



Commonwealth Ports Authority

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PRESS RELEASE

FAA dismisses Star Marianas's complaint against CPA

On January 10, 2021, the Federal Aviation Administration (FAA) affirmed the dismissal of Star Marianas's Part 16 complaint against the Commonwealth Ports Authority (CPA), stating Star Mariana's appeal "does not advance persuasive arguments sufficient to reverse any portion of the Director's Determination."

The appeal stemmed from a complaint filed by Star Marianas against CPA in 2018. In that complaint, Star Marianas made multiple allegations against CPA, claiming that certain CPA rates, charges, and operations violated Federal grant assurances. The FAA Director found the allegations in that complaint meritless, concluding that CPA did not violate any Federal grant assurances.

In the complaint, Star Marianas alleged that the rate setting methodology CPA uses is in violation of the Anti-Head Tax Act.

The FAA Director disagreed. The Director stated that "[b]ased on the descriptions of the methodologies provided by the Ports Authority, the Director finds that Star Marianas has not provided persuasive evidence showing how the Ports Authority rates and charges assessed for each cost center and common use area was, or currently is, a violation of the [Anti-Head Tax Act]."

Star Marianas also alleged that CPA violated Federal grant assurances by setting unreasonably high fees and violating FAA policies on rates and charges.

In regard to that allegation, the FAA Director determined that CPA was currently in compliance with Federal obligations, noting that Star Marianas failed to provide "any substantive or persuasive evidence to support its allegations" The Director also stated that he was "satisfied that the Ports Authority current rates and charges methodology is transparent and reasonable."

Star Marianas also alleged that CPA does not provide similar airside access to all airlines at the Rota International Airport.

The FAA Director also found that allegation meritless. The FAA Director stated that CPA “provides Star Marianas reasonable access to the airport under the existing requirements.” He stated that CPA “provided reasonable terms and without unjust discrimination to Star Marianas without adversely affecting the efficiency and utility of the airport in the Rota airport security program.”

Star Marianas then alleged that CPA violated its Federal grant assurances because its revenues exceed its operational expenses.

Again, the FAA Director also dismissed those allegations. He stated that “Star Marianas has not provided the Director any substantive detailed financial evidence to support its allegation that there was an unreasonable amount of surplus funds to cover the capital and operating costs, and unreasonable reserves for the Ports Authority airports system.”

Star Marianas final allegation was that CPA improperly used airport revenues.

Like the other allegations, the FAA Director dismissed the claim. He stated that “Star Marianas did not provide any substantive evidence to overcome the audits that Ports Authority had unlawfully diverted airport revenue for non-airport purposes from the Ports Authority airport system. The review of the entire Record also did not identify any misuse of airport revenue for non-airport purposes.”

On June 3, 2020, Star Marianas appealed the Director’s determination, which dismissed all of Star Marianas’s claims.

In regard to CPA’s rate-setting methodology, the appellate decision found that the Director’s conclusions were made in accordance with law, precedent, and policy. It stated that “the Director correctly identified and analyzed the allegations of a violation of the [Anti-Head Tax Act] . . . and concluded there was no violation.” It also stated “Star Marianas has not identified how the Director erred in this conclusion, but simply objects to the conclusion.”

The appellate decision also affirmed the Director’s determination regarding the allegation that CPA has economically discriminated against Star Marianas, stating that “[t]he fact that the Ports Authority has a methodology that Star Marianas does not agree with does not mean it violates [a Federal grant assurance].”

The dismissal of Star Marianas’s allegations regarding airside access at the Rota International Airport were also affirmed. The appeal stated that “[t]here is no evidence presented by Star Marianas that the Ports Authority is denying access to the terminal or granting an exclusive right[.] In fact, it is apparent the Authority is seeking to accommodate Star Marianas with direct counter to ramp access, but Star Marianas has not accepted the accommodation to date.”

Ultimately, Star Marianas’s appeal was unsuccessful. The appeal affirmed the Director’s findings and conclusions that CPA is in compliance with its Federal obligations, stating

that the Director's findings and conclusions were supported by substantial evidence and were consistent with applicable law, precedent, and FAA policy.

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