

MEMORANDUM



Diana P. Cortes
City Solicitor

**City of Philadelphia Law Department
Regulatory Law Unit - Airport Division**

TO: Atif Saeed, CEO, Philadelphia International Airport

FROM: Eva Miller, Senior Attorney

DATE: September 29, 2023

SUBJECT: Amendment to Airport Rates and Charges Regulation

I have reviewed the attached “Airport Rates and Charges Regulation and Airline Operating Terms and Conditions for the Use of Facilities and Services at Philadelphia International Airport and Northeast Philadelphia Airport,” revised as of September 28, 2023, to be effective as of promulgation, which was submitted to the Law Department. The regulations are legal and in proper form. In accordance with Section 8-407(a) of the Philadelphia Home Rule Charter, you may forward these amended regulations to the Department of Records where they will be made available for public inspection.

Thank you.

Enclosures (1)

cc: Tracy Borda, Chief Financial Officer
Michael Meyers, Controller

THE CITY OF PHILADELPHIA
DEPARTMENT OF AVIATION

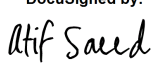
AIRPORT RATES AND CHARGES REGULATION AND AIRLINE OPERATING TERMS AND
CONDITIONS FOR THE USE OF FACILITIES AND SERVICES AT THE PHILADELPHIA
INTERNATIONAL AIRPORT AND NORTHEAST PHILADELPHIA AIRPORT

(Revised as of September 28, 2023, effective as of promulgation)
(Intended to Supersede All Previous Rates and Charges Regulations)

The City of Philadelphia, through its Department of Aviation, hereby promulgates these Airport Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Philadelphia International Airport and Northeast Philadelphia Airport.

The City of Philadelphia is the owner and operator of Philadelphia International Airport and Northeast Philadelphia Airport. All existing Rates and Charges contained in Appendix H of the Airport Rules and Regulations, as they apply to Philadelphia International Airport and Northeast Philadelphia Airport, are hereby repealed and superseded by the Airport Rates and Charges and Operating Terms and Conditions for the Use of Facilities and Services at the Philadelphia International Airport and Northeast Philadelphia Airport as promulgated herein.

THE CITY OF PHILADELPHIA
DEPARTMENT OF AVIATION

DocuSigned by:

By: 441737710021482
Atif Saeed, A.A.E., IAP
Chief Executive Officer &
Director of Aviation
Philadelphia International Airport

Filed: 9/29/2023

**THE CITY OF PHILADELPHIA
DEPARTMENT OF AVIATION**

**AIRPORT RATES AND CHARGES REGULATION AND AIRLINE OPERATING TERMS AND
CONDITIONS FOR THE USE OF FACILITIES AND SERVICES AT PHILADELPHIA INTERNATIONAL
AIRPORT AND NORTHEAST PHILADELPHIA AIRPORT**

**(Revised as of September 28, 2023, effective as of promulgation)
(Intended To Supersede All Previous Rates and Charges Regulations)
(Hereinafter referred to as the "Rates and Charges Regulation")**

I. If any Air Carrier enters into an Effective Airport-Airline Use and Lease Agreement with the City of Philadelphia, then such Signatory Airline shall be governed by the rates and charges and terms and conditions as set forth in the Effective Airport-Airline Use and Lease Agreement.

II. If there is an Effective Airport-Airline Use and Lease Agreement with the City of Philadelphia, then any other Air Carrier not party to the Effective Airport-Airline Use and Lease Agreement shall be governed by the following rates and charges at Philadelphia International Airport and Northeast Philadelphia Airport, which are fifteen percent (15%) higher than those rates and charges provided by the Effective Airport-Airline Use and Lease Agreement:

**RATES AND CHARGES REGULATION AND OPERATING TERMS AND CONDITIONS FOR THE USE
OF FACILITIES AND SERVICES AT PHILADELPHIA INTERNATIONAL AIRPORT AND NORTHEAST
PHILADELPHIA AIRPORT**

1.01. Pursuant to Sections 8-407 and 4-2700 of the Philadelphia Home Rule Charter and Section 18-201 of the Philadelphia Code, the Department Aviation fixes the following rates and charges for the use of Philadelphia International Airport and Northeast Philadelphia Airport facilities and services not otherwise governed by written leases, licenses or operating agreements (specifically excluding any contract titled "Fee Payment Agreement") with the Department of Aviation.

A. Rates and Charges related to the Philadelphia International Airport Terminal Area and Ramp Area. The Terminal Area shall mean the Airport passenger terminal buildings, including the un-air conditioned areas available for use as baggage make-up, the sidewalk and curb adjacent to the landside of the terminal buildings, the loading bridges and all pedestrian bridges connecting the terminal buildings with the landside vehicular parking garages, as such areas now exist or may be developed, extended or improved from time to time. The Ramp Area shall mean those un-air conditioned airport passenger operations areas of the Airport designated for the Terminal Area consisting of the aircraft parking positions, ramp space and canopy space (and including any other equipment located on the Ramp Area that are owned by City and provided for the use by Air Carriers.)

1. Leased Premises Terminal Area, Joint Use Areas, and Ramp Area. Leased Premises Terminal Areas shall mean those areas of the Terminal Area that are occupied by an Air Carrier. Joint Use Areas shall mean those areas of the Terminal Area that are used by an Air Carrier on a shared or joint use basis with other Air Carriers at the Airport. Rentals for use of the Leased Premises Terminal Area, Joint Use Areas and Ramp Areas shall be:

a. Type 1: Ticket Counter and Ticket Counter Office space - \$230.15 per square foot per annum.

b. Type 2: Holdrooms, Baggage Claim Area, Baggage Claim Offices, Airline Lounge, and Airline Space - \$172.62 per square foot per annum.

c. Type 3: Airline Operations Space, Baggage Makeup Area, Inbound Baggage - \$115.07 per square foot per annum.

d. Type 4: FIS Area, Cart Tunnel/Baggage Recheck, Ticketing Counter Queuing, Unenclosed Ramp Level Space - \$57.53 per square foot per annum.

e. Ramp Area: Ramp space adjacent to preferentially-used Aircraft gates - \$27.75 per linear foot per annum.

2. International Common Use Area Fees. The following rates and charges are applicable for the use of the International Common Use Areas. International Common Use Areas shall mean the International Common Use Ticket Counter Areas, the International Common Use Enplaning Areas, the International Common Use Deplaning Areas and the Federal Inspections Services (FIS) Areas. International Common Use Enplaning and Deplaning Areas include the baggage make-up, holdroom, aircraft parking ramp area, loading bridges, and associated fixtures and equipment located thereon (that are not the property of an Air Carrier). Written authorization may be granted for permission to process international and charter operations at locations other than the International Common Use Areas on the condition that the rates and charges paid to the City as set forth below will apply to these operations.

a. **International Common Use Enplaning Area Fee.** For the use of International Common Use Enplaning Areas: \$5.49 per Enplaned Passenger.

b. **International Common Use Deplaning Area Fee.** For the use of International Common Use Deplaning Areas in common with other Air Carriers: \$5.31 per deplaned passenger.

c. **FIS Area Fee.** For the use of FIS Areas, those areas where Deplaned Passengers are processed and collect their checked baggage and the baggage cart movement areas associated therewith: \$7.38 per deplaned passenger processed thru Federal Inspection Service facilities.

d. **Ramp Use Charge.** For use, in common with other Air Carriers, of the Ramp space adjacent to the International Common Use Area: applicable rates to be charged in accordance with Section 1.01.A.4. This charge shall apply only to flights which incur no other International Common Use Enplaning or Deplaning Area Fees and FIS Area Fees as set forth above.

e. **International Common Use Ticket Counter Area Fee.** For the use of International Common Use Ticket Counter Areas in common with other Air Carriers: \$1.37 per Enplaned Passenger.

3. Domestic Common Use Area Fees. Domestic Common Use Terminal Areas shall mean those portions of the Terminal Area that could be allocated to an individual airline on a preferential basis, but are available for use for individual flights or other limited use upon agreement by City. Domestic Common Use Areas are available for use for individual flights or other limited use upon agreement by the City, including but not limited to, Domestic Common Use Gates, Ticket Counters and Bag Claim and International Common Use Gate for domestic operations by Air Carriers.

a. **Domestic Common Use Gate Fee,** including the associated ramp area and equipment necessary to operate from the gates -

\$335 per narrow-body aircraft turn (an aircraft arrival and departure) and
\$1,134 per wide-body aircraft turn (an aircraft arrival and departure).

b. Domestic Common Use Ticket Counter Fee, including associated back office, baggage makeup areas and baggage conveyors - \$223 per aircraft departure.

c. Domestic Common Use Bag Claim Fee, including associated cart circulation and recheck area, bag claim and operations space - \$2.00 per deplaned passenger from aircraft operations utilizing such space in the terminal complex.

4. Aircraft Parking. The following charges apply for the parking of Aircraft by Air Carriers not paying rentals under Section 1.01.A.1 above at all designated parking areas within the Airport:

Maximum Gross Landing (lbs)	Hours				
	0-2	2-4	4-8	8-12	12-24
<200,000	\$ 300	\$ 450	\$ 450	\$ 450	\$ 450
200,001 – 365,000	\$ 300	\$ 450	\$ 450	\$ 450	\$ 500
365,001 – 575,000	\$ 300	\$ 450	\$ 450	\$ 600	\$ 750
575,001 – 675,000	\$ 400	\$ 450	\$ 450	\$ 700	\$1250
675,001 – 800,000	\$ 500	\$ 500	\$ 500	\$1000	\$1750
>800,001	\$ 750	\$ 750	\$ 750	\$1500	\$2750

B. Rates and Charges related to the Airfield Area at Philadelphia International Airport

1. Landing Fees at Philadelphia International Airport by Large Certificated Air Carriers, Commuter Air Carriers and Small Certificated Air Carriers, Foreign Flag Air Carriers and Air Taxi/Commercial Operators - \$5.00 per thousand pounds of maximum allowable gross landing weight.

2. General Aviation Aircraft Landing Fees at Philadelphia International Airport for all non-based, general aviation aircraft and those based general aviation aircraft engaged in commercial activities approved in writing by the City will be based on a sliding weight scale as follows:

<u>Gross Landed Weight</u>	<u>per Landing</u>
0 - 5,000 lbs.	\$18.00
5,001 - 10,000 lbs.	\$36.00
10,001 - 25,000 lbs.	\$86.00
25,001 - 50,000 lbs.	\$181.00
50,001 - 100,000 lbs.	\$362.00
100,001 - 200,000 lbs.	\$724.00
over 200,000 lbs.	\$1,013.00

C. Rates and Charges Related to Northeast Philadelphia Airport

- Terminal Building - Ticket counter space: \$22.19 per square foot per annum.
- Terminal Building - All other space: \$20.40 per square foot per annum.

a. Mooring Fee for airships, blimps and similar aircraft types that are less than 210 ft. in length: \$75.00 per day or fraction thereof for the first four days; \$35.00 per day thereafter.

b. Mooring Fee for airships, blimps and similar aircraft types that are more than 210 ft. in length: \$100.00 per day or fraction thereof for the first four days; \$50.00 per day thereafter.

3. Landings at Northeast Philadelphia Airport by Commuter Air Carriers: \$1.65 per thousand pounds of maximum allowable gross landing weight.

4. Landings at Northeast Philadelphia Airport by all non-based general aviation aircraft and those based general aviation aircraft engaged in commercial activities approved in writing by the City will be based on a following sliding weight scale:

<u>Maximum Allowable Gross Landed Weight</u>	<u>Landing Fee per Landing</u>
0 - 5,000 lbs.	\$5.00
5,001 - 10,000 lbs.	\$10.00
10,001 - 25,000 lbs.	\$15.00
25,001 - 50,000 lbs.	\$35.00
50,001 - 75,000 lbs.	\$60.00
over 75,000 lbs.	\$95.00

D. Demurrage. The Chief Executive Officer will allow the use of the designated non-leased and/or common use area for such time as may be reasonably required for Aircraft loading and unloading; provided, however, that if such area is needed for another Aircraft, the Chief Executive Officer may require the operator to relocate the Aircraft. If the Aircraft is not moved within ten minutes of such request, a demurrage charge of \$150.00 will be assessed for each additional ten minute period or part thereof the Aircraft remains at the designated area.

E. Armed Guard Security Charge. Each Air Carrier shall be charged a proportionate amount of the costs incurred by the Airport in complying with the security requirements of 49 Code of Federal Regulations ("CFR") Part 1542 or any other federally-mandated security requirements.

F. Utility Charges. All utilities, including but not limited to electricity, water and sewer service and natural gas, shall be billed at rates which shall not be in excess of rates charged for such service to users of the class and volume level using the service at the airports by utility suppliers authorized to provide such service in the vicinity of the airports.

G. Ground Handling Fees. All Air Carriers shall be subject to a fee equal to 10% of ground handling fees charged by a provider of ground handling services to the Air Carrier. Ground handling services provided to Signatory Airlines, their Affiliates, and other Air Carriers that are party to Airline Operating License Agreements with the Department of Aviation are exempt from ground handling fees. Affiliates shall mean any Air Carrier that is either a wholly-owned subsidiary of the Air Carrier or operates under essentially the same trade name as the Air Carrier at the Airport and uses essentially the same livery as the Air Carrier.

H. Fuel Flowage Fees. Fuel dispensed on-airport to Aircraft operating at Philadelphia International Airport and Northeast Philadelphia Airport: \$0.13 per gallon. Fuel dispensed to Signatory Airlines and other Air Carriers that are party to Airline Operating License Agreements with the Department of Aviation are exempt from the fuel flowage fee.

I. Aviation Lubricants Fees. Aviation lubricants sold at Philadelphia International Airport

and Northeast Philadelphia Airport: \$0.15 per gallon. Aviation lubricants sold to Signatory Airlines and other Air Carriers that are party to Airline Operating License Agreements with the Department of Aviation are exempt from the aviation lubricants fee.

1.02. Passenger Facility Charge ("PFC")

In accordance with regulations of the U.S. Department of Transportation, Federal Aviation Administration ("FAA"), found at 14 CFR Part 158, the City of Philadelphia has been given approval by notice from the FAA dated January 30, 2001 to impose a \$4.50 Passenger Facility Charge ("PFC") on the fares charged to passengers departing from Philadelphia International Airport. Additional information concerning the PFC and the obligations of Air Carriers with respect thereto is on file with the City of Philadelphia's Department of Aviation and is found in 14 CFR Part 158.

1.03. Airport I.D. Badge Fees

Airport I.D. Badges are issued to provide positive identification, authorization and access to controlled airport areas. The following fees apply to new badge issues, replacement of expired badges and replacement of damaged badges:

- A. Philadelphia International Airport
 - 1. PHL-based employees of Air Carriers: \$18.00 per badge.
 - 2. All others: \$33.00 per badge.
 - 3. Replacement of all lost or stolen badges: fines will escalate as follows
 - a. 1st incident of a lost or stolen badge – \$100.00
 - b. 2nd incident of a lost or stolen badge – \$150.00
 - c. 3rd incident of a lost or stolen badge – \$200.00
 - d. 4th incident of a lost or stolen badge – possible loss of badge
- B. Northeast Philadelphia Airport
 - 1. Initial badge issuance - No charge.
 - 2. Replacement of all lost or stolen badges - \$35.00 per badge.

Airport I.D. Badge fees will be invoiced to the company of the employee who is being badged, unless a prior arrangement has been made between a company and the Department of Aviation. Payment may be accepted from an individual by the City for replacement of lost or stolen Airport I.D. Badges and for badges issued to non-based crew members. The City reserves the right to make reasonable exceptions in the assessment of I.D. Badge fees.

1.04. Fingerprinting Fee

Pursuant to 49 CFR Part 1542.209, Criminal History Record Checks, the U. S. Transportation Security Administration (TSA) requires that all airports within the United States submit fingerprints for all personnel working in airport Sterile and Security Identification Display Areas (SIDA).

The Department of Aviation processes fingerprints through the Aviation Security Clearinghouse (ASC). A fee for fingerprint processing is mandated by the TSA. The current fee is \$32.00 per applicant, including employees of governmental agencies. The fee must be paid to the City at the time of fingerprinting by the employee or the company of the employee being fingerprinted unless a prior pre-payment arrangement has been made between the company and the Department of Aviation.

The fingerprinting process must be satisfactorily completed prior to the issuance of Airport I.D. Badges for access to SIDA.

1.05. Payments

A. Leased Premises Terminal Area, Joint Use Areas, Ramp Areas, and Northeast Philadelphia Airport Terminal Building rentals shall be due to City without invoice, in advance, on the first

day of each calendar month, pertaining to that calendar month without notice, demand, set-off or counterclaim.

B. The City reserves the right to invoice certain non-scheduled Air Carriers not paying rentals under Section 1.01.A.1. All invoiced charges shall be due 20 days after invoice date unless otherwise stated on invoice.

C. All other charges and activity reports proscribed by City shall be due to City without invoice on or before the tenth (10th) day of each subsequent calendar month during the term of the Agreement.

D. Non-tenant Air Carriers and Operators not providing adequate surety or security in form and amount satisfactory to the Department of Aviation, to ensure payment of fees and charges, shall be required to pay all incurred fees and charges prior to aircraft departure.

E. Penalties and Interest for Late Payments

1. Interest charges on unpaid amounts shall be charged effective on the first day after the due date.

2. Air Carriers, Operators and other tenants shall pay interest at the default rate of five percent (5%) plus the Prime Rate (as hereinafter defined) on all payments which are unpaid as of the first day after the day on which such payment is due to City. City's failure to impose such an interest charge in any particular case shall not be deemed a waiver of City's right to do so in any future case. As used in this Rates and Charges Regulation, the "Prime Rate" shall be the prime rate as published in the Wall Street Journal as being the base rate on corporate loans posted by at least seventy five percent (75%) of the nations' thirty largest banks.

3. If any charges remain unpaid for a period of twenty (20) days after the due date, the City may:

- a.** Bar operator from the Airport and the use thereof; and/or
- b.** Deny operator the use of Airport facilities; and/or
- c.** Commence such actions at law or in equity as are deemed in the best interests of the City.

1.06. This Rates and Charges Regulation shall not apply to space occupied by any governmental agencies or to services rendered to governmental agencies, except as specifically provided herein.

1.07. This Rates and Charges Regulation shall be effective on the earliest date possible after filing with the Department of Records in accordance with Section 8-407 of the Philadelphia Home Rule Charter, and shall apply on and after that date, and shall supersede all prior Airport Rates and Charges Regulations.

1.08. In the event that any portion of this Rates and Charges Regulation shall be determined to be illegal, for any reason whatsoever, such determination shall not affect any other portion of the Rates and Charges Regulation, it being the intent of the Department of Aviation that each charge set forth in the Rates and Charges Regulation shall be absolutely independent of every other charge.

1.09. Payment Method

A. Rates and Charges. Unless and until City notifies Air Carriers, Operators or other tenants in writing designating an alternative payment method, all payments pursuant to this Rates and Charges Regulation (save and except PFC) shall be submitted due hereunder shall be made by either:

- 1.** Separate wire transfer as follows:
Wells Fargo Bank, N.A.
Phone: 1-800-869-3557

E-Mail: www.wellsfargo.com
City of Philadelphia, Department of Aviation
Aviation Operating Account
Account #200-003-388-8734
ABA # 121000248 (Routing Number)

Or

2. Submitted to the following mailing address:
City of Philadelphia
Lockbox Number 241758
P.O. Box 41758
Philadelphia, PA 19101-1758

B. Passenger Facility Charges. Unless and until City notifies Air Carriers, Operators or other tenants in writing designating an alternative payment method, all PFCs due hereunder shall be paid by either:

1. Separate wire transfer as follows:
Wells Fargo Bank, N.A.
Phone: 1-800-869-3557
E-Mail: www.wellsfargo.com
City of Philadelphia, Department of Aviation
Aviation Capital Account
Account #200-003-388-8653
ABA #121000248 (Routing Number)

Or

2. Submitted to the following mailing address:
City of Philadelphia
PO Box 13966
Philadelphia, PA 19101-3966

1.10. All operations from Philadelphia International and Northeast Philadelphia Airports are governed by this Rates and Charges Regulation except for those operations governed by valid, written contracts executed by the Department of Aviation's Chief Executive Officer or duly authorized designee and approved by the City Solicitor.

1.11. The Department of Aviation may adopt occupancy and operating procedures if it determines, in its sole discretion, that such procedures are appropriate.