

TS TRANS STATES HOLDINGS

November 21, 2017

Mr. John Louden
California State Board of Equalization
450 N. Street
Sacramento, CA 94279

Via Email: john.louden@boe.ca.gov

RE: Interested Parties Process – 2018 Representative Period for Certificated Air Carriers and Scheduled Air Taxi Operators

Dear Mr. Louden:

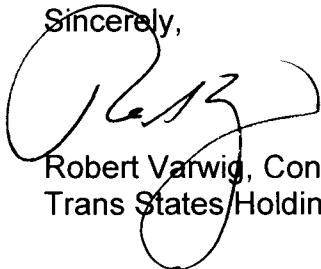
This letter is in opposition to changing the representative period from January of each year to another date or dates.

The representative period is used to apportion the value of aircraft that are owned and operated on the January 1 lien date. Compass Airlines (wholly owned subsidiary of Trans States Holdings) maintains that the representative period should be as close as possible to the lien date to ensure that the activity will most accurately reflect the aircraft being assessed. A January representative period offers the best solution as it is closer to the lien date than the alternatives. Staff's current proposal creates significant risk that the aircraft assessed will not match the activity reflected in the representative period.

Further, Staff's proposal utilizing jet fuel sales is unreliable in measuring aircraft activity. Jet fuel is often purchased in bulk, by airlines and suppliers, for later use. As such, the timing of these sales does not mirror activity. Fuel is also purchased by, or for, international carriers whose activity is dissimilar from domestic airlines.

Thank you for allowing us to comment and we urge the Board to maintain the current representative period in January.

Sincerely,



Robert Varwig, Controller
Trans States Holdings