

February 13, 2006

Re: Rhode Island Airport Corporation's notice for public comment prior to submitting an application to the Federal Aviation Administration to amend passenger facility charges at T.F. Green Airport.

The Rhode Island Airport Corporation (RIAC) is posting this public notice as part of the passenger facility charge (PFC) amendment process under 14 CFR § 158.24 for T.F. Green Airport (Airport). As part of this procedure, RIAC is providing the following information regarding the amendment to approved PFC Application 00-03-C-00-PVD/00-03-C-01-PVD:

SUMMARY OF PROPOSED AMENDMENT

- Increase PFC level from \$3.00 to \$4.50.
- Decrease financing costs by \$2,622,850 from \$14,402,000 to \$11,779,150 due to a reduction in financing costs.
- Reduce the project costs for the North Ramp Rehabilitation by \$1,925,000 from \$3,025,000, to \$1,100,000.
- Reduce the project costs for the Rehabilitation of Apron and Taxiways "B" & "C" at Westerly Airport by \$1,050,000 from \$2,750,000 to \$1,700,000.
- Reduce the project costs for the Rehabilitation of Apron at North Central Airport by \$1,100,000 from \$2,000,000 to \$900,000.
- As a result of the proposed cost reductions, total collection authority under this application is proposed to be reduced by \$6,697,850 from \$39,189,000 to \$32,491,150.

Summary of Previously Amended Project Costs and Proposed Changes to Amended Costs:

<u>Project</u>	00-03-C-00-PVD/00-04-U-00-PVD Approved 11/27/00 & 11/29/04			Proposed 2006 Amendment		
	Capital	Financing	Total	Capital	Financing	Total
Noise Mitigation Land Acquisition	\$10,500,000	\$5,768,000	\$16,268,000	\$10,500,000	\$4,775,174	\$15,275,174
North Ramp Rehabilitation	3,025,000	0	3,025,000	1,100,000	0	1,100,000
PFC Application	41,000	0	41,000	41,000	0	41,000
New Airfield Maintenance Facilities	4,560,000	7,337,000	11,897,000	4,560,000	5,897,374	10,457,374
Ticket Counter Expansion	800,000	1,297,000	2,097,000	800,000	1,106,602	1,906,602
Rehabilitation of Apron & Taxiways "B" & "C"	2,750,000	0	2,750,000	1,700,000	0	1,700,000
Rehabilitation of Apron - North Central	2,000,000	0	2,000,000	900,000	0	900,000
Rehabilitation of Apron - Quonset	1,111,000	0	1,111,000	1,111,000	0	1,111,000
Total	\$24,787,000	\$14,402,000	\$39,189,000	\$20,712,000	\$11,779,150	\$32,491,150

PROJECT DESCRIPTIONS

For the purposes of this Amendment the original project descriptions are restated as included in the FAA's Record of Decision (ROD) dated November 27 2000, approving RIAC's application. No changes to the original descriptions/scope are necessary.

1. Noise Mitigation Land Acquisition

This project consists of the first phase of a voluntary program for the acquisition of homes within the 70 DNL contour. These acquisitions will include approximately 65 – 70 homes. This first phase will focus on the homes that are directly under or critically near the flight paths for arriving or departing aircraft on runway 5R-23L. Specifically the homes along the lower portion of Lakeshore Drive. The Airport is situated near the geographic center of the City of Warwick. The recent introduction of low-fare, low-cost airline service at the Airport has resulted in explosive growth in the number of passenger and airline operations, which has increased the aircraft noise and the impact on the people within the vicinity of the Airport. Residential homes within this area are no longer considered to be compatible land use.

2. North Ramp Rehabilitation

This project includes the design and rehabilitation and reconstruction of sections of the North ramp, which accommodates air cargo, corporate, and other general aviation users. It is estimated that this project will involve approximately 36,000 square yards of pavement. The age or date of the last rehabilitation of the pavement ranges from 1936 to 1988. The oldest sections of the ramp pavement are exhibiting visible signs of deterioration.

3. PFC Application

This project includes the completion of an application to impose a PFC at the Airport for the use of PFC revenue for certain projects at T.F. Green and impose-only projects at T.F. Green, BID, WST, SFZ, and OQU. Tasks accomplished within this project consist of the preparation of a PFC application and an amendment application, including project information; consultation documentation; financial plans; coordination with FAA and RIAC; the request to exclude a class of air carriers; and the information for the alternative use project. This project includes a task to ensure that the PFC application and financial plan for the projects included is consistent with RIAC's various financial plans and air carrier agreements.

4. New Airfield Maintenance Facilities

This project consists of the design and construction of a new airfield maintenance facility. The new facility will be approximately 69,000 square feet. The new facility will provide the required amount of under-cover space for storage and maintenance of equipment during inclement weather. The existing facilities are unsatisfactory to perform the required functions of a Part 139-certificated airport for snow and ice removal. Several pieces of snow equipment are too large for the existing maintenance garage and are not in a sheltered environment. This equipment is outside and exposed to moisture and contaminates which may reduce the useful life. Sometimes this equipment must be repaired outside in all types of weather conditions. In addition, the existing airfield maintenance facilities do not meet current building codes, environmental regulations, or occupational safety standards.

5. Ticket Counter Expansion

This project will consist of the construction of 8 additional ticket counter positions on the north side of the terminal building. The introduction of low-fare airline service at T.F. Green has changed the nature of airline service and passenger throughput dramatically. There are available times that gates at the Airport can be used by incumbent or new entrant carriers, but the Airport has no available associated ticket counter positions. This

project is needed to provide ticket counters for new entrants, expanding carriers, and to recover ticket counter positions lost when explosive detection system machines were installed in front of the existing counters.

6. Rehabilitation of Apron and Taxiways “B” & “C” at Westerly Airport

This project consists of the design and rehabilitation of the primary aircraft apron, taxiway “B” and taxiway “C” at Westerly Airport. This project involves the rehabilitation of approximately 45,000 square yards. The age of the pavement is 48 years old. The pavement has continually deteriorated.

7. Rehabilitation of Apron at North Central Airport

This project will consist of the design and rehabilitation of the primary aircraft apron. This pavement rehabilitation project is planned to include a 3-inch overlay and crack repairs and repairs to the drainage deficiencies. It is estimated that this project involves approximately 35,000 square yards of pavement. The pavement currently exhibits visible signs of deterioration and is in need of repair.

8. Rehabilitation of Apron at Quonset Airport

This project will consist of the design and rehabilitation of the primary aircraft apron. This project involves approximately 30,000 square yards of pavement. The pavement is severely deteriorating. The entire pavement has been in service for over 40 years without any rehabilitation.

PROJECTS TO BE AMENDED

The financing costs for all financed projects (i.e., 1, 4, and 5) will be amended for decreases in cost due to refunding of previously issued bonds.

Project costs for Projects 2, 6, and 7 will be reduced in accordance with new engineering cost estimates.

The PFC level will be amended for the entire application. Uncollected PFC authority for Project 1 Noise Mitigation Land Acquisition, will qualify the multiple project application for the higher PFC level.

AMENDMENT JUSTIFICATION

RIAC believes that 100 percent of the uncollected PFC Authority for the Noise Mitigation Land Acquisition project totaling \$15,275,174 qualifies for collection at the \$4.50 level. The project total is approximately 47 percent of amended total (threshold requirement is 33 percent).

As determined by the FAA in its November 27, 2000 ROD, the Noise Mitigation Land Acquisition project mitigates noise impacts from air carrier activity at T.F. Green. RIAC believes this project provides a significant contribution to enhancing capacity and competition for the following reasons:

This project mitigates the impact of noise from increased aircraft operations at the Airport on affected homes. With the construction of the new terminal building and the increase in the number of jet versus propeller operations the potential for noise disturbance increases. By acquiring this land the Airport will be able to continue to mitigate noise impacts from aircraft operations.

PFC LEVEL

Four dollar and fifty cent (\$4.50) charge per eligible enplaned passenger at the Airport.

PROPOSED CHARGE EFFECTIVE DATE

RIAC's estimated charge effective date for the new \$4.50 PFC is August 1, 2008.

ESTIMATED CHARGE EXPIRATION DATE

RIAC's estimated PFC expiration date for the amended PFC Application 00-03-C-01-PVD and associated "use" application 00-04-U-00-PVD is February 1, 2011.

Note: If the charge expiration date for this PFC application changes, the charge effective date for the new PFC Application #5 will also change, and RIAC would continue to collect PFC revenues without a cessation in collections.

ESTIMATED TOTAL PFC REVENUE

RIAC's estimated total PFC revenue is \$32,491,150.

RIAC POINT OF CONTACT

As required under 14 CFR § 158.24, RIAC will be accepting public comments on the proposed amendment to PFC Application 00-03-C-00-PVD/00-03-C-01-PVD up to thirty (30) days after the February 13, 2006 date of posting this public notice on RIAC's Internet Web site (i.e., up to March 15, 2006). Any comments should be sent to RIAC's Chief Financial Officer, Mr. Brian C. Schattle, 2000 Post Road, Warwick, Rhode Island, 02886. If there are any questions regarding this proposed PFC application amendment, Mr. Schattle can also be reached at (401) 737-4000, extension 238 or at BSchattle@pvdairport.com.