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Reginald C. Govan, Esq,
Office of the Chief Counsel
Federal Aviation Administration
800 Independence Avenue, S.W.
Washington, DC 20591

By Electronic Mail

Dear Mr. Govan,

Thank you for your letter of February 3, 2017 (received by e-mail on February 8, 2017).

With respect to Docket No. 16-16-14, we will be meeting with our client American Flyers, Inc. next week and will respond to you thereafter. Until then, you should assume that we plan to continue with the proceeding.

With respect to Docket No. 16-16-02, we intend to continue to pursue our clients' claims, which, as you are aware, have already been fully briefed by both sides and are awaiting a Director's Determination. We believe the evidence we presented in this matter demonstrates beyond dispute that the respondent City of Santa Monica ("City") has, over a number of years, diverted airport revenues in violation not only of its federal deed/grant-based obligations but of the continuing statutory obligations of 49 U.S.C. § 47133. Likewise, the other allegations of the complaint remain fully cognizable under Part 16, including that the City has substantially overcharged tenants and users for landing fees; has negotiated "sweetheart" lease terms with at least one non-aeronautical tenant; and has continued to deny aeronautical businesses any leases. The City has already conceded several of these claims and has proposed certain corrective actions.

Without here addressing the many issues and questions arising from the FAA's January 30, 2017 settlement agreement with the City, under the circumstances noted above, our clients do not accept the "presumptive position" you describe and strongly dispute any assertion that the City has been or is in compliance with its federal obligations, however defined. Our clients expect the FAA to proceed to a

Director's Determination in Docket No. 16-16-02 consistent with its own statutory obligations, expect that that determination will fully and fairly address the merits of their multiple claims without reference to any newly-created "presumptions", and reserve their rights to challenge the outcome through further administrative proceedings or otherwise.

Sincerely,

Richard K. Simon

CC: Joe Manges