



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Compliance
and Management Analysis

800 Independence Ave., SW.
Washington, DC 20591

June 12, 2018

Mr. Timothy J. Roskelley
Anderson & Kreiger LLP
50 Milk Street, 21st Floor
Boston, MA 02109

Re: Peninsula Airport Commission's Response to FAA Concerns

Dear Mr. Roskelley:

This letter is in reference to **your letter dated February 1, 2018** regarding the concerns the Federal Aviation Administration (FAA) raised in our letter to you on September 26, 2017. The Peninsula Airport Commission ("PAC") is the operator of Newport News/Williamsburg International Airport (the "Airport"). The aforementioned letter described six concerns **about possible illegal airport revenue diversion. The FAA has thoroughly reviewed your responses along with the twenty-one (21) exhibits attached. Upon completion of the review, the FAA is satisfied with the steps taken by PAC to address its concerns and correct the issues of revenue diversion** with the exception of Exhibit 21.

We have thoroughly reviewed the general release and contribution agreement between PAC and Jones, Blechman, Woltz & Kelly, P.C. (JBWK), an agreement which addressed the line of credit to People Express that was guaranteed by PAC. The agreement stated that as of December 21, 2017, Townebank and JBWK agreed to and shall pay a consideration to the PAC in the amount of \$2,000,000. The consideration was agreed to be in the form of (i) a check for \$1,650,000.00 to be issued by McGuireWoods LLP and (ii) a reduction in interest payments for \$350,000.00 on a taxable bond with account number ending 0989, which was previously issued to PAC by Townebank.

The exhibits submitted does not include any documentation to show that the sum of \$1,650,000.00 has been credited to PAC. For example, the exhibits submitted do not include a copy of a canceled check or wire transfer receipt for the amount. In addition, the \$350,000.00 reduction in interest payments has not been documented. This documentation is necessary to complete our review.

Therefore, within 30 days, please provide this office with a copy of the check or wire transfer receipt, a record of the interest payment reduction, and any other related financial documentation that would supplement these two deficiencies.

We would appreciate your cooperation since we desire to resolve these issues in a timely manner. Do not hesitate to contact me if you have any questions at (202) 267-3085.

Sincerely,

Kevin C. Willis, Director
Office of Airport Compliance
and Management Analysis