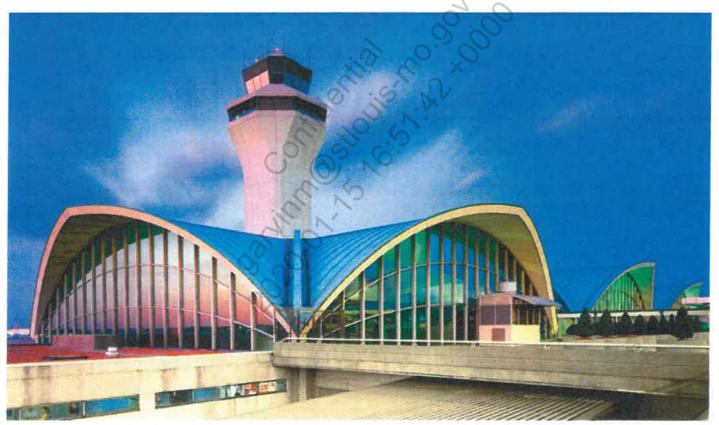


# City Initiative

On March 22, the City of St. Louis made preliminary application to the FAA Airport Privatization Program to undertake a feasibility study to determine if St. Louis Lambert Airport should privatize





# What is Public – Private – Partnerships?

Privatization refers to shifting governmental functions and responsibilities to the private sector

Least privatization

**Most Privatization** 

### Service contracts

#### Examples:

- · Cleaning/janitorial
- · Security guards
- · Parking operations
- · Terminal concessions

### Management contracts

#### Examples:

- Specific facility (e.g., parking)
- · Airport-wide management

### Developer financing/operation

#### Examples:

- Terminal development
- · Cargo
- Car rental facility
- General aviation

### Long-term lease or sale

#### **Examples:**

- Airport Privatization Pilot Program
- Long-term lease or full operation and development

Source: GAO analysis of ACRP information. | GAO-15-42



# **Application Process**

Figure 2: Airport Privatization Pilot Program Application Process

Airport owner completes preliminary application

Preliminary application should include:

- Objectives of privatization
- Description of process and timetable
- Airport financial statements
- Proposed request for proposels

FAA review of preliminary application

• FAA must respond within 30 days accepting the presiminary application and awarding a stot in the pilot program Airport owner completes selection of private operator and negotiations

- Selection of private operator
- Negotiations (lease agreement, airlines, stakeholders, etc.)

Airport owner completes final application phase

 Submission of final application including lease agreement, terms of transfer, statement of qualifications of private operator, requests for exemptions, certification of eirline approved of exemptions (if necessary), description of airport operations, maintenance and development FAA review and public comment phase

- 60-day public comment period and public meeting
- FAA review of final application and determination of approved examptions (including amount of federal funds that do not need to be repaid)

Transfer to private operator

- FAA submits a Record of Decision detailing apacifics of the deal and determination regarding issuance of exemptions.
- Part 139
   certificate is issued to private operator

Source GAD ensiyas of FAA information | GAD-16 dZ



# FAA Airport Privatization Pilot Program

- 11 airports have applied
- Stewart Airport, owned by the Port Authority of NYNJ, was privatized in 2000 with a 99 year lease but reverted back to public control in 2007 leaving only Luis Munoz Marin Airport in San Juan as the only privatized airport in the US



# Why Airports Privatize

Airport Reason

Gwinnett County (GA) Become 2<sup>nd</sup> Atlanta passenger airport

Hendry County (FL) Infrastructure improvements

Westchester County Relieve financial responsibility; improve environment

Address city funding shortfall; infrastructure

Chicago Midway improvements

Niagara Falls Develop passenger service

Develop passenger service; improve financial

San Juan (PR) performance

Stewart (NY)

Develop real estate; create jobs; economic

development

New Orleans Address critical city financial obligations

Sources: GAO Analysis of FAA data; National Academy of Sciences "Considering and Evaluating Airport Privatization"; airports privatization applications





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