

Mississippi Airports Association

February 18, 2016

Senator Josh Harkins
Mississippi State Capitol
400 High Street
Jackson, MS 39201

Re: Senate Bill 2162

Dear Senator Harkins:

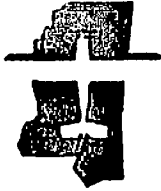
This letter is submitted on behalf of the Board of Directors of the Mississippi Airports Association (MAA) in reference to Senate Bill 2162 introduced by Senators Harkins, Kirby, Moran, Caughman, and Browning. Representing the seventy-three (73) commercial and general aviation airports in Mississippi, MAA is devoted to supporting and developing airports and aviation in the state, both of which are essential components of economic development in the state. We have concerns with SB 2162 that we believe could be addressed through a more deliberate process, to include discussions with the City of Jackson and the Jackson Municipal Airport Authority (JMAA).¹

First, we are concerned that the legislative dissolution of JMAA and replacement with a new, state-created entity may result in a lengthy dispute between the state, the City of Jackson and JMAA. The City of Charlotte and the State of North Carolina have been embroiled in litigation over the last several years concerning a new airport authority created by the North Carolina General Assembly against the city's wishes to govern the Charlotte Douglas International Airport (CLT). The dispute over CLT has resulted in several years of litigation with well over a million dollars in legal costs to the parties. There is no resolution in sight for the CLT dispute, and the City of Charlotte continues to operate CLT.

We understand two of the goals of SB 2162 are to increase air service at the Jackson-Medgar Wiley Evers International Airport (JAN) and to promote economic development at JAN and the area served by JAN. We question whether a new air carrier or new industry is likely to locate at JAN as long as the authority to grant operating rights or leases at JAN is the subject of an ongoing dispute. Ideally, local and state government should work in harmony to promote a favorable business environment at and around the airports in the state.

Second, we are concerned that a legislative dissolution of JMAA may result in the required Federal Aviation Administration-issued operating permit for JAN being put in limbo or, worse, in jeopardy. As highlighted by the CLT dispute, the FAA will not consider issuance of an operating permit to a new entity without an

¹Please note that during the discussion of Senate Bill 2162 by MAA's Board of Directors, JMAA's representative stated that JMAA opposes Senate Bill 2162 and any change to the structure or composition of JMAA, and that any discussions by JMAA regarding Senate Bill 2162 should not be considered a concession in this regard.



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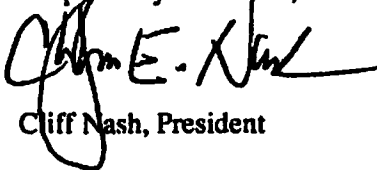
accompanying request from the current operator. Should a court uphold the legislative dissolution of JMAA without a transfer of the operating certificate for JAN, no one can say for certain what would happen to the operating permit: it could revert to the City of Jackson until any dispute is resolved, or, worst case, it could be revoked. Loss of the operating certificate for JAN would be harmful not only to the metropolitan Jackson area, but to the entire state.

Third, we are concerned that appointment of the Adjutant General of Mississippi and the Executive Director of the Mississippi Development Authority (MDA) may create significant conflicts of interest. The Adjutant General is the commander of the Air National Guard and the Army National Guard in the state. Both are significant tenants at many airports throughout the state, including JAN and Hawkins Field (HKS). In addition, the Adjutant General makes decisions about National Guard installations and operations throughout the state, including at airports. MDA is responsible for assisting with economic and air service development activities throughout the state, including at all seventy-three (73) airports in the state.

By appointing the Adjutant General and the Executive Director of MDA (or his designee) to the board of an authority that governs a specific airport, the statute may create a natural prejudice in favor of that airport for future economic or air service development projects, and a prejudice against the other airports in the state. Likewise, these appointments may create problematic relationships under Mississippi's ethics laws.

We believe these issues could be addressed through a more deliberate process that includes meaningful discussions with all the parties involved. As the association that represents the airports in the state, we would be happy to help facilitate those discussions by providing information regarding airport operations, the relationship of an airport with the FAA, other federal agencies, air carriers and other airport tenants.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cliff Nash". The signature is stylized and written over the printed name below it.

Cliff Nash, President