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THE ASSOCIATION FOR THE PARKING INDUSTRY

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January 22, 2002

Dockets Management System  
U.S. Department of Transportation  
Room Plaza 401  
400 Seventh Street, SW  
Washington, DC 20590

Re: Docket No. FAA-2001-11172 -5

Dear Ladies and Gentlemen:

We are responding to your request for comments on the proposal "to Establish Procedures and Requirements for Reimbursement of Airports, On-Airport Parking Lots and Vendors of On-Airfield Direct Services to Air Carriers for Security Mandates."

The National Parking Association represents more than 1,200 members of the parking-services industry in North America. Members include both private and public operators of parking facilities, as well as suppliers of goods and services to the industry. That industry in total employs approximately one million workers and generates \$30 billion a year in revenue. Our private-sector members provide the vast majority of parking services at U.S. airports.

Our members have suffered material financial hardships as a result of formal and informal security mandates and directives from the F.A.A. and other federal agencies since the terrorist attacks of Sept. 11, 2001. Everyone in the air travel industry suffered lost revenue and higher costs as a result of those terrorist attacks. But the ongoing fight for airport security puts unique financial hardships on parking-facility operators. Security measures adopted since Sept. 11, for instance, have forced the removal of premium parking spaces from our

members' inventories. This property has been taken from our members by government action with no compensation. Many travel-related firms have lost business due to new, added and revised security requirements. But no others have had property taken from them. Research by the Airports Council International indicate this taking of property for security reasons could cost parking-facility operators \$200 million from Sept. 11, 2001 through September 2002. It is unlikely these requirements will be eased—and our members' property returned—in that time.

Our members' financial hardships could be mitigated if airport operators adjusted the agreements under which parking services are provided. The proposed rule calls for airports seeking reimbursement to certify that they have consulted with airport tenants on this point. To date, airports have made few adjustments to agreements with our members. Operating agreements for airport parking facilities can be in the form of a lease, a concession agreement or a management agreement. These agreements make the parking-facility operator responsible for significant operating expenses, such as labor, insurance, utilities and transportation costs. With no adjustments made or forthcoming, parking-facility operators now bear the burden of paying these costs and increased security expenses despite the fact that premium portions of their inventories have been taken from them.

We have cooperated fully with airport operators, the F.A.A. and other federal agencies in addressing security concerns since Sept. 11. Those concerns require everyone involved in air travel to accept some hardship and loss. Our members simply seek to be treated equitably and fairly as the government makes reimbursement for security costs. The following changes must be made to ensure fair and equitable treatment.

In Part 154, Subpart A, Section 154.3--Definitions, revise the terms "allowable cost" and "direct costs" to include those costs suffered as the result of losses of property due to new, additional or revised security requirements. Include in these the loss of premium parking spaces to restrictions



on parking within 300 ft. of airport terminals, whether the parking facility is on the airport or not. Again, this property has been taken from our members by government action with no compensation, and with no relief from operational and security expenditures.

This property could be restored to our members if vehicles using the spaces within 300 feet of airport terminals are limited in size and are inspected upon entry to the parking facility. But airport operators make the decision to inspect or to keep those spaces closed. They often do so without consulting the parking facility operator. So this matter remains beyond the control of our members, the parking facility operators, despite the fact that it keeps a key portion of their inventories out of service.

In addition, revise in Part 154.3 the terms “allowable cost” and “direct costs” to include quantifiable costs incurred for the reasonable, safe and secure transportation of travelers who are forced to use more remote parking because parking spaces nearer the terminal are closed.

Also in Section 154.3, expand the term “eligible security requirement” to include not only requirements imposed by the F.A.A. or the Transportation Security Administration, but also those measures adopted in response to input and directives from the F.B.I. and other federal law enforcement agencies. As Los Angeles World Airports said in its comments, those “cooperatively implementing the requests of federal security personnel” should not be penalized for that cooperation.

Also in this section, and throughout the proposed rule, the term “on-airport parking lot” should be changed to read “on-airport parking lot operator,” with the definition of the former term, as proposed, applying fully to the latter one.

In Section 154.17 of the proposed Part, revise paragraph (d) to require that airports seeking reimbursement must certify that they have negotiated with airport tenants regarding adjustments not only in rental rates, but also in leases and other business arrangements for the use and/or management of airport property and facilities. Restricting this requirement to the adjustment of rental



rates does not cover the full scope of business relationships between our members and airports. Simply calling for consultation by the airport operator does not require that operator to fully consider the hardships suffered by tenants and facility users and managers as a result of the security requirements. In some cases to date, such consultations have amounted to a meeting in which we have been told no adjustments would be made.

We appreciate the opportunity to comment on this proposal, as well as your consideration of our comments. We are at your disposal to answer any questions you may have on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin L. Stein', with a long horizontal flourish extending to the right.

Martin L. Stein  
Executive Director

