

# GAO Highlights

Highlights of [GAO-20-16](#), a report to the Ranking Member, Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

Since 2007, the FAA has provided more than \$37 billion in grants to airports to fund capital development and is responsible for ensuring compliance with requirements airports assume when they accept these grants. One such requirement is that the airports provide users equal access to airport services such as fueling and parking. Recently, an industry group and pilots raised concerns about the transparency and reasonableness of prices charged for these and other services at airports.

GAO was asked to examine FBOs' pricing and FAA's oversight of related airport grant assurances. This report examines: (1) the transparency of FBO prices, (2) the factors that influence prices, and (3) the extent to which FAA ensures compliance with federal airport grant assurances related to FBO activities.

GAO analyzed FAA data related to complaints from 2013 through 2018 and reviewed relevant literature, key laws and regulations, and program documentation. GAO developed a statistical model to analyze variation in fuel prices across airports in the contiguous United States. GAO interviewed FAA compliance staff at headquarters and all regional offices, as well as a non-probability selection of stakeholders.

View [GAO-20-16](#). For more information, contact Andrew Von Ah at (202) 512-2834 or [vonaha@gao.gov](mailto:vonaha@gao.gov).

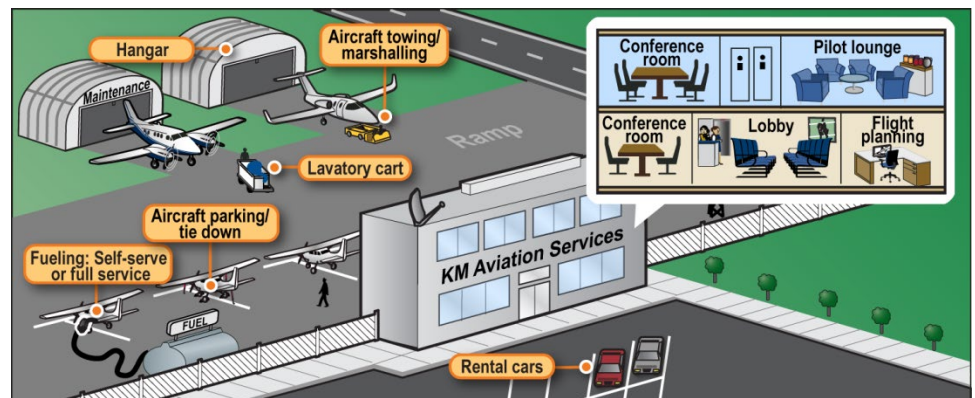
## AIRPORTS

### Information on Prices for Aviation Services and FAA's Oversight of Grant Requirements

## What GAO Found

Fixed base operators (FBO) at airports (see figure) offer a variety of services to pilots and passengers. While anyone can view fuel prices offered by FBOs online, other service fees, such as for aircraft parking, can vary by type of aircraft and are not always available online, although they can be obtained by calling the FBO. Recently, industry groups developed the "Know Before You Go" campaign that calls for greater transparency of FBO prices. Some of the FBOs GAO interviewed list their fees online; however, others do not.

### Illustration of Services Provided by Fixed Base Operators at Airports



Source: GAO. | GAO-20-16

Stakeholders GAO interviewed—including general aviation pilots, airports, FBOs, and industry groups—said FBOs' costs to build and maintain facilities—such as hangars and fueling facilities—as well as operating expenses such as labor and fuel—influence their prices. Stakeholders also said that demand for FBOs' services can influence prices, such as when seasonal demand affects operations at an airport near a ski resort. Finally, they also said that competition affects FBO's prices. GAO's statistical model confirmed a correlation between many cost and demand factors and aviation fuel prices and found higher prices at airports with higher costs and demand. This model also found that on-airport competition is associated with lower prices at the country's busiest airports: Prices for aviation fuels were lower at such airports with more than one FBO. However, not all airports can support more than one FBO due to, for example, the amount of business each gets.

Airports receiving Federal Aviation Administration (FAA) grants must meet "grant assurances" such as charging reasonable and not unjustly discriminatory prices for services, including prices charged by FBOs. FAA officials said FAA oversight relies on (1) airports' consent to adhere to grant assurances; (2) training and outreach; and (3) complaints. Since 2013, in complaints received by FAA, GAO found few complaints about FBOs' prices. GAO found each regional office independently records additional inquiries. FAA is moving to collect regional inquiries centrally, and by 2020 that step may allow FAA to stay abreast of apparent nationwide trends or issues with any grant assurance concerns.