NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT RELATED TO PASSENGER FACILITY CHARGES
PFC Application 26-10-C-00-TYS

The Metropolitan Knoxville Airport Authority (Authority or MKAA) is providing an opportunity for public comment until ***August 31, 2026*** on its proposed new Passenger Facility Charge (PFC) Application 26-10-C-00-TYS (PFC #10) for the McGhee Tyson Airport (Airport or TYS). PFC proceeds will be used to fund eligible project costs for certain projects at the Airport. This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge. Accordingly, the MKAA is providing the public with the following information regarding the proposed new PFC #10 application.

HISTORY OF THE PFC PROGRAM AT THE AIRPORT

The Airport has previously received approval from the FAA for nine (9) PFC applications, as well as several amendments to the applications dating back to 1993 totaling $122,989,365. The current amounts approved to be collected under all PFC applications are shown in **Table 1**. Since its inception, through March 31, 2026, the Airport has collected $110,795,182 in PFCs and PFC interest earnings and has $10,813,082 of PFC left to collect on its current PFC projects.

DESCRIPTION OF PFC #10 PROJECTS PURSUANT TO SECTION 158.23 (a)(1)

As presented in **Table 2** a total of two (2) new projects are proposed for PFC #10. In total, the Airport is seeking authority to impose and use $83,690,876 of PFCs in PFC #10. A summary of each new project proposed for PFC #10 is provided on **Attachment A** to this letter, including the project descriptions, need and justification, and a plan of funding.

PFC LEVEL, PROPOSED CHARGE EFFECTIVE DATES, ESTIMATED CHARGE EXPIRATION DATES, AND ESTIMATED TOTAL PFC REVENUE PURSUANT TO SECTION 158.23(a)(2)

Table 3 presents the forecasted PFC revenue collections at TYS and the updated charge expiration date for PFC #10.

Based on the proposed new PFC #10 Application projects, **PFC 26-10-C-00-TYS** will have the following characteristics:

- A PFC collection rate of $4.50.
- The total PFC authority to Impose and Use under the PFC #10 Application of $83,690,876, which would increase the Airport's total PFC collection authority for PFC applications #1 through #10 to $206,680,241.
- Proposed charge effective date of February 1, 2028 (the month of the legal charge expiration date for the last authorized PFC application (PFC #9)) or upon expiration of collection of PFCs for currently approved applications, whichever comes first.

- Estimated charge expiration date of November 1, 2037 (or until collected revenues plus interest thereon equal the allowable costs of the approved projects, as permitted by regulation).

These dates are estimated based on the Airport's actual PFC collections and expenditures as of March 31, 2026; actual enplaned passengers for Fiscal Year (FY) 2025, an estimated 3.2% increase of enplaned passengers in FY 2026, and an assumed compounded annual growth rate of 1.6% thereafter which is based on the FAA's most recent Terminal Area Forecast (TAF) prepared for the Airport.

CLASS OF CARRIERS NOT REQUIRED TO COLLECT THE PFC PURSUANT TO SECTION 158.23(a)(3)

The Airport plans to request the exclusion of PFC collection from Nonscheduled/On-demand Air Carriers (ATCO) filing FAA Form 1800-31 and Commuters or Small Certificated Air Carriers (CAC) filing FAA Form T-100. The most recent official enplanement figures from the FAA for the year-end December 31, 2024, shows that these carriers enplaned 157 and 167 passengers, respectively, representing only 0.010%of total annual enplanements at the Airport in CY 2024. The known carriers in these carrier classes in CY 2024 and their enplanement levels consist of the following:

ATCO & CAC Carriers Enplaning Less than One Percent to Total Airport Enplanements

Type of Carrier / Carrier Name	CY 2024 Enplaned Passengers
ATCO Carriers	
Cobalt Air LLC (6CBA)	122
Northeastern Aviation Corp (AOYA)	35
Subtotal ATCO Carriers	**157**
CAC Carriers	
CFM INC D/B/A CONTOUR AIRLINES (LF#)	55
NEW PACIFIC AIRLINES (7H###)	110
Tradewind Aviation LLC (04Q)	2
Subtotal CAC Carriers	**167**
TOTAL ATCO & CAC CARRIERS	**324**
Total Airport Enplaned Passengers	**1,639,080**
% of ATCO & CAC Enplaned Passengers	**0.010%**

Source: FAA Air Carrier Activity Information System (ACAIS) for CY 2024.

As shown above, the number of passengers enplaned annually by these classes of carriers represents an amount less than one percent (1%) of the total enplaned passengers at TYS. In accordance with 14 CFR § 158.25, these classes of air carriers may be requested to be exempted based on their enplanement levels and cost to the Airport to collect PFCs from this class of air carriers.

*   *   *   *   *

As required under 14 CFR Section 158.24, the MKAA will be accepting public comments on the proposed new PFC Application 25-09-C-00-TYS up to ***August 31, 2026,*** which is at least thirty (30) days after the date of posting of this Notice on our website. Any comments or questions should be sent to:

Yin Chen
Controller
Metropolitan Knoxville Airport Authority
P.O. Box 15600, Knoxville, TN 37701
yin.chen@tys.org

Table 1
Summary of Existing PFC Program Approvals

Application Number	Approved to Impose	Approved for Use	Collection Level	Effective Date	Expiration Date	Status
93-01-C-00-TYS	$4,453,055	$3,753,400	$4.50	January 1, 1994	February 1, 1997	Closed
96-02-C-00-TYS	552,931	552,931	$4.50	February 1, 1997	May 1, 1997	Closed
97-03-C-00-TYS	1,497,864	1,497,864	$4.50	May 1, 1997	June 1, 1998	Closed
97-04-U-00-TYS	0	699,655	$4.50	--	--	Closed
97-05-C-00-TYS	1,467,737	1,467,737	$4.50	June 1, 1998	May 1, 1999	Closed
98-06-C-00-TYS	79,638,206	79,638,206	$4.50	May 1, 1999	October 1, 2022	Open
03-07-C-00-TYS	4,691,627	4,691,627	$4.50	October 1, 2022	July 1, 2023	Open
23-08-C-00-TYS	14,870,960	14,870,960	$4.50	July 1, 2023	December 1, 2025	Open
25-09-C-01-TYS	15,816,985	15,816,985	$4.50	December 1, 2025	February 1, 2028	Open
TOTAL	**$122,989,365**	**$122,989,365**				

Sources: Metropolitan Knoxville Airport Authority and FAA Final Agency Decisions.

Table 2
Proposed PFC #10 Projects

Table 2
Proposed PFC #10 Projects

						Local Share				
PFC Project #	**PROJECT**	**Est. Project Start**	**Est. Project End**	**Total Cost**	**BIL AIG**	**Airport Share [1]**	**PFC Pay-As-You-Go**	**PFC Principal**	**PFC Finance & Interest**	**Total PFCs**
1	Security Screening Checkpoing Expansion	Jan-27	Mar-28	**$98,648,031**	$10,000,000	$4,992,155	$0	$31,899,300	$51,756,576	$83,655,876
2	PFC Application Preparation Costs	Mar-26	Dec-26	**$35,000**			$35,000			$35,000
	TOTALS			**$98,683,031**	**$10,000,000**	**$4,992,155**	**$35,000**	**$31,899,300**	**$51,756,576**	**$83,690,876**

[1] Local share includes both principal and finance & interest costs.

Source: Metropolitan Knoxville Airport Authority.

Table 3
FORECAST OF PFC REVENUE COLLECTIONS & ESTIMATED PFC #10 CHARGE EXPIRATION DATE
PAGE 1 OF 2
(Fiscal Years Ending June 30)

		Actual	Projected					
		2025	2026	2027	2028	2029	2030	2031
Total Enplaned Passengers	[A]	1,783,335	1,840,000	1,897,040	1,955,893	2,000,526	2,033,923	2,059,164
Annual increase (decrease) [1]		17.7%	3.2%	3.1%	3.1%	2.3%	1.7%	1.2%
% Enplaned Passengers paying PFCs	[C]	89.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Enplanements		1,602,870	1,656,000	1,707,336	1,760,304	1,800,473	1,830,530	1,853,248
PFC Level	[D]	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
PFC Administrative Fee	[E]	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Net PFC Level	[F = D - E]	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Annual PFC Collections	[G = A*C*F]	$7,212,917	$7,270,000	$7,495,000	$7,728,000	$7,904,000	$8,036,000	$8,136,000
Interest earnings [2]	[H]	$36,082	$36,350	$37,475	$38,640	$39,520	$40,180	$40,680
Service Fees	[I]	(3,202)	(3,227)	(3,327)	(3,430)	(3,508)	(3,567)	(3,611)
Total annual PFC revenues	[J = G + H +I]	$7,245,797	$7,303,123	$7,529,148	$7,763,210	$7,940,012	$8,072,613	$8,173,069
Cumulative PFC Revenues Collected thru End of Fiscal Year		**$105,225,731**	**$112,528,854**	**$120,058,002**	**$127,821,212**	**$135,761,224**	**$143,833,837**	**$152,006,906**
Cumulative PFC Revenues Collected thru Total PFC Collection Authority of PFC #10		**$105,225,731**	**$112,528,854**	**$120,058,002**	**$127,821,212**	**$135,761,224**	**$143,833,837**	**$152,006,906**

PFC APPLICATION	Authorized PFC Impose Amount
93-01-C-05-TYS	$4,453,055
96-02-C-01-TYS	$552,931
97-03-C-01-TYS	$1,497,864
97-04-U-02-TYS	$0
97-05-C-01-TYS	$1,467,737
98-06-C-02-TYS	$79,638,206
03-07-C-00-TYS	$4,691,627
23-08-C-00-TYS	$14,870,960
25-09-C-01-TYS	$15,816,985
26-10-C-00-TYS	**$83,690,876**
Total PFC Collection Authorization	**$206,680,241**

[1] Enplaned Passenger growth from FY 2027 and beyond is based on growth rates from FAA Terminal Area Forecast issued in February 2026.
[2] Assumes interest rate of 0.5%.
Sources: Metropolitan Knoxville Airport Authority (FY 2025).
Prepared by Landrum & Brown, Inc.

Table 3
FORECAST OF PFC REVENUE COLLECTIONS & ESTIMATED PFC #10 CHARGE EXPIRATION DATE
PAGE 2 OF 2
(Fiscal Years Ending June 30)

		Projected						
		2032	2033	2034	2035	2036	2037	2038
Total Enplaned Passengers	[A]	2,084,286	2,109,979	2,136,505	2,163,856	2,191,681	2,219,050	2,246,482
Annual increase (decrease) [1]		1.2%	1.2%	1.3%	1.3%	1.3%	1.2%	1.2%
% Enplaned Passengers paying PFCs	[C]	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Enplanements		1,875,858	1,898,981	1,922,854	1,947,470	1,972,513	1,997,145	2,021,834
PFC Level	[D]	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
PFC Administrative Fee	[E]	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Net PFC Level	[F = D - E]	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Annual PFC Collections	[G = A*C*F]	$8,235,000	$8,337,000	$8,441,000	$8,549,000	$8,659,000	$8,767,000	$8,876,000
Interest earnings [2]	[H]	$41,175	$41,685	$42,205	$42,745	$43,295	$43,835	$44,380
Service Fees	[I]	(3,655)	(3,701)	(3,747)	(3,795)	(3,843)	(5,058)	(5,120)
Total annual PFC revenues	[J = G + H +I]	$8,272,520	$8,374,984	$8,479,458	$8,587,950	$8,698,452	$8,805,777	$8,915,260
Cumulative PFC Revenues Collected thru End of Fiscal Year		**$160,279,425**	**$168,654,410**	**$177,133,868**	**$185,721,818**	**$194,420,270**	**$203,226,047**	**$212,141,307**
Cumulative PFC Revenues Collected thru Total PFC Collection Authority of PFC #10		**$160,279,425**	**$168,654,410**	**$177,133,868**	**$185,721,818**	**$194,420,270**	**$203,226,047**	**$206,680,241**

PFC APPLICATION	Authorized PFC Impose Amount
93-01-C-05-TYS	$4,453,055
96-02-C-01-TYS	$552,931
97-03-C-01-TYS	$1,497,864
97-04-U-02-TYS	$0
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25-09-C-01-TYS	$15,816,985
26-10-C-00-TYS	**$83,690,876**
Total PFC Collection Authorization	**$206,680,241**

Estimated Expiration Date (PFC #10)

November 1, 2037

[1] Enplaned Passenger growth from FY 2027 and beyond is based on growth rates from FAA Terminal Area Forecast issued in February 2026.
[2] Assumes interest rate of 0.5%.
Sources: Metropolitan Knoxville Airport Authority (FY 2025).

ATTACHMENT A
PFC 26-10-C-00-TYS
PROJECT DESCRIPTIONS, JUSTIFICATIONS, AND OBJECTIVES

Project 1: Security Screening Checkpoint Expansion

PFC Amounts

PFC Pay-As-You-Go:	$0
PFC Principal:	$31,899,300
PFC Financing & Interest:	$51,756,576
PFC Total:	**$83,655,876**

Project Description:
This project will construct and expand the Airport's Security Screening Checkpoint (SSCP) from four (4) security checkpoint lanes, covering approximately 4,545 square feet, to six (6) security checkpoint lanes, covering approximately 14,212 square feet. In addition, the Airport's existing Exit Lane Breach Control (ELBC) lanes, which offer automated one-way security lanes, will be expanded from two (2) lanes to three (3) lanes. This expansion will enhance deplaning passenger processing times and ensure the safe and efficient movement of arriving passengers from the secure terminal area to the non-secure terminal areas. The SSCP project also allows for future expansion from six checkpoint lanes to eight when passenger demand necessitates it.

The SSCP project will also construct office space, law enforcement official (LEO) office space, a private screening room, and dedicated information technology (IT) and electrical rooms as required by the Transportation Security Administration (TSA). Additionally, approximately 1,500 square feet of existing concessions space will be repurposed to accommodate the new SSCP and provide approximately 6,037 square feet of public circulation just beyond the new SSCP lanes. This circulation will enable screened passengers to reach the secured concourses and aircraft gates within the terminal.

Note that the estimated costs for the SSCP project do not include the costs associated with the baggage Computer Tomography X-ray (CTX) equipment for each security lane.

Table A-1 provides a summary of the square footage by type of space for the new SSCP, along with the corresponding PFC eligibility for each type. Based on the analysis of the new SSCP space, it is estimated that approximately 95.7% of the new SSCP space is eligible for to be paid for using PFCs

Table A-1

New SSCP Space by Type and PFC Eligibility Analysis

SSCP Project			
Terminal Space by Type	**Total Square Feet**	**PFC Eligibility**	**PFC-Eligible Square Feet**
SSCP Space	8,750	100.0%	8,750
SSCP Queue Space	5,437	100.0%	5,437
Future ELBC	95	100.0%	95
Public Circulation	6,037	100.0%	6,037
Vertical Circulation	239	100.0%	239
Private Screening Room	111	0.0%	0
Law Enforcement Office (LEO)	133	0.0%	0
TSA Office Space	418	0.0%	0
Dedicated TSA IT Room	140	0.0%	0
Dedicated TSA Electrical Room	132	0.0%	0
Subtotal	**21,492**	**95.7%**	**20,558**
Pro-Rated Space			
Mechanical	424	95.7%	406
Utility Chase	118	95.7%	113
Total SSCP Project Space	**22,034**	**95.7%**	**20,781**

Project Justification:

The Airport's actual enplaned passengers continue to surpass the forecast projections established in the 2019 Terminal Area Plan (TAP). In the Fiscal Year (FY) 2024, the Airport handled 1.67 million enplaned passengers, and in the FY 2025, it processed just over 1.82 million enplaned passengers, marking a significant 9% increase. Recent updated forecasts based on anticipated activity levels for FY 2025 it is forecast that the Airport will reach approximately 2.2 million annual enplaned passengers by the FY 2030. Consequently, the existing TSA checkpoint is already operating above its designed capacity. This situation results in long security checkpoint lines, reduced customer service levels, and potentially missed flights for passengers. Therefore, it is crucial to provide additional TSA checkpoint capacity to continue accommodating the Airport's rapid growth in passengers and scheduled commercial aircraft operations.

To help address this issue, in 2019, the TSA checkpoint was expanded from three to four lanes as an interim solution to address security checkpoint capacity constraints. While this expansion increased passenger screening capacity, due to the continued strong growth in passengers over the past seven years, the Airport is once again experiencing long passenger queues and processing times. Moreover, the existing four security lanes do not fully comply with the TSA's preferred lane length specifications and space requirements.

As identified in the Airport's TAP, the goal of the TSA checkpoint expansion project is to expand the existing TSA security checkpoint to accommodate the anticipated passenger and operational growth. This growth is expected to meet the Planning Activity Level (PAL) 3, which is approximately 2.3 million annual enplaned passengers. The TAP recommended that the Airport increase its existing security checkpoint from four security screening lanes to a total of six lanes to meet PAL 3. Due to the existing spatial constraints of the Airport's terminal building envelope, expanding the TSA checkpoint within the existing building envelope is not feasible.

In addition, in its letter dated April 3, 2026, the Transportation Security Administration (TSA) expressed the need and support for the planned SSCP expansion project. As they documented, without the addition of more security screening lanes, the continued growth in passenger numbers and larger aircraft will lead to insufficient checkpoint throughput capacity and longer wait times for travelers. The TSA identified the new SSCP project as a solution to the following issues:

- Increase TSA screening capacity, efficiency, and effectiveness
- Enable better airflow and improves current HVAC capability resulting in climate control improvements
- Increase space results in Americans with Disabilities Act (ADA) access improvements, making for a better experience at TYS for those with disabilities
- Facilitate the deployment of technology upgrades which improves security effectiveness and efficiency

Project Objective:
This project will enhance the airport's capacity by expanding the number of security checkpoint lanes from four to six. This expansion will increase passenger queuing and overall SSCP square footage, thereby increasing passenger throughput capacity. As a result, the airport will be better equipped to serve current passenger levels and passenger growth in the future.

Project #2 - PFC Application Preparation Costs

PFC Pay-As-You-Go:	$35,000
PFC Principal:	$0
PFC Financing & Interest:	$0
PFC Total:	**$35,000**

Project Description:
This project includes the costs to develop the proposed new PFC #10 application, consult with the airlines, provide for public comment, prepare and file Application No. 26-10-C-00-TYS, related attachments, and notify airlines of collection requirements.

Project Justification:
The preparation costs (as delineated in the description for this project) incurred to prepare the new PFC #10 application will be reimbursed under this project. These costs will be incurred in conjunction with the projects that are proposed for approval under either Section 158.15(b)(1), (b)(2), (b)(3), or (b)(6) of the Regulation. Therefore, the Airport submits these costs as reasonable and necessary costs of preparing the PFC program submitted under this Application as prescribed under Section 158.3 of the Regulation.

Project Objective:
This project recovers, as a separate project, the PFC application preparation costs (as described in the foregoing description) related to Project 1 included in this Application and, therefore, relies on the objectives that are described in those projects for PFC approval. Therefore, this project supports the objectives of enhancing capacity of the Airport and the national air transportation system pursuant to the objectives of Section 158.15(a)(1) of the Regulation.