



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Compliance
and Management Analysis

800 Independence Ave., SW.
Washington, DC 20591

March 31, 2023

Douglas Kreulen
President and CEO
Metropolitan Nashville Airport Authority
140 BNA Park Drive, Suite 520
Nashville, TN 37214

Re: Legislation affecting Metropolitan Nashville Airport Authority Board

Dear Mr. Douglas Kreulen:

The Federal Aviation Administration (FAA) recently became aware of proposed legislation introduced in the Tennessee legislature to substantially change the terms and methods of appointment of the Metropolitan Nashville Airport Authority Board, House Bill 1176 and Senate Bill 1326. The Airport Authority owns and operates the Nashville International Airport and John C. Tune Airport, both of which are federally obligated and receive substantial Federal assistance. We understand that under the proposed law, the local Mayors' authority to appoint the members to the Board will be terminated and transferred to the Governor and/or other State representatives. This could be viewed as a substantial change impacting the governance of the Airport Authority and both airports.

The FAA has not yet been contacted by any state representatives regarding the proposed legislation. Please be advised that any state or local governmental body proposing to draft legislation that would impact airport sponsorship or governance should consult the FAA well before taking any action. The FAA's *Policy on Evaluating Disputed Changes of Sponsorship* provides as follows:

Any state or local legislative body or public agency considering whether to take an action, such as drafting legislation, that would impact airport ownership, sponsorship, governance, or operations should (1) consult with and obtain the consent of the current sponsor/operator (absent extraordinary circumstances, such as substantial evidence of mismanagement on the part of the current sponsor/operator); and (2) request technical assistance from the FAA about the interrelationship between Federal and state or local requirements, and seek the FAA's review and comment as early in the deliberative process as is practicable. A failure to consult may cause the FAA to deny a proposed change to airport sponsorship and/or

operating authority. In all cases, final decisions regarding the proposed change will be made by FAA's Office of Airport Compliance and Management Analysis.

Policy on Evaluating Disputed Changes of Sponsorship at Federally Obligated Airports, 81 Federal Register 36144 (June 2, 2016)

While the FAA views the matter of who governs the airport as a local decision, only the FAA has the authority to issue an airport operating certificate under 49 U.S.C. § 44706 as implemented by 14 CFR Part 139 or approve the transfer of the Federal obligations to another eligible sponsor, if applicable, and to assure that all terms and conditions of grants agreements are satisfied. In the event the existing airport sponsor does not agree to the proposed change in governance or a governance dispute ensues, then the FAA's policy provides as follows:

In matters in which a proposed change is contested by a current sponsor or operator, the FAA will not act on a part 139 application or a change of airport sponsorship and/or operating authority until the dispute is definitively resolved to the satisfaction of the FAA. Resolution may be demonstrated by issuance of a final, non-reviewable judicial decision requiring such a change, by the issuance of a consent letter between the existing airport sponsor and/or operator and the proposed new sponsor and/or operator, or by other legally definitive means deemed acceptable to the FAA. *Id.*, 81 Federal Register at 36144.

The FAA has questions regarding the potential impact of the transfer of the appointment authority of all board members from the Mayor of the local community to State-appointed officials, including the impact of such a transfer on the airports' Federal obligations, operations and existing financial arrangements, including those with the Metropolitan Government of Nashville and Davidson County. The FAA would like to discuss the potential impact on the Airport Authority and the Airports. The FAA looks forward to working with the parties to resolve all possible issues involving Federal concerns or requirements. We are available to discuss these items at your convenience.

I am the point of contact and can be reached at [REDACTED] or via email at [REDACTED].

Sincerely,

KEVIN WILLIS
Digitally signed by KEVIN
WILLIS
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Kevin C. Willis
Director, Office of Airport Compliance
and Management Analysis

cc: Honorable Bill Lee, Governor of Tennessee
John-Paul Saalwaechter, P.E., Tennessee Director of Aeronautics
Wallace Dietz, Director, Metropolitan Government of Nashville and Davidson County