

PROPOSED AMENDMENT TO PHOENIX CITY CODE – CHAPTER 4 AVIATION –
SECTIONS 4-1, 4-190 AND 4-192

Summary

The Aviation Department (AVN) is requesting to amend Phoenix City Code – Chapter 4 Aviation – Sections 4-1, 4-190 and 4-192 to clarify the application of Commercial Use Permit (CUP) requirements and associated fees at Phoenix Sky Harbor International Airport (PHX). The amended language will not create a new fee or increase an existing fee but will more clearly define the types of services that are subject to, and exempted from, CUP requirements and associated fees. The proposed updates include the following:

- Sec. 4-1. Definitions
- Sec. 4-190. Commercial use permit requirements; effective date; applicability.
- Sec. 4-192. Commercial use permit fees.

Sec. 4-1. Definitions

Staff proposes to expand the definition of “Air carrier” to include consortiums of Air carriers. This update will allow Swissport’s current CUP to serve as the authorizing document for the services provided to AFFC.

Current Language:

"Air carrier" means a person who is certificated by the Federal Aviation Administration to engage in air transportation directly by lease or by other arrangement.

Proposed Language:

"Air carrier" means a person who is certificated by the Federal Aviation Administration to engage in air transportation directly by lease or by other arrangement. For purposes of this Chapter, a consortium of Air carriers will be treated as an Air carrier.

Sec. 4-1. Definitions

Staff proposes to define “Affiliate” to harmonize with Aviation Rules & Regulations 10-01.

Current Language:

None

Proposed Language:

“Affiliate” means (a) any Air carrier flying in or out of the Airport solely for the benefit of another Air carrier, under the livery of that Air carrier, and under contract to that Air carrier, or if flying under its own livery, is not selling any seats in its own name and all seats are being sold in the name of the Air carrier that Affiliate is under contract to, or (b) a wholly owned subsidiary of Air carrier or a subsidiary of the same corporate parent of the Air carrier. An Affiliate shall be considered an agent of the Air carrier for which it flies. Any Air carrier that flies under its own livery and sells seats in its own name shall not be classified as an Affiliate.

Sec. 4-1. Definitions

Staff proposes to define "Courier Type Service" to exclude baggage delivery companies from CUP Fee exemption.

Current Language:

None

Proposed Language:

"Courier Type Service" means a person or company that delivers goods, packages, messages, letters, documents, parcels, or consignments to the airport premises. For purposes of this Chapter, Courier Type Services do not apply to the delivery of an airlines' mishandled luggage or packages from the airport premises to its passenger(s).

Sec. 4-190. Commercial use permit requirements; effective date; applicability.

Staff proposes to amend Sec. 4-190 to exempt services provided to or by Affiliates from CUP requirements.

Current Language:

- A. Individuals or companies who provide an aviation related service(s) to or for a certificated Part 121 and/or Part 135 Air carrier shall be required to obtain a commercial use permit (CUP) authorizing their commercial activity on or from the airport premises.
1. Commercial activities authorized under terms of an existing Aviation Department lease or license. Air carriers will not be required to obtain a CUP for providing services to or carriers with whom they are sharing a gate. Air carriers will be required to obtain a CUP for providing services to all other carriers.
 2. Deliveries of a product to the airport premises or courier type services.
 3. Contractors performing work under a tenant improvement contract.
- B. Applicability. The provisions of this Article shall not be in conflict with or in derogation of the minimum standards and agreements for fixed base operators.
- C. Exclusion. The provisions of this Article shall not apply to, or supersede, the provisions of Section 4-6 of this chapter. (Ord. No. G-4116, § 2, 1998)

Proposed Language:

- A. Individuals or companies who provide an aviation related service(s) to or for a certificated Part 121 and/or Part 135 Air carrier shall be required to obtain a commercial use permit (CUP) authorizing their commercial activity on or from the airport premises; except, a CUP shall not be required for:
1. Commercial activities authorized under terms of an existing Aviation Department lease or license. Air carriers will not be required to obtain a CUP for providing services to Affiliates or carriers with whom they are sharing a gate. Air carriers

will be required to obtain a CUP for providing services to all other carriers.

2. Affiliates of the Air carrier for whom the services are being provided.
 3. Deliveries of a product to the airport premises or courier type services.
 4. Contractors performing work under a tenant improvement contract.
- B. Applicability. The provisions of this Article shall not be in conflict with or in derogation of the minimum standards and agreements for fixed base operators.
- C. Exclusion. The provisions of this Article shall not apply to, or supersede, the provisions of Section 4-6 of this chapter. (Ord. No. G-4116, § 2, 1998)

Sec. 4-192. Commercial use permit fees

Staff proposes requiring CUP holders to provide copies of invoices to substantiate the CUP fees being reported.

Current Language:

- A. The fee for CUP activities and operations on or from the airport, is eight percent of gross revenue, as defined in the CUP.
- B. The fee provided in subsection (A) shall be paid on a monthly basis and shall be due and payable at the place and time that the Aviation Director shall designate.
- C. Delinquent account fees shall be assessed in accordance with Section 4-7 of the Phoenix City Code. (Ord. No. G-4116, § 2, 1998)

Proposed Language:

- A. The fee for CUP activities and operations on or from the airport, is eight percent of gross revenue, as defined in the CUP.
- B. Reporting and payment of the fee provided in subsection (A) shall be substantiated with copies of associated invoices and paid on a monthly basis and shall be due and payable at the place and time that the Aviation Director shall designate.
- C. Delinquent account fees shall be assessed in accordance with Section 4-7 of the Phoenix City Code. (Ord. No. G-4116, § 2, 1998)

The fees generated from Commercial Use Permits are revenue for the City of Phoenix Aviation Department.