Legislative Regulation Review Committee

2011-003

Department of Transportation

USE OF STATE AIRPORTS

State of Connecticut

REGULATION

of

Department of Transportation
Concerning

USE OF STATE AIRPORTS

Section 15-41-45 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 15-41-45. **State airport fees**

(NEW) (a) As used in subsection (i) of this section for the purpose of determining the rents, fees and charges to be paid by all Air Carriers under the Short Term Lease at Bradley International Airport effective July 1, 2011, the following definitions apply:

(1) "Air Carrier" means an entity engaged in the business of providing air transportation of persons or property for compensation or hire that has been issued the proper air carrier operating certificate by the US Department of Transportation, Federal Aviation Administration.

2) "Airfield Area" means those portions of Bradley International Airport, and related facilities, exclusive of the Terminal Building, Apron Area, hangars, hangar ramps, cargo buildings, cargo ramps, buildings and building areas (other than the crash, fire and rescue building and the control tower), all as more fully delineated in the most current approved Airport Master Plan or Airport Layout Plan.

(3) "Airport Audit" means the audited annual financial statements of Bradley International Airport required, under the terms of the Indenture and applicable State law, to be audited by a firm of independent certified public accountants of recognized standing selected by the State, prepared in accordance with applicable State law and relevant accounting standards, and to be completed within 120 days of the end of each Airport Fiscal Year.

(4) "Airport Fiscal Year" means the twelve (12) month period commencing on July 1 of each year and expiring on June 30 of the following calendar year or such other period as designated by the Commissioner of Transportation.

(5) "Airport Operating Budget" means the budget of Bradley International Airport costs and expenses adopted, with respect to each Airport Fiscal Year pursuant to the Indenture and Chapter 266 of the Connecticut General Statutes and shall consist of the Operating Expense Budget and the Capital Improvement Budget.

(6) "Annual Debt Service" means the sum of principal, amortization requirements (including premium, if any) and interest payments being or becoming due and payable by the state during any Airport Fiscal Year with respect to the Bonds including debt service coverage required pursuant to applicable provisions of the Indenture. The amount of coverage Properly Allocable shall be equivalent to ten percent (10%) of budgeted Air Carrier revenues from Terminal Building Rentals, Landing Fees, Baggage Claim Area Charges and Apron Rent determined in accordance with subdivisions (3) through (6) of subsection (i) of this section.

(7) "Apron Area" means the aircraft parking and maneuvering areas adjacent to the Terminal Building as designated by the Commissioner of Transportation. The term Apron Area

shall not include areas associated with Terminal Building(s), or portions thereof, which have been decommissioned by the Commissioner of Transportation in anticipation of demolition pursuant to the Capital Improvement Program.

(8) "Apron Area Rentals" means the rental fees imposed on the Signatory Airlines with respect to their use of the Apron Area as provided in subdivision (6) of subsection (i) of this section.

(9) "Baggage Claim Areas" means those portions of the Terminal Building and related facilities as designated by the Commissioner of Transportation providing for the collection, transport, handling and distribution of passenger baggage and related items.

(10) "Baggage Claim Area Charges" means the charges imposed on the Signatory Airlines with respect to their use of the Baggage Claim Areas as provided in subdivision (5) of subsection (i) of this section.

(11) "Bonds" means all debt obligations of the State of Connecticut, or of any agency, authority, commission or subdivision thereof, or of any public or private corporation, issued to finance (or issued to refund other obligations issued to finance) (A) the Construction Costs of the Capital Improvement Program, and (B) the Construction Costs of other Capital Improvements authorized by the State, including all outstanding Bradley International Airport General Airport Revenue Bonds including Series 2001A, Series 2001B and Series 2004 bonds and such additional General Airport Revenue Bonds and related financing agreements the State may issue or enter into in support of the Capital Improvement Program.

(12) "Capital Improvement" means for any Airport Fiscal Year, (A) any item purchased or constructed for use in the Airfield Area Cost Center or Apron Area Cost Center which has a useful life of five (5) years or more, or which can extend the useful life of any existing asset included within the Airfield Area Cost Center or Apron Area Cost Center for a period of five (5) years or more, and (B) any item purchased or constructed for use in the Terminal Building Cost Center which has a useful life of three (3) years or more, or which can extend the useful life of any existing asset included within the Terminal Building Cost Center for a period of three (3) years or more. The Construction Costs incurred with respect to the Capital Improvements shall be capitalized and thereafter amortized as Operating Expenses over the useful life of the items purchased or constructed.

(13) "Capital Improvement Budget" means the portion of the Airport Operating Budget reflecting Capital Improvement costs to be expensed during an Airport Fiscal Year, adopted in conjunction with the Airport Operating Budget for such Airport Fiscal Year.

(14) "Capital Improvement Program" means those expansions, improvements and renovations to the Bradley International Airport described in the most recent Airport Master Plan or Master Plan Update.

(15) "Construction Costs" means the necessary and desirable costs and expenses pertaining or incident to the acquisition or construction of Capital Improvements, including all costs and expenses of the Capital Improvement Program.

(16) "Cost Accounting System" means any accounting and financial management system(s) used by the State to allocate Bradley International Airport operating expenses, depreciation and amortization, and debt service to the Airport's Landing Area, Terminal Area and Apron Area cost centers including the collection, allocation and reporting of the capital expenditures, revenues, operating expenses, assets and liabilities of the State with respect to the Airport and its operations.

The Cost Accounting System shall be established and operated pursuant to generally accepted accounting principles consistently applied.

(17) "Cost Center" means any one of the Bradley International Airport cost areas identified in connection with the Cost Accounting System.

(18) "Gross Space" means all space within the Terminal Building, including but not limited to all leased, leasable and unassigned space and all public space. The extent of such space shall be determined utilizing "as built" drawings and physical measurements taken from inside dimensions of the exterior walls of the Terminal Building. The term Gross Space shall not include areas associated with Terminal Building(s), or portions thereof, which have been decommissioned by the Commissioner of Transportation in anticipation of demolition pursuant to the Capital Improvement Program.

(19) "Indenture" means the Trust Indenture Between State of Connecticut and State Street Bank and Trust Company (or its successor) as Trustee Dated as of March 1, 2001 relating to State of Connecticut Bradley International Airport General Airport Revenue Bonds, or such supplemental, replacement or additional indentures or related financing agreements as the State may enter into in undertaking the Capital Improvement Program or refunding the Bonds.

(20) "Landing Fees" means the fees imposed on the Signatory Airlines, Air Carriers and Users with respect to the operation of the Airfield Area, as provided in subdivision (4) of subsection (i) of this section , and based upon the Landing Fee coefficient, frequency factor and weight factor as described in such subdivision (4) of subsection (i) of this section.

(21) "Majority-in-Interest" as of any date means at least fifty percent (50%) in number of the Signatory Airlines which account for more than fifty percent (50%) of aggregate Revenue Aircraft Arrival weight landed at the Airport during the immediately preceding calendar year.

(22) "Maximum Landing Weight" means the maximum certified landing weight approved by the Federal Aviation Administration in accordance with 14 CFR 21 for aircraft landing at the Airport.

(23) "Operating Expense Budget" means the budget of Operating Expenses for an Airport Fiscal Year adopted in conjunction with the Airport Operating Budget, all as provided in subdivision (13) of subsection (i) of this section.

(24) "Operating Expenses" means the reasonable, necessary and verifiable current expenses of the state, paid or accrued in accordance with the Cost Accounting System in administering, operating, securing, maintaining, and repairing Bradley International Airport. Without limiting the generality of the foregoing, the term Operating Expenses shall include (A) costs of collecting Bradley International Airport revenues and of making any refunds therefrom lawfully due others; (B) engineering, audit reports, legal and other overhead expenses directly related to the administration, operation, maintenance and repair of the Bradley International Airport; (C) costs of salaries, wages and other compensation of officers and employees with respect to Bradley International Airport, including all legally required payments to pension, retirement, health and hospitalization funds and other insurance, including self-insurance, if any, for the foregoing; (D) costs of routine maintenance, repairs, replacements, renewals and alterations not constituting Capital Improvements occurring in the usual course of business, which may include expenses not annually recurring; (E) taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed on Bradley International Airport or any part thereof or on the operation

thereof, subject to any right the Airline may have to protest the same; (F) costs of utility services; (G) the costs and expenses of management services and general administrative overhead of the State allocable to Bradley International Airport; (H) costs of equipment, materials and supplies used in the ordinary course of Bradley International Airport business not constituting Capital Improvements, including ordinary and current rentals of equipment or other property; (I) costs of fidelity bonds, or a properly allocable share of the premium of any blanket bond, directly pertaining to Bradley International Airport its revenues or any other moneys held under the Indenture, as amended or supplemented from time to time, or required to be held or deposited thereunder; (J) costs of carrying out the provisions of the Indenture, as amended or supplemented from time to time to permit the acquisition and construction of Capital Improvements or the Capital Improvement Program, including trustee's and paying agent's fees and expenses, costs of insurance required thereby, or a properly allocable share of any premium of any blanket policy pertaining to the Airport or Airport revenues, and costs of recording, mailing and publication; (K) Annual Debt Service; (L) all other costs and expenses of administering, operating, maintaining and repairing the Airport arising in the routine and normal course of business including depreciation and amortization of Capital Improvements not funded with Bonds; (M) any costs and expenses related to the Airport required to be paid (and reserves required to be kept) in accordance with the Cost Accounting System; and (N) any other cost or expense permissible by applicable law, agreement or regulation. Operating Expenses shall not include depreciation on those facilities financed with Bonds or capital contributions.

(25) "Preferential Use Agreement" means an agreement between the State Department of Transportation and an Air Carrier providing for the use and occupancy of terminal and related areas at Bradley International Airport that distinguishes areas that may be used exclusively by such Air Carrier from areas that may be used on a preferred or common use basis with other Air Carriers.

(26) "Properly Allocable" or "Allocable" means properly allocable in accordance with the Cost Accounting System.

(27) "Revenue Aircraft Arrival" means the landing at the Airport of any and all aircraft owned, leased or operated by any Air Carrier or airline, that arrives at or departs from the Bradley International Airport with passengers, cargo or mail, including without limitation, all sightseeing trips, but specifically excluding (A) ferry, test, courtesy and inspection flights as permitted herein, for which no monetary consideration has been, will be or should be received by the Air Carrier in connection therewith, (B) re-arrivals of aircraft of anyone including the Signatory Airlines that, having previously departed from Bradley International Airport, have returned to Bradley International Airport for emergency or precautionary reasons, and (C) training flights; provided, however, that to the extent that the number of training flights operated by an Air Carrier during any calendar year exceeds five percent (5%) of the total number of Revenue Aircraft Arrivals of such Air Carrier during such calendar year, such excess shall be treated as Revenue Aircraft Arrivals.

(28) "Short Term Lease" means month to month term lease agreement between the state, through the Department of Transportation, and Air Carrier providing for the use and occupancy of the Airfield Area, Terminal Building and Apron Areas at Bradley International Airport.

(29) "Signatory Airlines" means all certificated Air Carriers providing scheduled passenger service at the Airport and occupying space within the Terminal Building under Short Term Leases or as subtenants thereof, and all air cargo carriers with direct agreements with the State Department

of Transportation providing for the development and use of cargo facilities at Bradley International Airport and sub-tenants thereof.

(30) "Terminal Building" means the Airport Terminal Building as it now exists and as it hereafter may be enlarged, improved or renovated, all as more fully described in the Airport Master Plan.

(31) "Terminal Building Rentals" means the rental fees imposed on the Signatory Airlines with respect to their use of Terminal Building facilities, as provided in subdivision (3) of subsection (i) of this section.

(32) "User" means with respect to Bradley International Airport facilities, any Signatory Airline and any other person or entity having the right to utilize such facilities by virtue of applicable law, regulation, a lease or other arrangement, but shall not include passengers, patrons, visitors or guests.

[a](b) **Landing area fees.** Landing area fees, as set forth on Exhibits A(1), A(2), and A(3) apply to all [business, corporate aircraft and all revenue producing] aircraft with the following exemptions:

(1) Air [carriers] Carriers under agreement with the State of Connecticut and operating from and to the airport in question;

(2) Aircraft either owned by or leased to and operated by a fixed base operator or a multiple services operator at the state airport which aircraft are covered by the operators agreement with the State;

(3) All aircraft operated by students on recognized cross-country training flights for a private or commercial pilot's certificate;

(4) All aircraft making use of the airport for official business with the Connecticut Department of Transportation, Bureau of Aeronautics;

(5) Non-revenue producing aircraft [as defined in Section 15-41-43 of the Regulations of Connecticut State Agencies] piloted by an individual holding a Recreational Pilot Certificate issued pursuant to 14 CFR 61.5(a)(1)(ii) or Private Pilot Certificate issued pursuant to 14 CFR 61.5(a)(1)(iii), respectively, and which is engaged in the exercise of Recreational Pilot privileges and limitations as defined in 14 CFR 101 or Private Pilot privileges and limitations as defined in 14 CFR 113;

(6) Any aircraft making use of the airport for maintenance or overhaul service by the fixed base operator or multiple services operator[.];

(7) All aircraft owned or operated by persons, corporations, partnerships or other entities or their affiliates who have lease or other agreements with the State for the use of State airports which lease or other agreements contain provisions that govern or exempt landing area use fees[.];

(8) Any aircraft making use of the airport for maintenance or overhaul service by persons, corporations or companies who have lease or other agreements with the State which aircraft have been manufactured by said persons, corporations or companies or their affiliates.

Exhibit A (1)

Landing Fees by Airport for all business, corporate, or revenue producing aircraft. See Notes 1 and 4.

FAA Approved Max. Landing Weight Class	Bradley International Airport Each Landing Area Use Fee See Note	Hartford-Brainard Groton-New London Oxford Each Landing Area Use Fee	Windham Danielson Each Landing Area Use Fee
Up to 5,999 lbs.	(2)	8.00	8.00
6,000 lbs. to 12,499 lbs.	(2)	8.00	8.00
12,500 lbs. to 24,999 lbs.	(2)	10.00	10.00
25,000 lbs. to 29,999 lbs.	(2)	12.00	12.00
30,000 lbs. to 39,999 lbs.	(2)	14.00	14.00
40,000 lbs. to 49,999 lbs.	(2)	16.00	16.00
50,000 lbs. to 74,999 lbs.	(2)	22.00	22.00
75,000 lbs. to 99,999 lbs.	(2)	30.00	30.00
100,000 lbs. to 129,999 lbs.	(2)	40.00	40.00
130,000 lbs. to 149,999 lbs.	(2)	45.00	45.00
150,000 lbs. to 199,999 lbs.	(2)	60.00	60.00
200,000 lbs. and up See Notes	(2)	(3)	(3)

NOTE: (1) Fees will be determined by weight listed in FAA type certificate data sheet.

(2) (a) The itinerant landing fees at Bradley International Airport for those [air carriers] Air Carriers which do not have written agreements with the State Department of Transportation or business, corporate or other revenue producing aircraft shall be levied at a 60% higher rate than the rates set forth in the executed long term agreements with [air carriers] Air Carriers which expire on June 30, 2011, and effective July 1, 2011, at a 60% higher rate than the rates established in accordance with subdivision (4) of subsection (i) of this section. [The] In either case, the Department of Transportation shall publish the itinerant rates not less than 30 days before the effective date of any new rates [with air carriers having said long term agreements with the State].

(b) Air [carriers] Carriers with agreements other than those expiring on June 30, 2011 will pay no more than 150% nor less than 110% of the rates applicable to those [air carriers] Air Carriers with agreements expiring on June 30, 2011. Each such agreement shall be negotiated with the State.

(c) Effective July 1, 2011, after expiration of said long term agreements with the State, all Landing Fees for Bradley International Airport will be established in accordance with subdivision (4) of subsection (i) of this section.

(3) Fifty cents per 1,000 lbs. Certified Maximum Gross Landing Weight.

(4) Aircraft requiring services from the State not normally available at the airport or after normal working hours will be billed for the direct costs of the required services. These fees can be obtained from the airport manager and the required services should be arranged for at least 8 hours in advance.

Exhibit A (2)

Use of the international facilities at Bradley International Airport by supplemental, charter, international and diversion flights and all [air carriers] Air Carriers using the international facility that do not have agreements with the State Department of Transportation. See Notes (1), (2) and (3).

FAA Approved Max. Landing Weight	Landing Fee	Ramp Gate Area Use & Facility Charge Arrive or Depart	Ramp Gate Area Use & Facility Charge Arrive and Depart
12,000 lbs. or less	See A (1)	$ 25.00	$ 40.00
Over 12,500 lbs. but less than 50,000 lbs.	See A (1)	40.00	50.00
50,000 -- 99,999 lbs.	See A (1)	270.00	355.00
100,000 lbs. - 149,999 lbs.	See A (1)	320.00	410.00
150,000 lbs. - 249,999 lbs.	See A (1)	410.00	540.00
250,000 lbs. - 349,999 lbs.	See A (1)	480.00	670.00
350,000 lbs. - 499,999 lbs.	See A (1)	570.00	760.00
500,000 lbs. and up	See A (1)	670.00	890.00

NOTE: (1) Fees will be determined by weight listed in FAA type certificate data sheet.

(2) All International arrivals will use International facilities.

(3) Ramp gate area & facility charge arrive and depart -- shall be charged when inbound flights depart with new outbound passenger load.

Exhibit A (3)

Use of international facilities, Bradley International Airport. See Notes (1), (2), (3) and (4).

Fees for [carriers] Air Carriers with agreements at Bradley International Airport that are required to use the international facilities for international flights.

FAA Approved Max. Landing Weight	Landing Fee	Ramp Gate Area Use & Facility Charge Arrive or Depart	Ramp Gate Area Use & Facility Charge Arrive and Depart
12,500 lbs. or less	Per Lease Agreement	$ 16.00	$ 35.00
Over 12,500 lbs. but less than 49,999 lbs.	Per Lease Agreement	24.00	50.00
50,000 -- 99,999 lbs.	Per Lease Agreement	242.00	400.00
100,000 lbs. - 149,999 lbs.	Per Lease Agreement	258.00	460.00
150,000 lbs. - 249,999 lbs.	Per Lease Agreement	338.00	520.00
250,000 lbs. - 349,999 lbs.	Per Lease Agreement	443.00	600.00
350,000 lbs. - 499,999 lbs.	Per Lease Agreement	483.00	690.00
500,000 lbs. and up	Per Lease Agreement	564.00	770.00

NOTE: (1) Fees will be determined by weight listed in FAA type certificate data sheet.

(2) All International arrivals will use the International facilities.

(3) Domestic and international [air carriers] Air Carriers that lease space in, or enter preferential use agreements for, the international facilities will be exempt from the exhibit A (3) schedule, but will be required to pay fees according to the terms of their specific lease or preferential use agreement. All other [air carriers] Air Carriers with lease agreements must conform to exhibit A (3).

(4) Ramp gate area use and facility charge arrive and depart -- shall be charged when inbound flights depart with new outbound passenger load.

[(b)(c) **Parking area use fee (short term) Bradley International Airport.**

See Note (1), (2) and (3).

Weight Class	Business, Corporate or Revenue Producing Aircraft 24 Hour Rate or Fraction Thereof	Non-Revenue Producing Aircraft 24 Hour Rate or Fraction Thereof
Up to 5,000	$ 20.00	$ 17.00
5,000 to 12,500	$ 35.00	$ 30.00
12,500 to 25,000	$ 50.00	$ 40.00
25,000 to 30,000	$ 75.00	$ 50.00
30,000 to 40,000	$ 100.00	$ 60.00
40,000 to 50,000	$ 125.00	$ 70.00
50,000 to 60,000	$ 150.00	$ 80.00
60,000 to 70,000	$ 175.00	$ 90.00
over 70,000	$ 200.00	$ 100.00
All Helicopters	$ 40.00	$ 35.00
		(1)

NOTE: (1) All non-revenue aircraft up to 5,000 lbs. -- one hour free parking.

(2) Air [carriers] Carriers with long term agreements with the State, which expire on June 30, 2011 shall be allowed parking away from their gates without a fee for up to 24 hours, or in the event of a mechanical problem.

(3) Effective July 1, 2011, Air Carriers requiring parking away from their gates shall enter into agreement with the State Department of Transportation providing for same. In the absence of such agreement, the parking area use fee (short term) for Bradley International Airport stated in the above exhibit will apply.

[(c)](d) **Parking area use fee (long term--one month or more) Bradley International Airport.**

Monthly parking rate for non-revenue producing aircraft.

	Monthly Rate Per Plot	
Weight Class	**Unpaved**	**Paved**
Up to 5,000	$ 65.00	$ 75.00
5,000 to 12,500	75.00	105.00
12,500 to 25,000	105.00	145.00
25,000 to 30,000	125.00	175.00
30,000 to 40,000	145.00	205.00
40,000 to 50,000	175.00	235.00
50,000 to 60,000	210.00	260.00

60,000 to 70,000	325.00	375.00
Over 70,000	475.00	625.00
All helicopters	100.00	150.00

[d](e) **Parking area use fee (long-term--one month or more) Hartford-Brainard, Oxford, Groton-New London, Windham, Danielson Airports**

Monthly parking rate for non-revenue producing aircraft.

	Monthly Rate Per Plot			
	Hartford-Brainard Oxford Groton-New London		Danielson Windham	
Weight Class	Unpaved	Paved	Unpaved	Paved
Up to 5,000	$ 40.00	$ 55.00	$ 25.00	$ 40.00
5,000 - 12,500	50.00	75.00	30.00	50.00
12,500 - 25,000	60.00	85.00	40.00	60.00
25,000 - 30,000	75.00	100.00	50.00	75.00
30,000 - 40,000	90.00	115.00	55.00	85.00
40,000 to 50,000	105.00	140.00	65.00	95.00
Over 50,000	130.00	165.00	75.00	105.00

[(e)] (f) **Parking area use fee (short-term) Hartford-Brainard, Groton-New London, Waterbury-Oxford, Windham, Danielson Airports.**

	24-Hour Rate or Fraction Thereof	
	Hartford-Brainard Oxford	Danielson
Weight Class	Groton-New London	Windham
Up to 5,000	$ 7.00	$ 5.00
5,000 to 12,500	8.00	6.00
12,500 to 25,000	10.00	7.50
25,000 to 30,000	12.00	10.50
30,000 to 40,000	18.00	15.00
40,000 to 50,000	20.00	16.50
Over 50,000	28.00	25.00
All Helicopters	15.00	10.00

[(f)](g) **Ramp gate area limitations.** Aircraft will use designated gate parking positions for the unloading or loading of passengers and/or cargo and are subject to parking limitations as follows:

(1) If a combination of unloading and loading passengers and/or cargo--one hour.

(2) If only unloading passengers and/or cargo--40 minutes.

(3) If only loading passengers and/or cargo--40 minutes.

(4) Penalties--The operator of said aircraft shall be charged for parking at said locations at the rate of $ 70.00 for each thirty minutes or fraction thereof beyond the period provided for in subdivisions (1), (2) and (3) of subsection (f) of this section unless an extension of time is granted by the commissioner or his designated representative.

[(g)](h) **Aircraft refueling diversions**--Bradley International Airport. Air [carriers] Carriers using aircraft in the over 90,000 pound gross landed weight category and not having an agreement with the State Department of Transportation will be charged $ 350.00 for ramp space during the refueling process plus applicable landing fees. (see Exhibit A (1)).

Air [carriers] Carriers using aircraft in the 0--90,000 pound gross landed weight category and not having an agreement with the State Department of Transportation will be charged $ 200.00 for ramp space during the refueling process plus applicable landing fees (see Exhibit A (1)).

(NEW) (i) **Rates and Charges for use of Bradley International Airport effective July 1, 2011.**

(1) The State shall not consent to a hold over tenancy of any Air Carrier under the terms of the Air Carrier Operating Agreement between the State and certain Signatory Airlines expiring June 30, 2011 (Signatory Agreement). Effective July 1, 2011, each Air Carrier providing scheduled passenger service at Bradley International Airport shall be permitted to enter into short term (month to month) lease agreements with the State, through its Department of Transportation, providing for the use and occupancy of the Airfield Area, Terminal Building and Apron Areas it occupies as of that date, or at the discretion of the Commissioner of Transportation, such other areas designated by the Commissioner of Transportation, hereinafter the "Short Term Lease". The rents, fees and charges due under such Short Term Lease shall be as set forth in subsection (i) of this section, and such rents, fees and charges, and budget development procedures set forth in subdivision (12) and (13) of subsection (i) shall remain in effect until such time as the State and the Air Carriers agree to terms, including appropriate rents, fees and charges for said areas, and execute new Preferential Use Agreements.

(2) Air Carriers providing scheduled passenger service at Bradley International Airport pursuant to the Short Term Lease shall pay the Terminal Building Rentals, Landing Fees, Baggage Claim Area Charges, Apron Area Rentals, Jet Bridge, Baggage Conveyor and Tenant Fit Out charges set forth below. Upon execution of the Preferential Use Agreements to include Terminal Building Rentals, Landing Fees, Baggage Claim Area Charges, Apron Area Rentals, Jet Bridge, Baggage Conveyor and Tenant Fit Out charges, said Preferential Use Agreements shall be controlling and subsection (i) of this section shall have no force or effect.

(3) Terminal Building Rentals.

(A) In establishing Terminal Building Rentals with respect to each Airport Fiscal Year, the State shall divide Gross Space into total budgeted Operating Expenses Properly Allocable to the Terminal Building Cost Center for such year, and the resulting value shall be multiplied by a factor of 1.10 to determine a cost per square foot of Gross Space in the Terminal Building, provided, however, that the rate for major functional sub-components of the Terminal Building including, but not limited to unit terminals, concourses, gate areas and areas occupied exclusively by the Signatory Airlines, as determined by the Commissioner of Transportation, may include the Annual Debt Service incurred with respect to the Construction Cost of such sub-components as determined by

the Commissioner of Transportation and provided further that Annual Debt Service incurred with respect to the Construction Cost of such sub-components as may be decommissioned by the Commissioner of Transportation in anticipation of demolition pursuant to the Capital Improvement Program shall be Properly Allocable to the sub-components that remain in use. The applicable cost per square foot so calculated shall be multiplied by the total Terminal Building space to be occupied and used by each Signatory Airline during such year in order to determine the Terminal Building Rentals due from each Signatory Airline.

(B) Effective July 1, 2011, any Air Carrier or User that has a written agreement with the State Department of Transportation referring to the Signatory Agreement as the basis upon which terminal building rental rates are computed under the terms of such agreement shall pay the Terminal Building Rentals in accordance with subdivision (1) of subsection (i).

(4) Landing Fees.

(A) The Landing Fees payable by each Signatory Airline shall be determined by multiplying the Landing Fee coefficient defined below for the then current Airport Fiscal Year times the Signatory Airline's total landed weight at Bradley International Airport (i.e., the total Revenue Aircraft Arrivals times Maximum Landing Weight for each such arrival). The Landing Fee coefficient for each Airport Fiscal Year shall be calculated as follows, based on the estimated figures included in the Airport Operating Budget for such Airport Fiscal Year:

(i) Total aircraft arrivals for all Signatory Airlines shall be stated as a percentage of total aircraft arrivals for all Users of the Airport (the "frequency factor");

(ii) Total gross landed weight (i.e., total aircraft arrivals times Maximum Landing Weight for each such arrival) for all Signatory Airlines shall be stated as a percentage of total gross landed weight for all Users of the Airport (the "weight factor");

(iii) The total costs and expenses properly allocable to the Airfield Area Cost Center under the Airport Operating Budget shall be multiplied by the expression [.35 x weight factor + .65 x frequency factor], to arrive at the Signatory Airlines' total share of such costs and expenses Allocable Cost");

(iv) The allocable cost shall be divided by the total landed weight for all Signatory Airlines and the resulting value multiplied by a factor of 1.10 to arrive at the Landing Fee coefficient.

(B) Mid Year Adjustment Provision. If, in any Airport Fiscal Year, actual Landing Fees received shall be at least 10% lower than the amount budgeted therefore for the period ending October 31st, then the Commissioner shall adjust the Landing Fee coefficient determined above by such amount as may be necessary to correct such shortfall in Landing Fees. Any adjusted Landing Fee coefficient shall be effective as of January 1st during such fiscal year.

(C) Itinerant Landing Fees. Unless otherwise stated in a written agreement with the State Department of Transportation, all Air Carriers and Users that are not Signatory Airlines shall pay Itinerant Landing Fees. Itinerant Landing Fees shall be established at Bradley International Airport for those Air Carriers which do not have Short Term Leases or Preferential Use Agreements with the State Department of Transportation. Itinerant Landing Fees shall be levied at a 60% higher rate than the rates set forth in subdivision (4) of subsection (i) of this section.

(D) Effective July 1, 2011, any Air Carrier or User that has a written agreement with the State Department of Transportation referring to the Signatory Agreement as the basis upon which

landing fees are computed under the terms of such agreement shall pay the applicable landing fee in accordance with subdivision (4) of subsection (i) of this section.

(5) Baggage Claim Area Charges. The total Baggage Claim Area Charges for each Baggage Claim Area shall be determined by multiplying the total square footage of such Baggage Claim Area times the cost per square foot of Gross Space calculated pursuant to subdivision (3) of subsection (i) Each Signatory Airline shall be responsible for a share of such costs allocable to each Baggage Claim Area which it utilizes based on the following formula: Twenty percent (20%) of the total costs allocable to each such Baggage Claim Area shall be divided equally among all Users of such Baggage Claim Area and the remaining eighty percent (80%) of such costs shall be allocated to such Users in proportion to the number of enplaning passengers attributable to each User as a percentage of the total number of enplaning passengers attributable to all Users, for the preceding month.

(6) Apron Area Rentals. In establishing Apron Area Rental rates with respect to each Airport Fiscal Year, the state shall divide the total linear feet of the Apron Area, measured along a line located one hundred feet (100') perpendicularly from the face of the Terminal Building, into the total Operating Expenses properly allocable to the Apron Area Cost Center for such Airport Fiscal Year, and the resulting value shall be multiplied by a factor of 1.10 to determine a cost per linear foot of Apron Area space. Annual Debt Service incurred with respect to the Construction Cost of Apron Area decommissioned by the Commissioner of Transportation in anticipation of demolition pursuant to the Capital Improvement Program shall be Properly Allocable to the Apron Area that remains in use. The cost per linear foot so calculated shall be multiplied by the total linear feet of Apron Area to be used by each Signatory Airline during such Airport Fiscal Year.

(7) Jet Bridge Charges. Each Signatory Airline occupying a jet bridge funded by the Airport's Series 2001 A General Airport Revenue Bonds shall pay to the State a Properly Allocable share of the debt service payments associated with such Series 2001 A General Airport Revenue Bonds ("Jet Bridge Charges"). Unless otherwise agreed in writing between the Commissioner of Transportation and a Signatory Airline, in establishing the annual Jet Bridge Charges, the state shall divide the total debt service Properly Allocable to the cost of acquiring and installing such jet bridges over the term of the Series 2001 A Bonds by a thirteen (13) year term for the collection of such debt service, the annual charge so calculated to remain in effect until such total debt service payments have been fully collected. In addition to such Jet Bridge Charges, each Signatory Airline shall pay the direct cost of electric service provided to all jet bridges at the Airport and the direct cost of all repair and maintenance service provided by the Airport for such jet bridges ("additional Jet Bridge Charges").

(8) Baggage Conveyor Charges. Each Signatory Airline using the baggage conveyor system funded by the Airport's Series 2001 A General Airport Revenue Bonds shall pay to the state a Properly Allocable share of the debt service payments associated with such Series 2001 A General Airport Revenue Bonds ("Baggage Conveyor Charges"). Unless otherwise agreed in writing between the Commissioner of Transportation and a Signatory Airline, in establishing the total annual Baggage Conveyor Charges, the state shall divide the total debt service payments Properly Allocable to the cost of acquiring and installing the baggage conveyor systems due over the term of the Series 2001 A Bonds by a thirteen (13) year term for the collection of such debt service, the annual charge so calculated to remain in effect until such total debt service payments have been

fully collected. Each Signatory Airline shall be responsible for a share of such total Baggage Conveyor Charges based on the formula outlined in subdivision (5) of subsection (i) In addition to such Baggage Conveyor Charges, each Signatory Airline shall pay its proportionate share, based on the formula outlined in subdivision (5) of subsection (i), of the direct cost of all repair and maintenance service provided by the Bradley International Airport for baggage conveyor systems ("additional Baggage Conveyor Charges").

(9) Tenant Fit Out Charges. Each Signatory Airline occupying exclusive space, the finish and fit out of which was funded by Bradley International Airport's Series 2001A General Airport Revenue Bonds, shall pay to the state a Properly Allocable share of the debt service payments associated with such Series 2001A General Airport Revenue Bonds ("Tenant Fit Out Charges"). Unless otherwise agreed in writing between the Commissioner of Transportation and a Signatory Airline, in establishing the annual Tenant Fit Out Charges, the state shall divide the total debt service payments Properly Allocable to the cost of such finish and fit out work due over the term of the Series 2001 A Bonds by a fifteen (15) year term for the collection of such debt service, the annual charge so calculated to remain in effect until such total debt service payments have been fully collected.

(10) Monthly Payments and Reports.

(A) Each Signatory Airline shall pay to the state on the first (1st) day of each month in advance the Terminal Building Rentals, Apron Area Rentals, Jet Bridge Charges and Tenant Fit Out Charges payable to the State, in an amount equal to one-twelfth (1/12) of its annual charge for the current Airport Fiscal Year.

(B) Each Signatory Airline shall pay to the State on the fifteenth (15) day of each month, in arrears, the preceding month's Landing Fees. Such landing fee payment shall be transmitted along with a report including (i) the Revenue Aircraft Arrivals by type of aircraft and (ii) the number of enplaning passengers, for such preceding month. In addition, not less than one hundred and twenty (120) days prior to the commencement of each Airport Fiscal Year, each Signatory Airline shall provide the State with an estimate of its total landed weight for the next ensuing Airport Fiscal Year.

(C) Each Signatory Airline shall pay to the State, upon invoicing by the state each month in arrears, the preceding month's Baggage Claim Area Charges, Baggage Conveyor Charges and additional Baggage Conveyor Charges. Said charge shall be computed by the state based on the number of enplaning passengers included in each Signatory Airline's monthly report required under subparagraph (B) of subdivision (10) of subsection (i) of this section. In the event that figures as to the number of enplaning passengers for any month are unavailable then the state may compute the Baggage Claim Area Charges, Baggage Conveyor Charges and additional Baggage Conveyor Charges based on the number of enplaning passengers for the most recent month for which certified figures are available.

(D) Each Signatory Airline shall pay to the state, upon invoicing by the state each month in arrears, the preceding month's additional Jet Bridge Charges.

(E) Acceptance of any payment due to the state shall not preclude the state from questioning the accuracy of any data submitted by any Signatory Airline. The state shall be entitled, upon reasonable notice, to examine that portion of the books and records of any Signatory

Airline as is relevant for the purpose of ascertaining the correctness of the amount paid or to be paid to the state.

(F) If any Signatory Airline shall fail to make any payment due not less than thirty (30) days after the date due and payable, then a late penalty at the rate of one and one-half percent (1½%) per month for any month or part of a month shall be due and payable on the amount in arrears. Payments received when an arrearage exists shall be applied first to payment of the late penalty imposed under subparagraph (F) of subdivision (10) of subsection (i) of this section, then to payment of arrearages, and finally to the payment of current obligations.

(G) Each Signatory Airline shall make all payments to the state by check made payable to the "Treasurer, State of Connecticut" and addressed to the Connecticut Department of Transportation, Bureau of Finance & Administration, Revenue Accounting, Aviation & Ports, 2800 Berlin Turnpike, PO Box 317546, Newington, Connecticut 06131-7546.

(11) Annual Carry Forward of Expense Surpluses and Deficits. If in any Airport Fiscal Year the state shall fail through the imposition of the rates, rents, fees and charges provided for hereunder to recover the full amount of the actual Operating Expenses Properly Allocable to the Signatory Airlines during such Airport Fiscal Year on account of their use of the facilities of Bradley International Airport, then the state shall be entitled to carry forward the amount of this deficit as an additional item of allocable cost in computing the schedule of rates, rents, fees and charges for the Airport Fiscal Year following the Airport Fiscal Year during which the final Airport Audit is received which reflects such deficit. Conversely, if in any Airport Fiscal Year the state shall recover through the imposition of the rates, rents, fees and charges provided for hereunder actual revenues exceeding the full amount of the actual Operating Expenses properly allocable to the Signatory Airlines during such Airport Fiscal Year on account of their use of the facilities of Bradley International Airport, then the state shall be required to carry forward the amount of this surplus as an offset to allocable costs in computing the schedule of rates, rents, fees and charges for the Airport Fiscal Year following the Airport Fiscal Year during which the final Airport Audit is received which reflects such surplus.

(12) Capital Improvements Subject to Majority-in-Interest Approval.

(A) Subject to the provisions of Section 15-101nn of the General Statutes, the state may take into account all Properly Allocable costs and expenses incurred in effecting Capital Improvements at the Bradley International Airport in determining the schedule of rates, rents, fees and charges applicable to the Signatory Airlines; provided, however, that no such cost or expense shall be charged to the Signatory Airlines unless such Capital Improvements are approved as part of the procedure for Adoption of Airport Operating Budget outlined in subdivision 13 of subsection (i) of this section. The state shall provide formal notification of proposed Capital Improvements including a description of such proposed Capital Improvement (including preliminary drawings and cost estimates), a brief statement of the need for such expenditure, the allocation of the Construction Cost of such Capital Improvement to the various Cost Centers, and a projection of the impact of such Capital Improvement on the rates, rents, fees and charges assessed to the Signatory Airlines. The following shall not be subject to approval by the Signatory Airlines:

(i) Capital Improvements included in the approved Capital Improvement Program;

(ii) Capital Improvements required by law, including without limitation public safety improvements required by (1) the FAA or (2) any similar governmental authority having jurisdiction over the operations of the Airlines or over the safety aspects of airports generally;

(iii) The repair and rehabilitation of existing Airport property including casualty damage to Airport property;

(iv) When requested by a Signatory Airline or by a financially responsible third party, a special facility which such Signatory Airline or third party has agreed in writing to lease from the state and with respect to which such Signatory Airline or third party will pay rentals to the State sufficient to permit the special facility to be acquired, constructed, renovated, remodeled, administered, operated, maintained and repaired without affecting the Operating Expenses allocable to the Signatory Airlines;

(v) Any Capital Improvement to the Airfield Area Cost Center and Apron Area Cost Center, not included in the then applicable Airport Operating Budget, the cost of which does not exceed $250,000, provided that the aggregate cost of Capital Improvements undertaken pursuant to this subparagraph shall not exceed $500,000 in any Airport Fiscal Year;

(vi) Any Capital Improvement to the Terminal Building Cost Center, not included in the then applicable Airport Operating Budget, the cost of which does not exceed $75,000, provided that the aggregate cost of Capital Improvements undertaken pursuant to this subparagraph shall not exceed $150,000 in any Airport Fiscal Year;

(vii) Any passenger terminal and associated facilities and systems which are prudent and necessary to accommodate any additional airline company at the Airport.

(B) The State shall consult with the Signatory Airlines prior to undertaking any Capital Improvement under subparagraph (A)(i) through (A)(vii) but no approval of any Signatory Airline shall be required as a condition precedent thereto.

(13) Adoption of Airport Operating Budget.

(A) Not less than ninety (90) days prior to the beginning of each Airport Fiscal Year, the state shall provide each Signatory Airline with a copy of its proposed Airport Operating Budget for such ensuing Airport Fiscal Year, which proposed Airport Operating Budget shall incorporate (i) details of operating and non operating revenues and expenses including any carry forward of surplus or deficit required under subdivision (11) of subsection (i); (ii) a schedule of rates, rents, fees and charges for such Airport Fiscal Year; (iii) estimates made by the state of total arrivals, total Revenue Aircraft Arrivals and total enplaning passengers for each Signatory Airline and for all Users, for such Airport Fiscal Year; and (iv) a schedule of Capital Improvements subject to or not subject to Majority-In-Interest approval including the information outlined in subdivision (12) of subsection (i) of this section.

(B) The Signatory Airlines shall review such proposed Airport Operating Budget and provide their comments to the State not less than sixty (60) days prior to the beginning of the ensuing Airport Fiscal Year. In connection with such review, the state shall provide each of the Signatory Airlines with such reasonably detailed figures and estimates as they may request which serve as the basis for the proposed Airport Operating Budget and such schedule of rates, rents, fees and charges.

(C) Not less than forty-five (45) days prior to the beginning of each Airport Fiscal Year, the Signatory Airlines shall vote to approve or disapprove of the Airport Operating Budget. A

Signatory Airline shall be deemed to have approved of the Airport Operating Budget in the absence of written disapproval provided to the Commissioner. If, within such forty-five (45) days, a Majority-in-Interest of the Signatory Airlines does not approve of the Airport Operating Budget, then such Signatory Airline or Airlines shall be entitled to meet with the Commissioner of Transportation to discuss such disagreement.

(D) Subject to the provisions of Section 15-101nn of the General Statutes, if, after a meeting held pursuant to subparagraph (C) of subdivision (13) of subsection (i) of this section, a Majority-in-Interest of the Signatory Airlines does not approve the resulting proposed Airport Operating Budget not less than thirty-five (35) days prior to the beginning of the Airport Fiscal Year, the Commissioner of Transportation may do one of the following:

(i) adjust the Airport Operating Budget including rates, rentals, fee and charges to a point where a Majority-in-Interest of the Signatory Airlines approve; or

(ii) adopt said Airport Operating Budget including rates, rentals, fees and charges, which shall be fully effective under regulation, and collected from the Signatory Airlines, and in such event, the Signatory Airlines may pursue their rights, if any, to any remedies they may have, and to protest, under applicable law, said rates, rentals, fees and charges.

Statement of Purpose: To establish an interim regulation addressing the budget and airline rate development process for Bradley International Airport. The current process is outlined in a thirty year old Air Carrier Operating Agreement that expires June 30, 2011. The interim regulated process would remain in effect only while the Department negotiates a new agreement with the airlines. The interim regulation would provide initial improvements to the operation of the Airport by providing a level playing field for all airlines that serve the airport, and create a stable fiscal environment consistent with current industry practice and federal criteria while the new agreement is being negotiated. The following fees would be established in the regulation:

Terminal Building Rentals – The regulation provides for the establishment, annually, of Terminal Building Rentals on the basis of Operating Expenses allocable to the Terminal Building Cost Center and Gross Space available within the terminal. The regulation establishes Terminal Building Rentals for airlines as well as other occupants of the terminal that were previously subject to terminal rents developed under the terms of a certain Air Carrier Operating Agreement at Bradley International Airport that expires June 30, 2011.

Landing Fees - The regulation provides for the establishment, annually, of Landing Fees on the basis of total costs and expenses allocable to the Landing Area Cost Center under the Airport Operating Budget, and the Landing Fee coefficient. It provides for a mid-year adjustment of Landing Fees under certain circumstances. The regulation further provides that Air Carriers and Users that are not Signatory Airlines as defined under the regulation will pay Itinerant Landing Fees at a rate that is 60% higher than the established Landing Fee.

Baggage Claim Area Charges - The regulation provides for the establishment, annually, of Baggage Claim Area Charges on the basis of the established Terminal Building Rentals, the square footage of Bag Claim Area and method of allocation among airlines.

Apron Area Rentals - The regulation provides for the establishment, annually, of Apron Area Rentals on the basis of Operating Expenses allocable to the Apron Area Cost Center, and the linear feet of Apron Area.

Jet Bridge Charges - The regulation provides for the establishment, annually, of Jet Bridge Charges on the basis of total debt service payments associated with acquiring and installing jet bridges over the term of applicable Bonds based on a thirteen year collection period.

Baggage Conveyor Charges - The regulation provides for the establishment, annually, of Baggage Conveyor Charges on the basis of the total debt service payments associated with acquiring and installing baggage conveyor systems over the term of applicable Bonds based on a thirteen year collection period and method of allocation among airlines.

Tenant Fit Out Charges - The regulation provides for the establishment, annually, of Tenant Fit Out Charges on the basis of the total debt service payments associated with the fit and finish of exclusive airline space over the term of applicable Bonds based on a thirteen year collection period.

Carry Forward of Surpluses and Deficits – The regulation provides for annual analysis of budget versus actual costs and expenses charged to the Terminal, Apron and Landing Area Cost Centers and adjustment of fees as appropriate based on annual surpluses or deficits experienced.

Capital Improvements Subject to Airline Approval – The regulation provides an airline consultation process for Capital Improvements proposed by the Department to be undertaken at Bradley International Airport. Certain Capital Improvements are subject to airline approval pursuant to procedures specified in the regulation.

Adoption of Operating Budget - The regulation provides an airline consultation process for the annual Operating Budget proposed by the Department for Bradley International Airport.

CERTIFICATION

Be it known that the foregoing *(check one)* ☒ Regulations ☐ Emergency Regulations

are *(check all that apply)* ☐ Adopted ☒ Amended as hereinabove stated ☐ Repealed

by the aforesaid agency pursuant to section(s) 15-41 & 15-101m **of the *General Statutes* and/or Public Act number(s) ___, after publication of notice of intent in the *Connecticut Law Journal* on** October 26, 2010, **and the holding of an advertised public hearing on** November 30, 2010;

WHEREFORE, the foregoing regulations are hereby *(check all that apply)*

☐ Adopted ☒ Amended as hereinabove stated ☐ Repealed

EFFECTIVE: *(check one, and complete as applicable)*

☒ When filed with the Secretary of the State

OR ☐ *(insert date)* _____

In Witness Whereof:	DATE 12/2/10	SIGNED *(Head of Board, Agency or Commission)* Jeffrey M. Parker, Robert A. Martin for	OFFICIAL ~~TITLE,~~ DULY AUTHORIZED Commissioner

***APPROVED** by the **Attorney General** as to legal sufficiency in accordance with CGS Section 4-169, as amended*

DATE 12/16/10	SIGNED *(Attorney General or AG's designated representative)* Joseph Rubin	OFFICIAL TITLE, DULY AUTHORIZED Assoc Atty Gen'l

Or ☐ ***DEEMED APPROVED** by the **Attorney General** in accordance with CGS Section 4-169, as amended, due to failure to give notice to the agency of any legal insufficiency within thirty (30) days of the receipt of the proposed regulation.*

DATE	SIGNED *(Head of Board, Agency or Commission)*	OFFICIAL TITLE, DULY AUTHORIZED

(For Regulation Review Committee Use ONLY)

☐ Approved ☐ Rejected without prejudice

☐ Approved with technical corrections ☐ Disapproved in part, *(Indicate Section Numbers disapproved only)*

☐ Deemed approved
pursuant to CGS 4-170(c) as amended

By the Legislative Regulation Review Committee in accordance with CGS Section 4-170, as amended	DATE	SIGNED *(Administrator, Legislative Regulation Review Committee)*

Two certified copies received and filed and one such copy forwarded to the Commission on Official Legal Publications in accordance with CGS Section 4-172, as amended.

DATE	SIGNED *(Secretary of the State)*	BY

INSTRUCTIONS

1. All regulations proposed for adoption, amendment or repeal, *except* emergency regulations, must be presented to the Attorney General for his/her determination of legal sufficiency. (See CGS Section 4-169.)

2. After approval by the Attorney General, original and eighteen (18) copies of all regulations proposed for adoption, amendment or repeal must be presented to the standing Legislative Regulation Review Committee for its action. (See CGS Section 4-170.)

3. Each proposed regulation must be in the form intended for publication and each section must include the appropriate regulation section number and section heading. (See CGS Section 4-172.)

4. New language added to an existing regulation must be in underlining or CAPITAL LETTERS, as determined by the Regulation Review Committee. (See CGS 4-170(b).)

5. Language to be deleted must be enclosed in brackets [ ]. (See CGS 4-170(b).)

6. A new regulation or new section of a regulation must be preceded by the word "(NEW)" in capital letters. (See CGS Section 4-170(b).)

7. The proposed regulation must have a statement of its purpose following the final section of the regulation. (See CGS Section 4-170(b).)

8. Additional information regarding rules and procedures of the Legislative Regulation Review Committee can be found on the Committee's web site: http://www.cga.ct.gov/rr/ .

9. A copy of the Legislative Commissioners' Regulations Drafting Manual is located on the LCO website at http://www.cga.ct.gov/lco/LCODraftRegu.asp .