Since 2017, the Santa Barbara Airport (SBA) has been working with its stakeholders to update its Minimum Standards related to improved regulation of Flight Instruction activity at the Airport. Flying Clubs, Flight Schools and Independent Flight Instructors each serve an important role in serving SBA's general aviation community. However, amended Minimum Standards are necessary to more specifically define those roles and ensure that, in accommodating Flying Clubs, Flight Schools and Independent Flight Instructors, the Airport remains compliant with its federal grant assurance obligations. This paper summarizes the attached DRAFT MINIMUM STANDARDS CHANGES, which are designed to ensure appropriate management, oversight and enforcement of Flight Instruction activity at the Airport and the Airport's proposed process for further review and adoption of the DRAFT MINIMUM STANDARDS CHANGES.

Background

The Airport, through its Commission, last modified its Minimum Standards in 2017 to permit Independent Flight Instruction for an annual fee of $200.00. This change to the fee structure for Independent Flight Instructors was an increase of $50/year over the prior fee. The modification of the Minimum Standards also followed the Federal Aviation Administration's (FAA) issuance of a policy clarifying the extent to which Flight Instructors could receive compensation for providing training in a Flying Club aircraft.

The Airport’s challenges with its current Minimum Standards date back to 2018, when the Federal Aviation Administration (FAA) issued a letter in response to a complaint made by one of the Airport’s tenants. The complaint alleged the Airport was in violation of its grant assurance obligations by allowing Independent Flight Instructors to compete unfairly with Flight Schools that had established a fixed place of business on the Airport. Brick-and-mortar Flight Schools were required to pay rent, maintain assets, pay salaries, pay taxes, maintain a business license, etc. The burden of these requirements and the associated expenses placed Flight Schools at a competitive disadvantage from Independent Flight Instructors that paid only a modest annual permit fee.
The Airport did not dispute the 2018 FAA letter, nor the merits of the tenant’s Complaint, and committed to address the matter to ensure a level playing field for all Flight Instruction activity on the Airport.

On November 7, 2019, as the Airport was working to develop reasonable solutions to this initial Complaint, the Airport received a second letter from the FAA related to another Complaint filed by the same tenant in which allegations were made of unfair practices by the Airport’s Flying Clubs.

On June 17, 2020, the Airport received a third letter from the FAA, informing the Airport that an informal Title 14, Code of Federal Regulations (CFR) Part 13.1 Complaint had been filed in writing by the same tenant. In response to this Complaint, the Airport agreed to finalize an audit, which was already in development, of the Flying Club in question (Channel City Flyers) to specifically evaluate Flight Instruction occurring within the Club that was alleged by the Complaint to create an unfair competitive environment and to be in violation of FAA policy for Flying Clubs.

The Airport’s review of the Flying Club revealed significant Flight Instruction activity that resembled activity more akin to that of a Flight School than a Flying Club. Working with the Santa Barbara City Attorney’s Office and outside counsel for the Flying Club, on November 30, 2020, an agreement was entered into that imposed, among other things, a moratorium on additional Flight Instruction activity by the Club while the Airport worked to develop appropriate policies to address Flight Instruction by Flying Clubs through an update to the Minimum Standards.

In November 2020, the Airport also initiated a comprehensive process to develop proposed changes to the Minimum Standards related to Flight Instruction. To ensure transparency, the initial effort was to develop and outline the specific process and timeline that would be used throughout the process to develop Minimum Standard updates. Included in this process was a series of Task Force Working Group Meetings intended to bring together the three types of entities engaged in Flight Instruction activities to discuss objectives and to allow each individual perspective to be heard. These meetings were held in addition to planned public outreach and were very productive in bringing the affected stakeholders to the table. Final Task Force Working Group meetings were held in July 2021.

**Proposed Revisions to Minimum Standards**

The Airport, with the assistance of outside consultants, has drafted proposed revisions to the Minimum Standards to ensure the equitable provision of Flight Instruction by the three different types of operating entities. In general, the Airport proposes to continue to permit Flight Instruction by all three operating entities, as follows:

- Flight Training Operators may provide Flight Training in accordance with the procedures and standards specified in the Minimum Standards.
• **Independent** Flight Training Operators (i.e., individuals or entities that do not maintain a Fixed Place of Business on the Airport), may be permitted to provide Flight Training only to the extent such Flight Training is not reasonably available from an authorized Flight Training Operator with a Fixed Place of Business on the Airport. The **DRAFT MINIMUM STANDARDS CHANGES** provide a procedure for Independent Flight Training Operators to seek such a permit, which will be subject to permitting fees.

• Flying Clubs will be permitted to provide Flight Training in accordance with FAA policy, and will not be permitted to advertise or otherwise hold out to the public as a place to receive Flight Training. The **DRAFT MINIMUM STANDARDS CHANGES** propose reporting requirements on Flying Clubs to allow the Airport to ensure Flying Clubs remain in compliance with Airport and FAA policies.

The Airport understands these proposed changes may be met with opposition from some segments of the general aviation community. It is difficult to comply with the Airport’s federal grant assurance obligation to ensure access for all aeronautical service providers on reasonable and not unjustly discriminatory terms while simultaneously satisfying the interests of each entity that may wish to provide or receive Flight Training. Indeed, over the years the Airport has received increased political pressure to simply do nothing, despite potential FAA compliance issues. Through further opportunity for public comment, the Airport remains receptive to other proposals to ensure an equitable environment for Flight Training that is fully compliant with the Airport’s federal grant assurance obligations. To date, however, neither the Airport nor its stakeholders have identified a feasible alternative. Flight Training Operators with a Fixed Place of Business at the Airport invest substantial resources to ensure the availability of high-quality Flight Training at the Airport. The Airport believes it is inconsistent with its federal grant assurance obligations to permit an operator that is unwilling to make that same level of investment to provide a product or service that is already available from an on-Airport operator. Importantly, this principle applies not just to Independent Operators seeking to provide Flight Training, but to other types of Independent Operators, as well, as reflected in the **DRAFT MINIMUM STANDARDS CHANGES**.

The Airport also took this opportunity to clarify or update other aspects of the Minimum Standards not related to Flight Instruction, such as ensuring the consistency of defined terms, removing outdated standards, and clarifying previously ambiguous provisions. A description of significant changes to the Minimum Standards is attached.

**Process and Procedure Moving Forward**

The attached **DRAFT MINIMUM STANDARDS CHANGES** are submitted for the Airport Commission’s initial review, as well as broader review and comment from other Airport stakeholders, including entities providing and receiving Flight Instruction at SBA. A list of significant proposed changes to the Minimum Standards, along with a brief explanation, is attached to this document to facilitate stakeholder review.
Stakeholders are strongly encouraged to review the proposed changes attached and to provide feedback by sending an email to sbapubliccomment@santabarbaraca.gov. The Airport requests commenters identify the entities they represent, if not commenting as an individual, and the specific sections (by number) that they are commenting on. The Airport will hold public outreach meetings to discuss the proposed changes to the Minimum Standards and solicit further feedback. All comments received prior to December 17, 2021, will be published and considered as the Airport works to develop a final set of **PROPOSED MINIMUM STANDARDS CHANGES** for the Airport Commission’s review and, ultimately, the Santa Barbara City Council’s approval.
Attachment #1
Federal Aviation Administration (FAA) letter dated November 20, 2018

Attachment #2
Federal Aviation Administration (FAA) letter dated November 7, 2019

Attachment #3
Federal Aviation Administration (FAA) letter dated June 17, 2020

Attachment #4
Letter to Channel City Flyers Legal Counsel, dated January 15, 2021

Attachment #5
Aviation Management Consulting Group (AMCG) Final Report TFWG August 30, 2021

Attachment #6
Proposed Draft SBA Minimum Standards November 2021

Attachment #7
Draft Minimum Standard Changes - Itemized List and Explanation