Southern Region Office of Civil Rights 1701 Columbia Avenue, ASO-9 College Park, GA 30337

March 27, 2014

Greg Donovan, Airport Director Pensacola International Airport 2430 Airport Blvd, Suite 225 Pensacola, FL 32504

Dear Mr. Donovan:

This letter is in response to a March 25, 2014 email request from Andrea Kvech, Assistant Airport Director- Finance, to me, requesting FAA approval of a long-term, exclusive concession agreement under 49 CFR Section 23.75.

I understand that Pensacola International Airport is requesting FAA's approval for a long-term, exclusive concession contract to operate food and beverage concession services at the airport. The term of the contract is for ten (10) years.

As you are aware, an airport sponsor may enter into a long-term, exclusive concession agreement only under conditions described in Section 23.75(b). Those conditions include: (1) the existence of special local circumstances making it important to enter such agreement, and; (2) FAA approval of your plan for meeting the standards of Section 23.75(c).

In accordance with Section 23.75(b), we have reviewed the request along with the supporting documentation provided with the aforementioned request to the FAA as well as participated in several follow-up telephone discussions with Andrea Kvech on the matter. The airport has stated that such an agreement is needed in part because the airport is requiring the current food and beverage concession locations to be completely reconfigured to accommodate a new food court design for the benefit of your travelers requiring a much larger than normal upfront investment by the concessionaire to reconfigure the space to the new design.

Additionally, the airport's BBB bond rating reflects the challenging economic environment in its market area and that enplanement performance has been uneven and could be negatively influenced in future years due to the presence of competition at other regional airports. The airport has also stated that it will have adequate Airport Concession Disadvantaged Business Enterprise (ACDBE) participation because the contract award has been made to OHM Concessions Group, LLC which is a certified ACDBE in the state of Florida.

Based on the information that the airport has provided, the FAA finds that Pensacola International Airport's request for a long term, exclusive concession agreement not to exceed ten (10) years meets the requirements of Section 23.75(c) (1-7). Accordingly, the FAA approves granting an exception to the rule against long-term, exclusive concession agreements for the purposes of the subject request.

If I can be of further assistance, please feel free to contact me at <a href="mailto:Gene.E.Roth@faa.gov">Gene.E.Roth@faa.gov</a> or (404) 305-5256.

Sincerely,

Gene Roth

National Team Lead and Southern Region Compliance Specialist DBE and ACDBE Program Compliance

Cc:

Bill Farris, Program Manager- FAA Orlando ADO Andre Kvech, Assistant Airport Director- Pensacola International Airport Doug Murphy, Regional Administrator, FAA