CALIFORNIA PILOTS ASSOCIATION

ADVOCATES FOR CALIFORNIA'S GENERAL AVIATION COMMUNITY AND AIRPORTS

Michael Williamson and *CalPilots*

v.

City of Los Angeles, *Los Angeles World Airports*, and *Los Angeles Board of Airport Commissioners*

Van Nuys Landing Fees

Complaint pursuant to 14 C.F.R. Part 13

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The California Pilots Association ("CalPilots") respectfully submits this complaint pursuant to 14 C.F.R. Part 13.

I. PARTIES

A. Complainants:

Michael Williamson is a certificated flight instructor and aircraft operator based at Whiteman Airport (WHP), located approximately 5 nautical miles from Van Nuys Airport (VNY). He conducts frequent operations throughout the Los Angeles basin, including regular use of VNY.

California Pilots Association (CalPilots) is a California nonprofit corporation founded in 1949. For more than seven decades, CalPilots, has served as a steadfast advocate for the preservation, safety, and advancement of general aviation throughout the State of California. Its nearly 2,000 members include pilots who depend upon VNY not merely as a point of operation, but as an essential component of the Southern California aviation infrastructure, particularly as a designated reliever airport that supports regional safety, capacity, and access.

B. Respondent:

The City of Los Angeles, Los Angeles World Airports and the Los Angeles Board of Airport Commissioners (collectively, the "City" or "LAWA"), is the owner, operator, and federal grant sponsor of Van Nuys Airport ("VNY" or "the Airport"). VNY ranks as one of the world's busiest general aviation airports. VNY is one of two airports owned by Los Angeles World Airports, Los Angeles International Airport being the other airport. VNY plays a crucial role in the Southern California airport system, serving a variety of private, corporate and government aviation needs. By providing a place for general aviation, which encompasses all flying other than scheduled air carrier service or the military, VNY enhances both safety and efficiency at the region's commercial airports. As part of the regional approach to meeting passenger demand, VNY serves a vital purpose in reducing congestion and diminishing flight delays at Los Angeles International and other nearby airports. VNY also provides a base and maintenance facilities for fire, police, air ambulance, search and rescue, and news media aircraft that serve the region.

II. INTRODUCTION

This complaint arises from LAWA's implementation of a landing fee at VNY effective March 1, 2026. While airport sponsors retain discretion to establish reasonable rates and charges, that discretion must be exercised in accordance with federal law and grounded in transparent, consistent, and supportable financial data. Here, LAWA has imposed a fee structure that is not the product of a coherent or verifiable cost-recovery methodology, but rather reflects shifting financial assumptions, unexplained allocations, and a lack of meaningful transparency. The resulting fee is not anchored in demonstrated financial necessity and raises substantial concerns regarding compliance with the statutory and regulatory framework governing federally obligated airports.

At its core, this matter concerns not the mere existence of a fee, but the rule of law that must govern its adoption. Congress and the Federal Aviation Administration have imposed clear and enduring obligations on airport sponsors, obligations that ensure fairness, transparency, and the protection of the national aviation system from arbitrary or discriminatory practices. Among those obligations are:

- 49 U.S.C. § 47107(a) (Grants are Conditioned on Assurances)
- 49 U.S.C. § 47133 (Revenue Use Requirement)
- FAA Grant Assurance 22 (Economic Nondiscrimination)
- FAA Grant Assurance 24 (Fee and Rental Structure)
- FAA Grant Assurance 25 (Airport Revenues)
- FAA Order 5190.6C, Chapter 18 (Rates and Charges)

These authorities are not aspirational. They are binding conditions of federal grant funding and reflect a carefully calibrated balance between local control and national interest.

CalPilots submits that LAWA's imposition of landing fees at VNY departs from these obligations in material respects. The fee structure is arbitrary in design, unsupported by transparent or reliable financial data, and untethered from the statutory and regulatory standards that govern airport rate-setting. In effect, it shifts burdens without justification and obscures the financial predicates required for lawful implementation.

Where, as here, a federally obligated airport sponsor exercises its authority without the discipline of reasoned analysis or adherence to governing law, intervention is not only appropriate, it is necessary.

Accordingly, CalPilots respectfully requests that the Federal Aviation Administration investigate LAWA's actions and require such corrective measures as are necessary to ensure compliance with federal law and the continued integrity of the national aviation system.

III. JURISDICTION

This complaint is properly brought pursuant to 14 C.F.R. Part 13, which authorizes the Federal Aviation Administration ("FAA") to conduct informal investigations into whether an airport sponsor has complied with its federal statutory and regulatory obligations.

The FAA's jurisdiction over this matter is clear and well established.

Van Nuys Airport ("VNY") is a federally obligated public-use airport that has received substantial funding under the Airport Improvement Program ("AIP"). By accepting such federal funds, the City has undertaken binding obligations imposed by Congress under 49 U.S.C. § 47107, as well as the corresponding FAA Grant Assurances that govern the operation, management, and financial practices of federally assisted airports.

These obligations are not voluntary. They are enforceable conditions attached to the receipt and continued benefit of federal funding, designed to ensure that airport sponsors operate in a manner that is fair, reasonable, and consistent with the national aviation system.

The FAA is expressly authorized to investigate potential violations of these obligations under 14 C.F.R. Part 13 and, where necessary, to compel compliance pursuant to 49 U.S.C. § 47122.

In addition, VNY serves a critical federal function as a designated reliever airport within the Los Angeles basin, supporting capacity, safety, and operational efficiency in one of the most complex and congested airspace systems in the United States. The proper administration of such an airport is therefore not solely a matter of local concern, but one of national significance.

Accordingly, the FAA has both the authority and the responsibility to review the matters set forth in this complaint and to ensure that LAWA's conduct comports with its federal obligations.

IV. FACTUAL BACKGROUND

While the imposition of landing fees became effective March 1, 2026, the chronological timeline and financial events leading up to that imposition are telling.

A. 2024-2025 Fiscal Year

According to LAWA, for the 2024-2025 Fiscal Year, Van Nuys was projected to generate $25,040,000 in total operating revenue (excluding interest income, passenger facility charge and customer facility charge collections, which are categorized as non-operating revenues). In contrast, for that same 2024-2025 Fiscal Year, Van Nuys was projected to incur $24,517,000 in total operating expenses (including internal administrative charges for the management of VNY). See page 10 of LAWA's June 13, 2024, Meeting Report, attached as **Attachment 1**.

LAWA specifically stated, "Van Nuys: Los Angeles World Airports projects approximately $25.0 million in revenues, versus budgeted expenses of approximately $24.5 million, generating approximately $523,000 in income before depreciation." *Id.*

By LAWA's own accounting and admissions, for the 2024-2025FY there was a surplus at VNY of $523,000 and thus no basis for a landing fee.

B. 2025 Proposed Landing Fees

Despite LAWA's own financial records reflecting a projected surplus of approximately $523,000 for VNY in Fiscal Year 2024–2025, LAWA, in or about March 2025, issued a *Notice of Proposed New Landing Fees for General Aviation at VNY* and announced a community meeting and opportunity for public comment related to its intention to impose landing fees. See **Attachment 2**.

The Notice advised that LAWA would host a stakeholder meeting on April 1, 2025, and provided a link to materials, consisting of two pages, purporting to explain the methodology used to calculate the proposed landing fees. A copy of the two page methodology and calculation, as made available by LAWA, are attached as **Attachment 3**.

That methodology marked a dramatic and unexplained departure from LAWA's own prior financial representations related to its 2024-2025FY finances. Whereas LAWA had projected a surplus for the same fiscal period, it now asserted that VNY was operating at a deficit exceeding $13.7 million. Based on that asserted deficit, LAWA proposed a landing fee of $6.11 per 1,000 pounds, effective July 1, 2025.

The inconsistency is not merely notable, it is profound. While LAWA's own projections reflected approximately $25 million in total airport revenue for FY 2024–2025 (Attachment 2), the March 2025 methodology reduced VNY's revenue base to approximately $4.5 million, limited solely to fuel flowage fees, thereby manufacturing a purported deficit of $13.712 million. (Attachment 3.) No explanation was provided for the exclusion of all other revenue streams traditionally attributable to airport operations, nor for the resulting distortion of the airport's financial condition.

Compounding this lack of transparency, the methodology contains fundamental mathematical errors that further undermine its reliability. LAWA estimated 1,671,500 annual landing units and applied a proposed rate of $6.11 per 1,000 pounds. Basic multiplication yields projected revenue of $10,212,865 (1,671,500 x 6.11). Yet LAWA reported anticipated revenue of only $7,430,000, rather than $10,212,865 yielding a discrepancy approaching $3 million. LAWA has neither acknowledged nor reconciled this error.

Thus, within the same fiscal framework, LAWA presents a swing of more than $14 million, from surplus to deficit, while simultaneously relying on calculations that do not withstand even elementary verification. The absence of explanation for either the financial recharacterization or the computational inconsistencies is striking.

Taken together, these defects suggest not a reasoned rate-setting process grounded in accurate financial data, but an exercise in selective accounting that artificially inflates costs attributed to general aviation users. In effect, LAWA's approach appears designed to recast VNY, and particularly its airfield operations, as revenue-generating centers to support broader institutional objectives, including the subsidization of other airport operations, in tension with the federally mandated purpose of a reliever airport.

Notably, even under its own flawed methodology, LAWA calculated that a full cost-recovery rate would require a landing fee of $8.20 per 1,000 pounds, yet elected to "cap" the fee at $6.11 per 1,000 pounds, the rate charged at Los Angeles International Airport. This further underscores the absence of a coherent, airport-specific rationale, and instead reflects an arbitrary benchmarking to a fundamentally dissimilar facility.

C. April 1, 2025, Stakeholder Meetings

On April 1, 2025, LAWA management appeared before the Van Nuys Airport Association and stakeholders to present its proposed landing fee structure. What was presented at that meeting bore little resemblance to the methodology previously circulated. Instead, LAWA advanced a materially different proposal, including an increased rate of $9.65 per 1,000 pounds, purportedly derived from projections associated with a Fiscal Year 2026 budget. **Attachment 4**.

The presentation itself was notable less for its substance than for its absence. LAWA did not provide its underlying presentation materials, failed to produce the referenced financial data, and did not supply the supporting documentation necessary to evaluate the proposal. Indeed, LAWA characterized its own methodology as "illustrative only," thereby disavowing the analytical foundation upon which it purported to rely.

Airport users repeatedly requested the financial information necessary to understand, test, and respond to the proposed fee structure. Those requests were not meaningfully addressed. LAWA has, to date, declined to produce the data required for informed review.

This is not a procedural technicality. Transparency and meaningful consultation are central obligations imposed on federally funded airport sponsors. FAA Grant Assurance 22 requires that similarly situated users be treated fairly and that rates be established through a process that is reasonable, not arbitrary, and informed by adequate disclosure. A process in which the sponsor withholds the very data necessary for evaluation cannot satisfy that standard.

LAWA's conduct, taken as a whole, reflects not consultation, but conclusion, presented without the transparency required by federal law and without the analytical rigor that lawful rate-setting demands.

D. April 10, 2025, Stakeholder Request

Following the April 1, 2025 stakeholder meeting, on April 10, 2025, airport stakeholders submitted a written request to LAWA urging that it pause advancement of the proposed landing fee program and provide the financial transparency necessary to support any lawful rate-setting process. See **Attachment 5**.

In that April 10, 2025, correspondence, stakeholders expressly identified that LAWA's proposal was not based on actual financial data, but rather on an "illustrative" methodology, and that critical financial information, including detailed operating revenues, cost allocations, and anticipated capital expenditures, had not been disclosed despite being central to any determination of reasonableness.

Consistent with FAA Grant Assurance 22 and the FAA's Policy Regarding Airport Rates and Charges, stakeholders requested that LAWA (1) circulate complete and detailed financial data for VNY, including a breakdown of operating costs, revenues, and planned capital projects, and (2)

provide a minimum 60-day period for meaningful stakeholder review and engagement following such disclosure.

Stakeholders further cautioned that proceeding on the proposed timeline, without disclosure of underlying financial data or meaningful opportunity for review, would fall short of FAA requirements governing aeronautical rate-setting, including the obligation that fees be reasonable, transparent, and developed through adequate consultation with airport users.

E. April 18, 2025, Public Records Request

Having received no response to the April 10, 2025, correspondence, on April 18, 2025, the undersigned submitted a public records request seeking the detailed financial information necessary to evaluate LAWA's proposed landing fee structure. **Attachment 6**. The request was directed at obtaining the actual data underlying LAWA's projections, rather than the conclusory figures presented in its public materials.

Specifically, the request sought, among other things:

- VNY's detailed operating and financial reports;
- A full itemization of the asserted $16.3 million cost structure, including identification of individual cost components and an explanation of how revenues and expenses were allocated; and
- The methodology used to allocate indirect costs, as required under FAA guidance. *See* FAA Order 5190.6B § 15.11.

These materials are not ancillary. They are essential to any lawful rate-setting process. FAA policy requires that aeronautical fees be reasonable, transparent, and equitably applied, principles embedded in FAA Order 5190.6B, Chapters 15 through 17, and reinforced through FAA adjudicatory precedent. *See, e.g., Aircraft Mgmt. Servs., Inc. v. Santa Rosa County*, FAA Docket No. 16-12-02 (2015).

Yet, despite the central importance of this information, LAWA did not produce the requested documentation. Instead, seven months later, on November 13, 2025, LAWA provided only partial materials, produced in a disorganized and internally inconsistent manner, and to date has failed to produce the full set of responsive documents. The absence of these materials leaves airport users, governing bodies, and the public without any meaningful ability to evaluate whether the proposed fees comply with federal requirements, including Grant Assurance 22 and the FAA's long-standing requirement that airport charges be grounded in verifiable, non-arbitrary financial data.

A rate-setting process that withholds its underlying assumptions and inputs cannot be tested for reasonableness. And a fee that cannot be tested for reasonableness cannot be said to comply with federal law.

F. June 5, 2025, Proposed Landing Fee

On June 5, 2025, LAWA advanced a proposal for the adoption of Fiscal Year 2025–2026 landing fees at Van Nuys Airport, to take effect July 1, 2025, and projected to generate approximately $7.5 million in annual landing fee revenue. See **Attachment 7**.

In support of that proposal, LAWA asserted that its landing fee methodology was designed to recover from air carriers "all costs incurred in constructing, maintaining and operating airfield-related services and facilities." That statement, while facially consistent with federal rate-setting principles, is not borne out by LAWA's own financial presentation.

LAWA's intentional omission of revenue streams highlight the defect in this rate setting.

LAWA's analysis excludes more than $20 million in airfield-related land and building rental revenue from the cost-recovery calculation. When those revenues are properly included, the financial posture of VNY changes materially. Rather than operating at a deficit, the airport reflects a surplus approaching $3.8 million, even before accounting for supplemental funding sources such as state and federal Airport Improvement Program (AIP) grants, interest income, and investment revenues.

This selective exclusion of significant aeronautical revenue streams produces an artificial deficit, one that serves as the predicate for the proposed landing fee. Such an approach is incompatible with FAA policy, which prohibits the use of aeronautical fees to generate revenue in excess of an airport's reasonable and necessary costs. *See* FAA Order 5190.6B § 17.8.

A comparison of LAWA's own reported figures underscores the inconsistency. As reflected in **Attachment 8** (page 20), VNY's FY 2026 budget projects total aviation revenue of approximately $25 million against total operating expenses and assets of approximately $25.6 million, yielding a modest net deficit of $591,000. Yet, in the airfield rate-setting model presented in connection with the April 1, 2025 proposal (Attachment 4), LAWA reports only $4.888 million in airfield revenue ($3.755 + $1.133) while assigning over $21 million in airfield expenses, resulting in a purported deficit exceeding $16 million.

The divergence is not explained by differing accounting treatments grounded in FAA guidance. Rather, it is driven by the exclusion of substantial categories of aeronautical revenue, most notably approximately $20.146 million in land and building rentals.

This omission is particularly significant because, under FAA policy, the "airfield" encompasses runways, taxiways, ramps, aprons, and associated aeronautical land. *See* FAA Order 5190.6B § 18.4(d). Consistent with that definition, LAWA's own Resolution 28187 defines the Airfield Cost Center to include land and facilities supporting general aviation, fixed-base operations, aircraft fueling, maintenance, and other aeronautical uses. See **Attachment 9**.

Yet, in calculating airfield revenue, LAWA excludes precisely those rental streams generated from these aeronautical uses. When those revenues are properly incorporated, the financial picture changes fundamentally: the airfield operates at a surplus of approximately $3,848,261, not a deficit.

Even this corrected figure understates VNY's financial position, as it does not account for federal and state AIP funding, which further offsets aviation-related expenses.

LAWA's own contemporaneous budget materials reinforce this conclusion. As reflected in its June 5, 2025, FY 2025-2026 Budget Proposal (pages 20-21, **Attachment 8**), LAWA projected approximately $25.6 million in revenues against $25.3 million in expenses for VNY, yielding positive net income of approximately $300,000 prior to depreciation. These internal projections stand in tension with the deficit narrative advanced in support of the landing fee.

Such inconsistencies are not minor discrepancies. They go to the heart of whether the proposed fee is grounded in a coherent and lawful cost-recovery framework. When consistent accounting principles are applied, VNY is not operating at a deficit requiring remediation through landing fees, but rather at or near a surplus position.

In connection with the June 5, 2025 proposed landing fee, the undersigned submitted formal written objections detailing significant legal, financial, and methodological deficiencies in LAWA's proposal. See **Attachment 10**. Additional objections were likewise submitted by multiple national and regional aviation associations representing a broad cross-section of airport users, including pilots, operators, manufacturers, and fixed base operators. See **Attachment 11**.

Collectively, these objections identified a consistent and well-supported set of concerns. First, stakeholders emphasized the absence of fundamental financial transparency, including LAWA's failure to disclose the underlying data, cost allocations, and methodology necessary to evaluate whether the proposed fees bore any reasonable relationship to actual airfield costs.
Second, stakeholders demonstrated that the limited data that had been disclosed was internally inconsistent and selectively constructed, including the exclusion of substantial categories of aeronautical revenue, thereby artificially inflating any purported deficit and resulting in a fee structure that exceeds lawful cost recovery limits under FAA Order 5190.6B.

Third, both local and national stakeholders raised serious concerns that the proposed fees were not only unsupported, but would undermine VNY's federally designated role as a reliever airport by imposing fees significantly higher than surrounding general aviation airports and even exceeding those at LAX, thereby disincentivizing use and frustrating the purposes of 49 U.S.C. § 47102(23).

Finally, stakeholders uniformly objected to the absence of meaningful consultation, noting that LAWA advanced the proposal on an accelerated timeline, with incomplete and evolving information, depriving users of the opportunity required under Grant Assurance 22 and FAA policy to evaluate and respond to the proposed rates before adoption.

In the face of these contradictions, at its June 5, 2025, Board of Airport Commissioners meeting, LAWA ultimately deferred implementation of the proposed landing fee at VNY. That decision, while prudent, does not resolve the underlying deficiencies in the methodology or the broader concerns regarding compliance with federal obligations. As set forth below, LAWA ultimately adopted the landing fee on January 22, 2026, without addressing the underlying deficiencies.

G. November 14, 2025 LAWA Correspondence

Following LAWA's June 5, 2025 decision to defer implementation of landing fees at VNY, stakeholders received no further substantive engagement. Repeated requests by industry organizations for supporting financial documentation and meaningful collaborative dialogue went unanswered.

In lieu of engagement or full production of the materials requested by stakeholders, LAWA issued a letter dated November 14, 2025, addressed to industry stakeholders, enclosing revised schedules that purported to justify the implementation of landing fees ranging from $14.18 to $19.30 per 1,000 pounds. See **Attachment 12**; Exhibit A.

The November 14, 2025 letter is framed as the product of a "comprehensive review" and reiterates LAWA's commitment to "open and transparent engagement." Yet the substance of the letter reflects neither.

Rather than resolving the foundational deficiencies previously identified, the letter compounds them.

First, the magnitude of the proposed fee escalation is itself revealing. Within a matter of months, LAWA's asserted "cost-based" landing fee shifts from approximately $6.11, to $9.65, and ultimately to a calculated rate of $14.18 per 1,000 pounds, with projections increasing to $19.30 in subsequent years. (Attachment 12, Exhibit A.) This dramatic and unexplained variability undermines any claim that the fee is the product of a stable, reliable, and consistently applied methodology. A rate that changes so substantially, absent any transparent reconciliation of inputs, is the hallmark of arbitrariness, not reasoned decision-making.

Second, while LAWA now asserts that its methodology is grounded in a cost-center approach consistent with FAA Rates and Charges Policy, the underlying allocations remain opaque and unsupported by independently verifiable data. The letter references internal "reviews," "updates," and "refinements," including reallocation of operating expenses and revised capital projections, yet the foundational data necessary to test those allocations was never produced in response to stakeholder requests.

The result is a methodology that cannot be meaningfully evaluated. Costs are increased through revised allocations, capital projections are expanded, and administrative charges are adjusted, yet the basis for these changes is neither transparent nor subject to verification. The process thus

remains insulated from scrutiny, contrary to the FAA's requirement that rates be supported by demonstrable and reasonable cost justification.

Third, the November 14, 2025, letter continues to rely on a constrained definition of "airfield revenue" that excludes substantial aeronautical revenue streams, including rental income derived from aeronautical land and facilities. At the same time, the letter acknowledges that commercial aeronautical revenues generate substantial net income, which is then used to subsidize airfield costs. This internal cross-subsidization is presented as justification for imposing additional landing fees on transient operators, while excluding those same revenue streams from the cost-recovery analysis.

This approach is internally inconsistent. If commercial aeronautical users generate net revenues that support the airfield, those revenues are necessarily part of the aeronautical financial ecosystem and must be accounted for in any lawful rate-setting analysis. Their exclusion from the revenue side of the equation, while simultaneously relying on them to offset deficits, distorts the true financial condition of the airport.

Fourth, LAWA's reliance on future capital expenditures to justify present fee increases is similarly unavailing. The letter emphasizes anticipated capital projects and long-term funding needs, projecting deficits several years into the future. While capital planning is an appropriate consideration, FAA policy does not permit the imposition of present fees based on speculative or unbounded future costs, particularly where current financial data reflects that the airport is operating at or near a surplus.

A rate-setting methodology that aggregates projected future costs, reallocates present expenses, and excludes existing revenues risks becoming untethered from the principle of reasonableness that governs aeronautical fees.

Finally, the process by which the November 14, 2025, letter was issued underscores a broader concern. Consultation, within the meaning of FAA Grant Assurance 22, requires more than the circulation of a conclusory response after decisions have effectively been made. It requires a meaningful exchange in which stakeholders are provided sufficient information to understand, evaluate, and respond to proposed fees before they are finalized.

Here, stakeholders were denied access to the underlying financial data, presented with shifting methodologies, and ultimately provided with a post hoc justification that cannot be independently tested. That is not consultation. It is unilateral action presented in the language of engagement.

In sum, the November 14, 2025, letter does not cure the defects in LAWA's prior analyses. It reinforces them. The escalating fee structure, the continued lack of transparency, the selective treatment of revenues, and the reliance on unverified cost allocations collectively demonstrate a rate-setting process that is neither reasonable nor compliant with federal obligations.

H. Stakeholder Responses to LAWA's November 14, 2025 Correspondence

Stakeholders responded to LAWA's November 14, 2025 correspondence with detailed written objections confirming that the proposal remained fundamentally flawed. See **Attachment 13**; **Attachment 14**.

These responses reflect not isolated disagreement, but a consistent pattern of noncompliance with federal requirements governing airport rate setting.

First, LAWA failed to provide timely and usable financial disclosure. Despite requests made months earlier, critical data was withheld until November 13, 2025, then produced in a disorganized and non-transparent manner that prevented meaningful review. This approach deprived stakeholders of the consultation required under Grant Assurance 22 and FAA policy.

Second, the record reveals persistent and unexplained inconsistencies in LAWA's financial methodology. Key revenue sources were selectively excluded, while cost allocations were repeatedly increased without explanation, producing an artificial "airfield deficit" untethered to verifiable data. Such shifting and internally inconsistent justifications fail the FAA's requirement that fees bear a reasonable relationship to the costs they purport to recover.

Third, LAWA improperly ignored the airport's overall financial condition, focusing narrowly on a constructed cost center while disregarding substantial airport-wide revenues demonstrating that VNY operates with a net surplus. This selective accounting is incompatible with FAA guidance requiring a complete and accurate financial basis for rate setting.

Fourth, LAWA failed to engage in meaningful consultation. Despite explicit direction to continue stakeholder engagement, LAWA declined requests for collaborative meetings and instead advanced the proposal through unilateral communications. Consultation in form only, without transparency or dialogue, does not satisfy federal obligations.
Finally, stakeholders identified evidence that the fee may be intended, at least in part, to manage or suppress operations rather than recover permissible costs. Such a purpose is inconsistent with federal law and underscores the absence of a lawful rate-setting framework.

Taken together, these responses demonstrate a continuing pattern: incomplete disclosure, shifting financial justifications, and a lack of meaningful engagement. This pattern is not merely procedural, it goes directly to the reasonableness and legality of the fee itself, and warrants FAA investigation under 14 C.F.R. Part 13.

I. January 22, 2026 Adoption of Landing Fees

Notwithstanding the substantial and unresolved deficiencies in its methodology, and without addressing the repeated concerns raised by airport users and industry organizations (**Attachment 15**), LAWA proceeded to formally adopt landing fees at Van Nuys Airport on January 22, 2026, of $6.88 per 1,000lbs. See **Attachment 16**.

This action marked the culmination of a process characterized by shifting justifications, inconsistent financial representations, and the continued withholding of material data necessary for meaningful review. At no point prior to adoption did LAWA produce the complete financial records, cost allocation methodologies, or supporting documentation necessary to substantiate the rates imposed.

The January 22, 2026, approval reflects the same fundamental defects that permeated LAWA's earlier proposals and its November 14, 2025, letter. The adopted fee structure remains predicated on a cost-recovery model that selectively excludes substantial aeronautical revenue, relies on opaque and unverified expense allocations, and incorporates projected capital costs without sufficient grounding in current financial necessity.

Equally significant is the process by which the fees were implemented. The record reflects no meaningful opportunity for stakeholders to evaluate or challenge the final methodology prior to its adoption. Requests for underlying data were not satisfied, discrepancies in prior calculations were not reconciled, and material changes in the rate structure were not subjected to transparent or collaborative review.

In effect, LAWA adopted a fee regime that had never been subjected to the scrutiny required by federal law.

FAA Grant Assurance 22 requires that airport sponsors establish rates and charges that are not only applied without unjust discrimination, but are also independently reasonable. These are distinct and co-equal obligations. Even a fee structure that is uniformly applied may nevertheless violate federal law if it is excessive, unsupported, or not grounded in a demonstrable and rational cost basis. Reasonableness therefore requires more than procedural formality, it demands a transparent, consistent, and verifiable foundation tied to the airport's actual financial condition. See FAA Order 5190.6C ¶ 18.5(a) (requiring that aeronautical fees be fair, reasonable, and based on the airport sponsor's costs of providing facilities and services).

A process that withholds essential financial information, relies on shifting and internally inconsistent justifications, and culminates in unilateral adoption cannot satisfy that standard. Without a stable and disclosed evidentiary record, neither the FAA nor airport users can assess whether the resulting fees bear any reasonable relationship to the costs they purport to recover.

The January 22, 2026 implementation therefore represents not merely the imposition of a fee, but the enforcement of a rate structure that has not been demonstrated to be reasonable, justified, or compliant with federal obligations. It is precisely the type of action that warrants FAA investigation under 14 C.F.R. Part 13 and, if necessary, corrective enforcement under 49 U.S.C. § 47122.

Moreover, VNY is a federally designated reliever airport, established to reduce congestion at Los Angeles International Airport ("LAX") and to support the efficient operation of the national airspace system. See 49 U.S.C. § 47102(23). The imposition of landing fees at VNY that mirror or

approximate those at LAX undermines that statutory purpose by disincentivizing general aviation operations at the very facility intended to accommodate them.

The adopted rate of $6.88 per 1,000 pounds further underscores this concern. That rate is more than double, and in many cases exponentially greater than the fees imposed at comparable general aviation airports in the surrounding region. Notably, these neighboring airports are not federally designated reliever airports, yet impose significantly lower fees or no landing fees at all. This disparity raises serious concerns about fairness, competitiveness and the broader implications for regional airspace management.

Airport	GA (non-scheduled commercial, non-based) Landing Fee
KWHP	-
KBUR	$1.56 per 1,000lbs (part 135 only)
KCMA	-
KSZP	-
KSMO	$2.56 per 1,000lbs
KHHR	-
KCPM	-
KTOA	$3.00 per 1,000lbs
KLGB	-
KEMT	-
KCCB	-
KPOC	-

The FAA has expressly stated in its Policy on Airport Rates and Charges (61 Fed. Reg. 31994, 32014 (1996)) that reliever airports should not unduly burden general aviation with costs intended for major commercial airports. No consideration appears to have been given to the implications of effectively making LAX and VNY equivalent choices for transients and undermines national airspace efficiency, threatens to redirect traffic back to LAX, and frustrates decades of coordinated federal, state, and local planning.

V. LEGAL FRAMEWORK

The issues presented in this Complaint are governed by well-established federal statutes, grant assurances, and FAA policy that collectively define the permissible bounds of airport rate-setting. These authorities do not prohibit airport sponsors from imposing fees. They do, however, require that such fees be grounded in reason, supported by verifiable data, and implemented through a transparent and equitable process.

A. Grant Assurance 24 – Fee and Rental Structure

Under Grant Assurance 24, airport sponsors are obligated to maintain a fee and rental structure that makes the airport as self-sustaining as possible under the circumstances. *See* FAA Order 5190.6C ¶ 18.9.

That obligation, however, is not without limit. The principle of self-sustainability does not authorize the imposition of fees untethered from actual financial need. Nor does it permit the selective inclusion or exclusion of revenues and expenses to manufacture deficits where none exist. Rather, fees must reflect a reasonable approximation of the airport's legitimate costs, supported by consistent and transparent accounting practices.

A fee structure that is derived from incomplete data, inconsistent methodologies, or unexplained financial assumptions cannot satisfy this standard.

B. Grant Assurance 22 – Economic Nondiscrimination

Grant Assurance 22 requires that similarly situated users of an airport be treated fairly and that rates and charges not be unjustly discriminatory.

This obligation extends beyond the face of the rate itself. It encompasses the methodology by which fees are calculated and the process by which they are imposed. Where a sponsor selectively allocates costs, excludes material revenue streams, or imposes disproportionate burdens on a particular class of users without adequate justification, the resulting fee structure cannot be said to be equitable.

A process that lacks transparency and denies users a meaningful opportunity to evaluate the basis for imposed charges further compounds this deficiency.

C. Grant Assurance 25 and 49 U.S.C. § 47133 – Revenue Use

Federal law requires that airport-generated revenue be used solely for the capital and operating costs of the airport system and be properly accounted for. See 49 U.S.C. § 47133; Grant Assurance 25.

This requirement is not satisfied by formal designation alone. It also requires that an airport sponsor maintain accounting practices that accurately reflect how revenues are generated, allocated, and applied within the airport system. Transparency and consistency in financial reporting are essential to ensuring that airport revenues are used in accordance with federal obligations.

Where, as here, the sponsor employs opaque accounting practices, shifting cost allocations, or selectively includes or excludes revenue streams in different contexts, it becomes difficult to determine whether revenues are being properly attributed and applied. While such practices do not, standing alone, establish revenue diversion, they undermine the ability of both the FAA and airport users to verify compliance with 49 U.S.C. § 47133 and Grant Assurance 25.

In that respect, the concern is not merely theoretical. A rate-setting framework that relies on inconsistent or non-transparent financial representations raises substantial questions as to whether

airport revenues are being accurately accounted for and used in a manner consistent with federal law. At a minimum, these deficiencies warrant FAA review to ensure that LAWA's financial practices comport with the requirements of revenue retention and proper use under federal law.

D. FAA Order 5190.6C – Rates and Charges

FAA Order 5190.6C, Chapter 18, provides the governing standards for airport rates and charges. These standards require that fees be:

- Based on transparent, supportable, and verifiable financial data;
- Consistently applied across similarly situated users; and
- Reasonable in relation to the costs they are intended to recover.

Critically, the FAA's policy framework is designed to ensure that airport sponsors do not exercise their proprietary powers in a manner that is arbitrary, excessive, or insulated from scrutiny.

A rate-setting process that relies on undisclosed data, shifting financial assumptions, and internally inconsistent calculations fails each of these requirements. The resulting fees, no matter how styled, cannot be deemed reasonable within the meaning of federal law.

VI. ARGUMENT

LAWA's implementation of landing fees at Van Nuys Airport cannot be reconciled with the governing federal framework. The record, taken as a whole, reflects a rate-setting process that is neither grounded in reliable financial data nor consistent with the transparency, reasonableness, and equity required under federal law.

A. LAWA Has Not Demonstrated That Landing Fees Are Necessary to Achieve Self-Sustainability

Federal law does not require airports to achieve strict financial parity, nor does it authorize the imposition of fees in the absence of demonstrated need. The requirement, as articulated in Grant Assurance 24 and FAA policy, is one of reasonableness under the circumstances, not maximal revenue extraction.

Here, LAWA has not established that VNY operates at a sustained deficit requiring remediation through landing fees. To the contrary, LAWA's own financial materials, when consistently read, reflect that VNY operates at or near a surplus. Nor has LAWA demonstrated that existing revenue streams are insufficient to support airport operations, or that less burdensome alternatives were considered.

Instead, the record reflects a shifting and conclusory assertion of financial necessity, unsupported by stable or verifiable data. That is insufficient to justify the imposition of new aeronautical fees under federal law.

B. LAWA's Financial Data Is Internally Inconsistent and Lacks Reliability

A lawful rate-setting process depends upon financial data that is coherent, consistent, and capable of independent verification. LAWA's materials fail on each of these measures.

Across its various submissions, LAWA presents materially different financial narratives, including substantial swings between surplus and deficit within the same fiscal periods, unexplained reallocations of costs, and inconsistent treatment of aeronautical revenues. Basic discrepancies, including unreconciled calculations and conflicting revenue assumptions, remain unaddressed.

Such instability is not a matter of minor accounting variance. It renders the underlying data unreliable for purposes of rate-setting. Under FAA guidance, fees must be supported by demonstrable and consistent financial inputs. A fee structure built on shifting premises and unexplained discrepancies cannot satisfy the requirement of reasonableness embodied in Grant Assurance 24.

C. LAWA's Process Lacked the Transparency Required by Federal Law

Transparency is not ancillary to compliance, it is essential to it. FAA policy requires that airport sponsors provide users with sufficient information to understand, evaluate, and respond to proposed rates before they are imposed.

Here, that did not occur.

Key financial data was withheld or produced only after significant delay. When materials were provided, they were incomplete, difficult to interpret, and internally inconsistent. Requests for foundational data, including cost allocation methodologies and detailed financial reports, were not meaningfully satisfied.

As a result, stakeholders were denied a meaningful opportunity to assess whether the proposed fees were justified. A process that obscures its inputs cannot produce a defensible output. This lack of transparency frustrates both stakeholder participation and FAA oversight, and is incompatible with the obligations imposed on federally funded airport sponsors.

D. The Adopted Fee Structure Raises Serious Concerns Under Grant Assurance 22

The absence of a clear, consistent, and transparent methodology raises substantial concerns regarding economic nondiscrimination.

Without a reliable cost-causation framework, there is no assurance that similarly situated users are being treated equitably. The selective allocation of costs, combined with the exclusion of significant aeronautical revenues, creates a substantial risk that certain classes of users, particularly general aviation operators, are bearing a disproportionate share of airport costs.

Federal law does not permit such imbalances absent clear and justified distinctions. On this record, no such justification has been demonstrated.

E. LAWA's Rate-Setting Approach Is Inconsistent with FAA Policy on Rates and Charges

FAA policy, as set forth in Order 5190.6C, requires that airport fees be grounded in stable, auditable financial data and developed through a reasoned, supportable methodology. It further requires that sponsors avoid arbitrary or unsupported rate-setting practices.

LAWA's approach reflects the opposite.

Rather than deriving fees from a consistent and transparent financial foundation, LAWA has advanced a series of shifting methodologies, each producing materially different results, and has ultimately imposed fees first while attempting to justify them after the fact. The reliance on incomplete data, unexplained allocations, and internally inconsistent projections is not consistent with a lawful cost-recovery framework.

In substance, the process reflects a top-down imposition of fees, followed by a post hoc effort to rationalize them through evolving and unsupported financial narratives. That approach cannot be reconciled with the FAA's requirements for reasonableness, transparency, and accountability in airport rate-setting.

F. If LAWA is Found To Be Out Of Compliance At VNY, It Should Be Deemed Ineligible for All AIP Grants, Including at LAX

The obligations imposed by 49 U.S.C. § 47107 and the associated Grant Assurances apply to the airport sponsor as a condition of receiving federal funds, not merely to a single facility in isolation. By accepting Airport Improvement Program ("AIP") funding, LAWA has undertaken system-wide obligations to operate its airports, including both VNY and LAX, in compliance with federal law and FAA policy.

Where an airport sponsor is found to be in noncompliance with its grant assurances at one federally obligated airport, that failure raises broader concerns regarding the sponsor's adherence to its federal obligations as a whole. The FAA is expressly authorized to take appropriate compliance action, including the withholding of future grant funding, where a sponsor fails to carry out its obligations. See 49 U.S.C. § 47111(d).

Here, the deficiencies identified are not technical or isolated. They reflect systemic issues in financial transparency, cost allocation, and rate-setting methodology. These are core compliance obligations that go to the integrity of the federal grant assurance framework. Where such deficiencies are present, continued eligibility for federal funding must be conditioned on demonstrated compliance.

Accordingly, if the FAA determines that LAWA is not in compliance with its federal obligations at VNY, the FAA should require LAWA to demonstrate full corrective action and compliance before awarding additional AIP funding. This includes funding associated with all airports operated by LAWA, including LAX, to the extent permitted by statute and FAA policy.

Such a remedy is not punitive. It is consistent with the FAA's responsibility to ensure that federal funds are entrusted only to sponsors who comply with the conditions attached to those funds. Conditioning continued eligibility on compliance promotes accountability, protects the integrity of the national aviation system, and ensures that federally obligated airports are operated in accordance with law.

VII. REQUEST FOR RELIEF

For the foregoing reasons, CalPilots respectfully requests that the Federal Aviation Administration exercise its authority under 14 C.F.R. Part 13 to ensure compliance with federal law and the obligations attendant to federally funded airport sponsorship.

Specifically, CalPilots requests that the FAA:

A. Initiate an Investigation.
Commence a formal investigation into LAWA's adoption and implementation of landing fees at Van Nuys Airport, including the financial, methodological, and procedural bases upon which those fees were established.

B. Compel Production of Financial Information.
Require LAWA to produce complete, consistent, and reconciled financial records sufficient to permit meaningful evaluation of its rate-setting practices, including detailed operating statements, cost allocation methodologies, and all data relied upon in support of the landing fee program.

C. Assess Compliance with Federal Obligations.
Determine whether LAWA's actions comply with its federal obligations, including but not limited to:

- Grant Assurance 22 (Economic Nondiscrimination);
- Grant Assurance 24 (Fee and Rental Structure);
- Grant Assurance 25 (Airport Revenues); and
- 49 U.S.C. § 47133 (Revenue Use Requirements).

D. Order Appropriate Corrective Action.
To the extent noncompliance is identified, direct LAWA to take all necessary corrective measures, including:

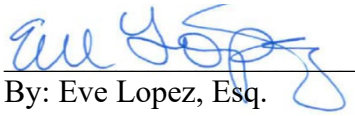
- Suspension, modification, or rescission of the landing fee program; and
- Implementation of transparent, consistent, and verifiable financial reporting and rate-setting practices that conform to FAA policy and federal law.

The integrity of the federal grant assurance framework depends upon meaningful oversight and enforcement. Where, as here, a rate-setting process is marked by inconsistency, opacity, and unsupported conclusions, intervention is not only appropriate, it is necessary to preserve the statutory and regulatory protections afforded to airport users.

CalPilots therefore respectfully requests that the FAA exercise its authority to ensure that LAWA's operation of Van Nuys Airport, including the imposition of landing fees, is brought into full compliance with federal law, policy, and the obligations attendant to its acceptance of federal funds.

Respectfully Submitted,

CALIFORNIA PILOTS ASSOCIATION



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