rules and Regulations

Board approved documents to:

- Protect public health, safety and interest
- Prohibits or restricts any activity that would interfere with the safe, orderly and efficient operation and use of the airport
- Achieve compliance with laws, regulations, airport directives



# MINIMUM STANDARDS

Minimum threshold requirements regarding use of land or facilities: services, hours of operation, safety, environment, insurance

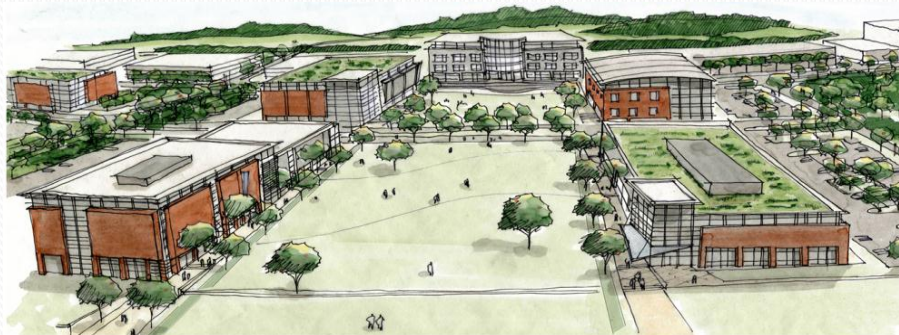


- Provides fair and equitable opportunity to applicant to qualify or compete to occupy land and/or engage in activities
- Raises the bar: encourages quality and orderly development
- Typically used for FBOs, Fuellers, SASOs, car rental companies and ground transportation providers
- May be used to justify exclusive or semi-exclusive licensees



# Development Guidelines

- Sets out standards, criteria, policies and procedures for development
- Includes the process for developing facilities including design, construction and modification
- Purpose is to promote high-quality, consistent, attractive and compatible development



# AIRPORT STRATEGIC PLAN

- Strategic planners must take airport policy goals as given
- It is an action plan to transform a policy goal to its operational stage by identifying key components for airport development
- Not just a plan for operations because it involves planning and how to best allocate resources
- Comparison, analysis and assessment of options
- **Many operational procedures can meet policy requirements but only by analyzing different strategic options can one select an optimal strategic operational plan**
- **Example: Transportation to airport: New road and bridge using buses and taxis, or a subway or train?**

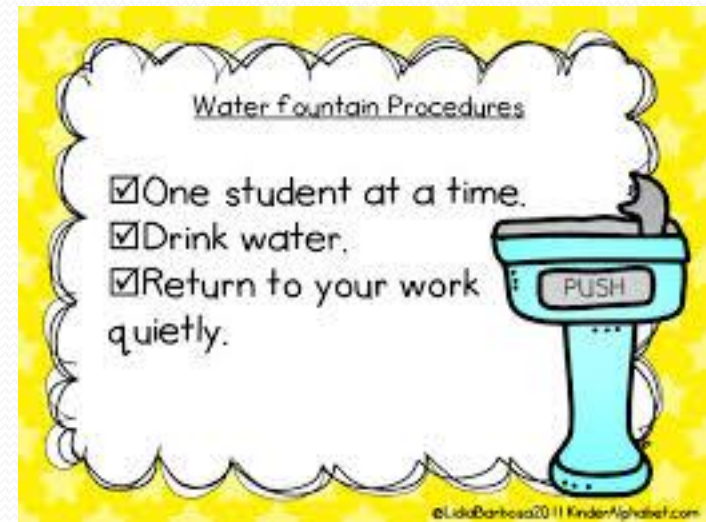


# Airport Operations Directives and Procedures

- Airport Directives and Procedures are required to follow the Strategic Plan
- They are routine, subject to exercise of discretion within defined limits.

## Examples:

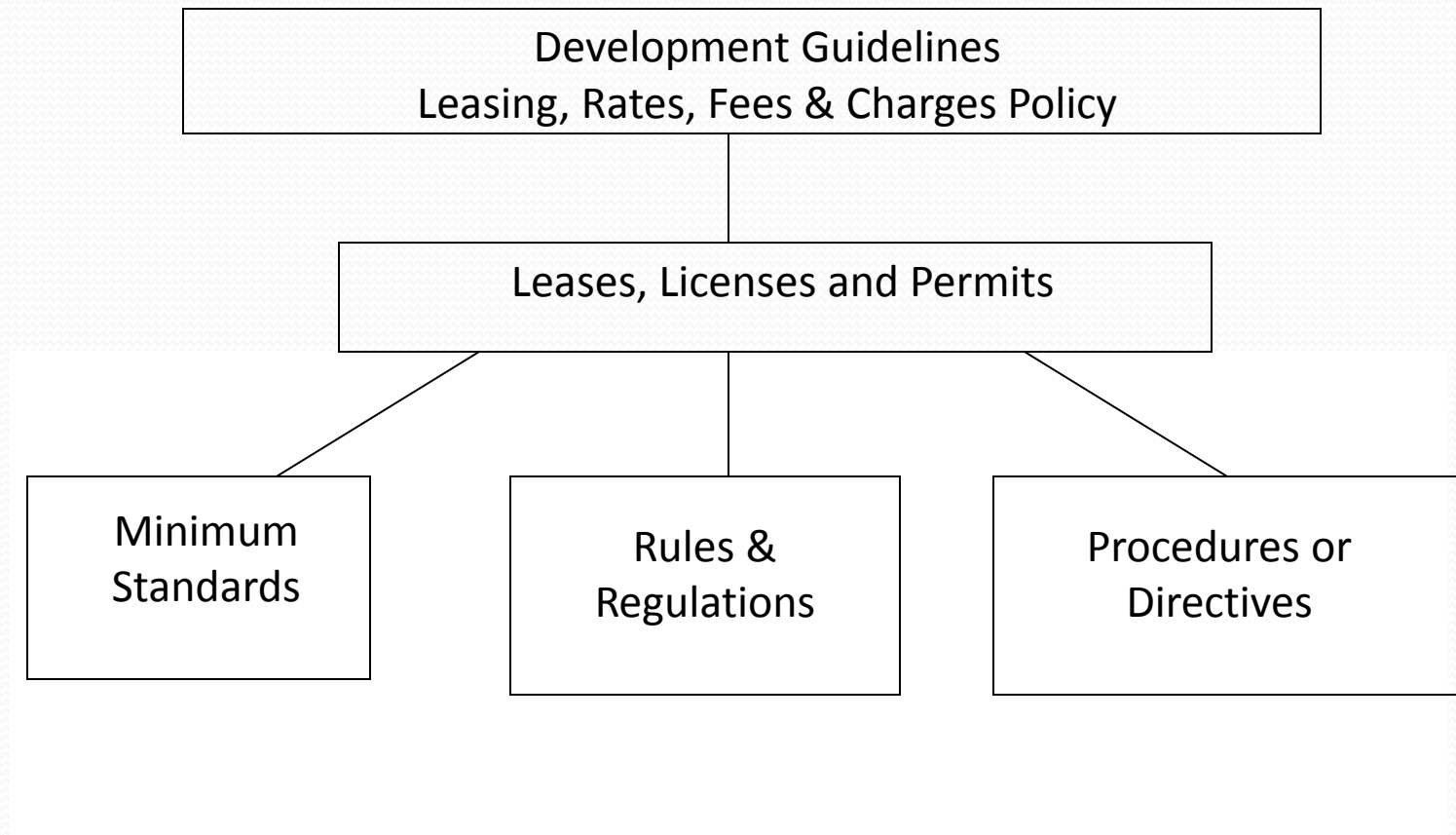
- Access Control Procedures
- Airside Directive
- AVOP Program Procedures
- Ground Transportation Directive



# STANDARDIZED OCCUPANCY AGREEMENTS: LEASES, LICENCES AND PERMITS

- Terminal Office
- Terminal Concession
- Land
- Land and Building
- FBO Lease and Airport Use Licence
- Airline Airport Use Licence
- Groundhandler Airport Use Licence
- Car rental Concession





# Airport Law Toolbox helps achieve Airport Control

## Compliance

- Lower agency, administrative, legal and transaction costs
- Avoids public criticism and lawsuits
- Ensures long-term financial health of airport
- Ensures compliance with airport/licensing requirements
- Protects health, safety, and security of public and employee

## Operationally

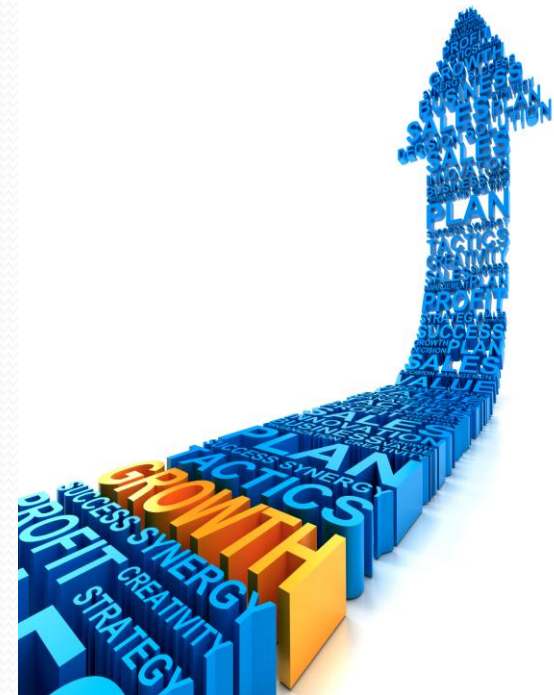
- Reduces conflict with airlines, tenants, other users
- Aids in orderly airport development



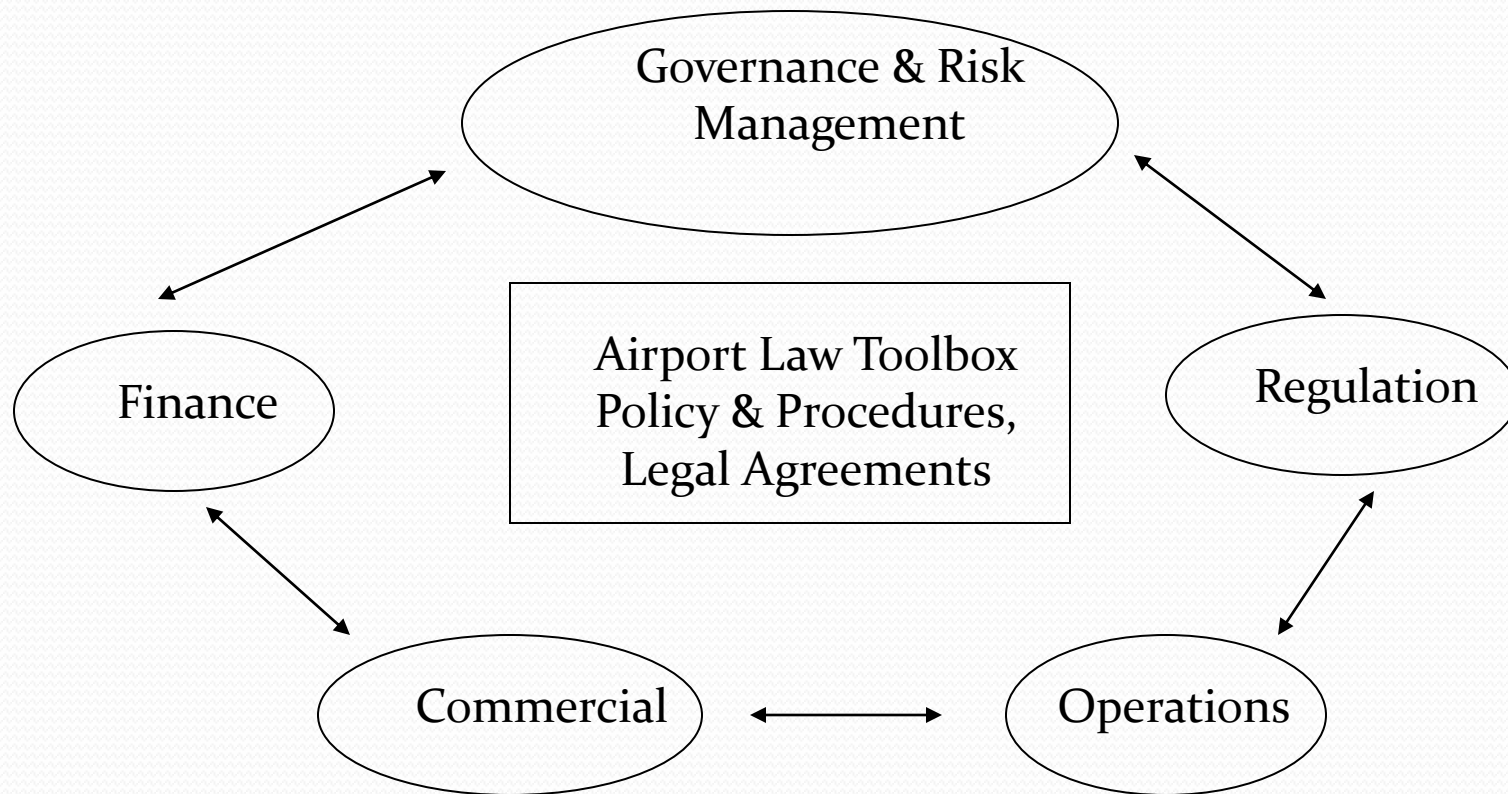
# Airport Law Toolbox

When fully understood and applied, an Airport Law Toolbox can be successfully used as a means to:

- control and grow the airport and airport businesses
- manage risk
- build value



# Airport Law Toolbox





# Road Map to creating an Airport Law Toolbox

Airport Law Toolbox requirements:

- Creating a Road Map and Strategy
- Board and Management Buy-in
- Assigning resources and priorities
- Identifying and drafting necessary documents
- Implementation
- Training and consistent application
- Annual review and revision



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Are you ready?

*jet* **Naked**



Side•car  
a whole new way to get around



# AIRPORT LAW AND LEASING

## Creating an Airport Law Toolbox



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