

UNITED STATES DEPARTMENT OF HOMELAND SECURITY

TRANSPORTATION SECURITY ADMINISTRATION

WASHINGTON, DC

Matter: Susquehanna Area Regional Airport Authority Pursuant to OTA No. HSTS04-04-A-DEP144 and OTA No. HSTS04-05-A-DEP242

Docket No.: Odra Case No. 10-TSA-047

ORDER

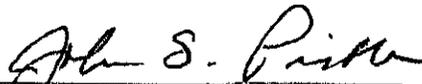
On November 12, 2010, Susquehanna Area Regional Airport Authority ("SARAA") filed a contract dispute with the Federal Aviation Administration ("FAA") Office of Dispute Resolution for Acquisition ("ODRA") alleging, *inter alia*, breach of two written agreements, breach of an oral contract, and breach of one or more implied-in-fact contracts. The allegations were based on unreimbursed invoices relating to the improvements undertaken by SARAA starting in 2002 at the Harrisburg International Airport (MDT), including installation and construction of an in-line baggage screening system, construction of a basement facility to house the system, and other related construction ("Project"). The Project was initially funded through an FAA Airport Improvement ("AIP") grant; however, subsequent legislation precluded the FAA from funding airport security projects.

The Transportation Security Administration (TSA) and SARAA later executed two Other Transaction Agreements, referred to in this matter as the First OTA, in the amount of \$4M, and the Second OTA, in the amount of \$3M, for a total reimbursement to SARAA of \$7M. SARAA submitted a total of \$12.5M in invoices to TSA, of which \$7M was reimbursed, leaving approximately \$5.5M of the Project costs unreimbursed.

The attached Odra Findings and Recommendations, issued by Odra on April 7, 2014, concludes that: (1) the underlying arrangement between TSA and SARAA originated as a FAA AIP grant; (2) neither SARAA's discussions with the TSA Administrator and other officials, nor the First OTA or the Second OTA created a contractual obligation on the part of TSA to reimburse SARAA for the full remaining amounts claimed in this action; (3) no other express or implied contractual relationship was created between TSA and SARAA; and (4) all obligations of the TSA under the First OTA and the Second OTA with SARAA were fulfilled. For these reasons, and the reasons stated in the Odra Findings and Recommendations, as the TSA Administrator, I hereby adopt the Odra's findings and deny SARAA's contract dispute in its entirety.

This is the final Agency order in this matter. This decision is subject to review, in accordance with 49 U.S.C. § 46110 and the ODRA Procedural Rule, 14 C.F.R. § 17.33, within sixty (60) days of the issuance of this Order.

Issued this 22 day of May, 2014



John S. Pistole
Administrator
Transportation Security Administration