



County of Allegheny

Office of the Controller

**PITTSBURGH INTERNATIONAL AIRPORT
REPORT ON STREET PRICING
COMPLIANCE PROCEDURES**

(Non-Audit Service)

September 25, 2015

Chelsa Wagner
Controller

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CHELSEA WAGNER
CONTROLLER

COUNTY OF ALLEGHENY

OFFICE OF THE CONTROLLER

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August 28, 2015

Ms. Christina A. Cassotis
Chief Executive Officer
Allegheny County Airport Authority
Landside Terminal, 4th Floor Mezzanine
P.O. Box 12370
Pittsburgh, PA 15231-0370

Pittsburgh International Airport
Report on Street Pricing
Compliance Procedures

Dear Ms. Cassotis:

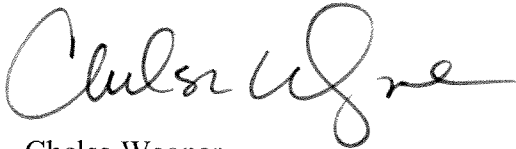
We performed certain procedures to assess AIRMALL Pittsburgh, Inc.'s (AIRMALL Pittsburgh) compliance with the street pricing provisions contained in the Fourth Amended and Restated Master Lease, Development and Concession Agreement. Our procedures included documenting the measures utilized by AIRMALL Pittsburgh to enforce street pricing within the airmall, as well as testing subtenant compliance with the street pricing requirements. In addition, we also tested the Sunoco gas station's compliance with the street pricing provisions contained in its agreement with the Allegheny County Airport Authority. Our procedures were performed as a non-audit service. Therefore, this engagement is not covered by *Generally Accepted Government Auditing Standards*.

Our sample included 175 items selected from 35 stores including the Sunoco gas station. Of the 175 items, we could not find 28 of the items at the agreed upon comparable locations. Of the remaining 147 items that could be tested, we found that 125 (85%) items were in compliance, 12 (8%) identical items were priced higher at the airmall, and 10 (7%) similar items were priced higher at the airmall. Our procedures did not identify any noncompliance with the street pricing requirements at the Sunoco gas station.

Ms. Christina A. Cassotis
August 28, 2015
Page 2

The results of our procedures and our recommendations are detailed in the attached report. We would like to thank the management and staff of the Airport Authority and AIRMALL Pittsburgh for their courtesy and cooperation during our engagement.

Kind regards,



Chelsa Wagner
Controller



Lori Churilla
Assistant Deputy Controller, Auditing

cc: Honorable John DeFazio, President, County Council
Honorable Nicholas Futules, Vice-President, County Council
Honorable Rich Fitzgerald, Allegheny County Executive
Mr. William McKain, County Manager, Allegheny County
Ms. Jennifer Liptak, Chief of Staff, County Executive
Ms. Mary Soroka, Director of Budget & Finance, Allegheny County
Mr. Joe Catanese, Director of Constituent Services & Government Relations, County Council
Mr. Walter Szymanski, Director of Budget & Administration, County Council
Mr. David Minnotte, Board Chairman, Airport Authority Board
Ms. Jan Rea, Audit Committee Chair, Airport Authority Board
Mr. James R. Gill, Chief Operating Officer, Allegheny County Airport Authority
Mr. Stephen W. Robinson, Vice President, Finance, Allegheny County Airport Authority
Mr. Jay Kruisselbrink, Senior Vice President, AIRMALL USA

Executive Summary

Purpose of Procedures

The purpose of this engagement was to test AIRMALL Pittsburgh's monitoring of prices charged to patrons of the Pittsburgh International Airport. We focused on compliance with the street pricing provisions of the concession agreements for the airmall subtenants and the Sunoco gas station.

Background

The Fourth Amended and Restated Master Lease, Development and Concession Agreement (Master Lease Agreement), between AIRMALL Pittsburgh, Inc. (AIRMALL Pittsburgh) and the Allegheny County Airport Authority, established a street pricing policy to ensure that the sales prices charged to patrons of the Pittsburgh International Airport do not exceed those of comparable businesses.

The street pricing provisions of the Master Lease Agreement require that the sales price of a good or service of the airmall subtenants be equal to or less than the regular price of a good or service of the same business, franchise or trade name at the nearest agreed upon non-airport location.

Results in Brief

Our procedures disclosed the following:

Finding #1

- A total of 12 (34%) out of 35 stores had non-compliant items.
- Of the 147 items that could be compared:
 - 125 (85%) items were in compliance,
 - 12 (8%) identical items were priced higher at the airmall,
 - 10 (7%) similar items was priced higher at the airmall.

Finding #2

- 28 (16%) of 175 items selected for testing could not be found at the comparable locations for 13 of the 35 (37%) stores tested.
 - Seven stores had one item that could not be compared, and
 - Six stores had more than one item that could not be compared.

Finding #3

- 11 stores are repeatedly non-compliant with the Street Pricing Requirements. Each of the stores had non-compliant items in at least two of the last three Price Comparison Surveys that were performed by Customer Service Consultants.

Executive Summary

Recommendations

We recommend that AIRMALL Pittsburgh:

Finding #1

- Require the stores found to be non-compliant with street pricing requirements to adjust the price of the 12 items to reflect the current comparable street price.
- Require the stores that appear to be non-compliant to provide information on the 10 items to support the higher price, such as size or quality, or adjust the price to reflect the current comparable location.

Finding #2

- Work with the Airport Authority and the subtenants.
 - Determine if there are better comparable locations available for stores selling items that are not carried at the current comparable locations.
 - Consider amending the contract to allow for multiple comparable locations for stores where there are other entities of the same business, franchise, or trade name due to limited availability of items in certain stores.

Finding #3

- Perform more frequent follow ups with stores that have proven to be continually non-compliant.
- Work with the Airport Authority to strengthen the language of the Development and Concession Agreement to include penalties for stores that are continually non-compliant with the street pricing regulations.
- Ensure continually non-compliant stores are made aware of penalties and that these penalties are enforced.

I. Introduction

The Fourth Amended and Restated Master Lease, Development and Concession Agreement (Master Lease Agreement), between AIRMALL Pittsburgh, Inc. (AIRMALL Pittsburgh) and the Allegheny County Airport Authority, established a street pricing policy to ensure that the sales prices charged to patrons of the Pittsburgh International Airport do not exceed those of comparable businesses. This contract expires December 31, 2029.

The street pricing provisions of the Master Lease Agreement require that the sales price of a good or service of the airmall subtenants (stores) be equal to or less than the regular price of a good or service of the same business, franchise or trade name at the nearest agreed upon non-airport location. If a good or service is not available from an entity of the same business, franchise or trade name, the price charged by the store must be within a range of the regular prices of three separate and comparable businesses. Similar street pricing provisions are included in the Sunoco gas station's lease agreement with the Airport Authority. Since the Sunoco gas station is not an airmall subtenant, it is not included in the agreement with AIRMALL Pittsburgh.

AIRMALL Pittsburgh utilizes a local firm, Customer Service Consultants (CSC), to conduct price surveys in order to evaluate the airmall subtenant compliance with the street pricing provisions of their concession agreements. The Airport Authority conducts similar periodic price checks for the Sunoco gas station to ensure compliance with its street pricing requirements.

II. Scope & Methodology

Our procedures tested AIRMALL Pittsburgh's monitoring of prices charged to patrons of the Pittsburgh International Airport. We focused on compliance with the street pricing provisions of the concession agreements for the airmall subtenants (stores) and the Sunoco gas station. Specifically, we:

- Gained an understanding of the procedures utilized by AIRMALL Pittsburgh to monitor and enforce subtenant compliance with the street pricing requirements and examined supporting documentation maintained by AIRMALL Pittsburgh.
- Compared the prices for a sample of items from airmall stores and the Sunoco gas station to the prices at agreed upon comparable locations. When applicable, the UPC code was recorded for the item. These comparisons were made from August 10, 2015 through August 13, 2015.
- Reviewed the 2014 Customer Service Consultant price comparison survey to ensure AIRMALL Pittsburgh's proper follow-up to deficiencies noted.

We provided a draft copy of this report for comment to the Senior Vice President, AIRMALL USA. The response begins on page 15.

III. Findings and Recommendations

Finding #1

12 out of 35 Stores Sampled Are Non-Compliant With Street Pricing Requirements

The Fourth Amended and Restated Master Lease, Development and Concession Agreement between the Airport Authority and AIRMALL Pittsburgh includes a Street Pricing Requirement that states “Lessee and its Subtenants shall observe Street Pricing for goods and services as defined herein. The Street Price for a good or service shall be the regular price of the good or service charged at an off-Airport, comparable location.” Additionally, the agreement between AIRMALL Pittsburgh and its subtenants states that subtenants may not charge prices for any products or services that exceed street prices.

There is a separate agreement between the Airport Authority and the Sunoco gas station that requires the concessionaire to observe “street pricing” for goods and services. Since the Sunoco gas station is not an airmall subtenant, it is not included in the agreement with AIRMALL Pittsburgh. Therefore, monitoring of the street pricing requirement is the responsibility of the Airport Authority.

We selected a sample of 5 items each from 35 stores, including Sunoco, for a total of 175 items. Of these 175 items:

- 28 (16%) items could not be found at the agreed upon comparable locations (See Finding #2).
- Of the 147 items that could be tested:
 - 125 (85%) items were in compliance with the street pricing requirements,
 - 12 (8%) items were priced higher at the airmall than the identical item at a comparable location,
 - 10 (7%) items were priced higher at the airmall than a similar item at a comparable location.

The 22 non-compliant items are detailed in the chart on the following page.

III. Findings and Recommendations

Non-Compliant Identical Items:

Store	Item	Airmail Price	Street Price	Difference
Green Beans Coffee	House Coffee – Triple	\$ 2.10	\$ 2.05	\$ 0.05
	Fruit Smoothie – 16 oz	\$ 4.55	\$ 4.25	\$ 0.30
Hudson Gifts	Majestic Brand Bettis Hall of Fame Black T-Shirt	\$ 34.99	\$ 32.00	\$ 2.99
Hudson News	Runts – Theatre Size 5oz	\$ 1.79	\$ 1.59	\$ 0.20
Paradies Gifts	Aminco Pirate Black Lanyard, Screen Printed with Pittsburgh and P	\$ 9.99	\$ 6.99	\$ 3.00
Paradies News	Red Bull 8.4 oz	\$ 2.99	\$ 2.49	\$ 0.50
	David’s Sunflower Seeds – Original 5.25oz	\$ 3.99	\$ 1.99	\$ 2.00
Quaker Steak & Lube	Breaded Boneless Wings – 6 Count	\$ 6.59	\$ 6.55	\$ 0.04
Subway	Italian BMT 12 Inch	\$ 7.99	\$ 7.50	\$ 0.49
Sue Venir	Aminco Penguin Lanyard with Screen Print	\$ 9.99	\$ 8.99	\$ 1.00
Villa Italian Kitchen	Pan Pizza Slice	\$ 4.19	\$ 4.09	\$ 0.10
	Mt Dew Bottle	\$ 2.59	\$ 2.29	\$ 0.30

Non-Compliant Similar Items:

Store	Item	Airmail Price	Street Price	Difference
Hudson Gifts	Boelter Brands 2oz Frosted Shot Glass with Yellow P	\$ 9.99	\$ 6.99	\$ 3.00
	Forty Seven Brand Snap Back Camo Hat with Yellow Brim and Embroidered Yellow P	\$ 29.99	\$ 29.00	\$ 0.99
Mayorga	Drip Coffee – Small	\$ 1.90	\$ 1.85	\$ 0.05
	Yogurt	\$ 3.50	\$ 2.45	\$ 1.05
	Bagel	\$ 2.25	\$ 1.50	\$ 0.75
Nature’s Kitchen	Buffalo Chicken Wrap	\$ 9.59	\$ 8.75	\$ 0.84
	Turkey Bacon Cheddar Panini	\$ 8.99	\$ 8.75	\$ 0.24
	Chicken Caesar Salad	\$ 8.99	\$ 8.75	\$ 0.24
Paradies News	Doritos 2 7/8 oz (Comparable Size 3 1/8 oz)	\$ 1.99	\$ 1.49	\$ 0.50
Quiznos	BBQ Ranch Chicken Salad	\$ 6.99	\$ 6.49	\$ 0.50

III. Findings and Recommendations

RECOMMENDATIONS

We recommend that AIRMALL Pittsburgh:

- Require the stores found to be non-compliant with street pricing requirements to adjust the price of the 12 items to reflect the current comparable street price.
- Require the stores that appear to be non-compliant to provide information on the 10 items to support the higher price, such as size or quality, or adjust the price to reflect the current comparable location.

III. Findings and Recommendations

Finding #2

Products from 13 out of 35 Stores Sampled Could Not be Found at a Comparable Location

The Fourth Amended and Restated Master Lease, Development and Concession Agreement between the Airport Authority and AIRMALL Pittsburgh includes a Street Pricing Requirement that states “Lessee and its Subtenants shall observe Street Pricing for goods and services as defined herein. The Street Price for a good or service shall be the regular price of the good or service charged at an off-Airport, comparable location, determined as follows.”

1. If an entity of the same business, franchise or trade name as a Subtenant operates in a non-Airport location, within a reasonable geographic radius from the Airport, the Street Price shall be the price of the good or service at the nearest agreed non-Airport location. A reasonable geographic radius shall be the Authority of Allegheny, followed by Beaver, Butler, Washington, and Westmoreland Counties.
2. If an entity of the same business, franchise or trade name as a Subtenant does not operate within a reasonable geographic radius, the Street Price shall be the regular price of the good or service at the nearest agreed entity of the same business, franchise or trade name.
3. If a good or service is not available from an entity of the same business, franchise or trade name as stated above, the Street Price shall be within a range of the regular prices of three separate businesses, of comparable nature, ambiance and product and service lines, within a reasonable geographic radius as defined above.
4. If the Subtenant is a franchisee or retail outlet of an entity with a national pricing structure which is identical for all franchisees or outlets, the Street Price shall be the same.

The Agreement also states that where an identical good or service, including food, beverages, and liquor, is not available at the agreed comparable location, any difference in size or quality shall constitute a price differential.

We selected a sample of 5 items each from 35 stores, including the Sunoco gas station, for a total of 175 items. Of these 175 items sampled:

- 28 (16%) items from 13 (37%) stores could not be found at the agreed upon comparable locations.
 - Seven stores had one item that could not be compared, and
 - Six stores had more than one item that could not be compared.

The 13 stores with products that could not be found at a comparable location are listed on the next page.

III. Findings and Recommendations

	Store	Number of Items Without Comparables	Reason
1	Cinnabon	1 out of 5 (20%)	Comparable location did not serve the same item sampled at the AIRMALL.
2	Creative Kidstuff	5 out of 5 (100%)	The comparable location did not carry the same type of items or the same brands sampled at the AIRMALL.
3	Desigual	1 out of 5 (20%)	Comparable location did not carry the same item sampled at the AIRMALL.
4	FlyBy Sports	4 out of 5 (80%)	The comparable locations did not carry the same type of items or the same brands sampled at the AIRMALL.
5	Furla	1 out of 5 (20%)	Comparable location did not carry the same item sampled at the AIRMALL.
6	Hugo Boss	1 out of 5 (20%)	Comparable location did not carry the same item sampled at the AIRMALL.
7	Lacoste	1 out of 5 (20%)	Comparable location did not carry the same item sampled at the AIRMALL.
8	Pinkberry	2 out of 5 (40%)	The comparable location did not serve the same foods sampled at the AIRMALL.
9	Radio Road	4 out of 5 (80%)	The comparable locations did not carry the same type of items or the same brands sampled at the AIRMALL.
10	SportZburg	2 out of 5 (40%)	Comparable location did not carry the same items sampled at the AIRMALL.
11	Sunoco Gas Station	1 out of 5 (20%)	Comparable location did not carry the same item sampled at the AIRMALL.
12	Sue Venir	1 out of 5 (20%)	Comparable locations did not carry the same item sampled at the AIRMALL.
13	ZoZo	4 out of 5 (80%)	The comparable locations did not carry the same type of items or the same brands sampled at the AIRMALL.

Because the Street Pricing requirement in the Agreement allows for a price differential for non-identical items, it is difficult to determine the stores' compliance when identical items cannot be located at the agreed upon comparable location.

III. Findings and Recommendations

RECOMMENDATIONS

We recommend that AIRMALL Pittsburgh:

- Work with the Airport Authority and the subtenants.
 - Determine if there are better comparable locations available for stores selling items that are not carried at the current comparable locations.
 - Consider amending the contract to allow for multiple comparable locations for stores where there are other entities of the same business, franchise, or trade name due to limited availability of items in certain stores.

III. Findings and Recommendations

Finding #3

11 Stores are Repeatedly Non-Compliant With Street Pricing Requirements

Customer Service Consultants (CSC) evaluates the pricing of the Airmall stores each December and prepares a report containing the results referred to as a Price Comparison Survey (PCS). If a store is non-compliant in a December PCS, the Customer Service Consultants will perform an interim PCS the following spring. The Airport Authority also requests that the Controller's Office perform procedures to test the Street Pricing requirement for stores at the AIRMALL on an annual basis.

We reviewed the December 2012, 2013, and 2014 PCS and identified stores that were non-compliant in more than one of the surveys. Then we determined if those stores were non-compliant in the spring PCS or the Controller's Office report. We noted the number of non-compliant items in each of the reports, and used the total number of items tested (net of any items that could not be compared) to calculate the percent of non-compliant items.

Airmall Store	Year	December Survey		Spring Survey		Controller's Report	
		# Items Non-Compliant/ # Items Tested	%	# Items Non-Compliant/ # Items Tested	%	# Items Non-Compliant/ # Items Tested	%
Boar's Head Café	14/15	6 of 25	24%	1 of 25	4%	0 of 5	0%
Boar's Head Café	13/14	5 of 27	19%	5 of 27	19%	0 of 3	0%
Boar's Head Café	12/13	5 of 25	20%	5 of 26	19%	0 of 5	0%
Burgh Sportz Bar	14/15	6 of 21	29%	0 of 20	0%	0 of 5	0%
Burgh Sportz Bar	13/14	4 of 23	17%	2 of 23	9%	Not tested	
Burgh Sportz Bar	12/13	9 of 25	36%	1 of 26	4%	0 of 5	0%
Harley Davidson	14/15	8 of 18	44%	9 of 20	45%	0 of 5	0%
Harley Davidson	13/14	7 of 20	35%	4 of 19	21%	1 of 4	25%
Harley Davidson was not a tenant in the Airmall during the 2012/2013 price checks							
Hudson Gifts	14/15	3 of 8	38%	2 of 11	18%	3 of 5	60%
Hudson Gifts	13/14	2 of 14	14%	2 of 8	25%	1 of 1	100%
Hudson Gifts	12/13	7 of 14	50%	4 of 18	22%	3 of 5	60%
Hudson News	14/15	10 of 30	33%	2 of 27	7%	1 of 5	20%
Hudson News	13/14	28 of 30	93%	11 of 29	38%	4 of 5	80%
Hudson News	12/13	17 of 30	57%	19 of 30	63%	4 of 5	80%

III. Findings and Recommendations

Airmall Store	Year	December Survey		Spring Survey		Controller's Report	
		# Items Non-Compliant/ # Items Tested	%	# Items Non-Compliant/ # Items Tested	%	# Items Non-Compliant/ # Items Tested	%
Nature's Kitchen	14/15	2 of 27	7%	1 of 26	4%	3 of 5	60%
Nature's Kitchen	13/14	2 of 26	8%	7 of 27	26%	0 of 5	0%
Nature's Kitchen	12/13	7 of 26	27%	6 of 25	24%	2 of 5	40%
Paradies Gifts	14/15	1 of 20	5%	3 of 15	20%	1 of 5	20%
Paradies Gifts	13/14	0 of 22	0%	Not Tested		2 of 2	100%
Paradies Gifts	12/13	10 of 22	45%	6 of 19	32%	4 of 5	80%
Paradies News	14/15	7 of 27	26%	0 of 28	0%	3 of 5	60%
Paradies News	13/14	6 of 30	20%	2 of 30	7%	1 of 5	20%
Paradies News	12/13	11 of 30	37%	11 of 31	36%	2 of 5	40%
Quiznos	14/15	4 of 20	20%	4 of 19	21%	1 of 5	20%
Quiznos	13/14	0 of 19	0%	Not Tested		Not Tested	
Quiznos	12/13	2 of 20	10%	0 of 20	0.0%	0 of 5	0%
Subway	14/15	8 of 17	47%	6 of 20	30%	1 of 5	20%
Subway	13/14	5 of 20	25%	6 of 20	30%	2 of 5	40%
Subway	12/13	0 of 20	0%	Not Tested		3 of 5	60%
Tech Interaction	14/15	0 of 16	0%	Not Tested		Not Tested	
Tech Interaction	13/14	1 of 13	8%	0 of 13	0%	1 of 2	50%
Tech Interaction	12/13	4 of 11	36%	1 of 16	6%	2 of 2	100%

RECOMMENDATIONS

We recommend that AIRMALL Pittsburgh:

- Perform more frequent follow ups with stores that have proven to be continually non-compliant.
- Work with the Airport Authority to strengthen the language of the Development and Concession Agreement to include penalties for stores that are continually non-compliant with the street pricing regulations.
- Ensure continually non-compliant stores are made aware of penalties and that these penalties are enforced.



Pittsburgh

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September 21, 2015

Ms. Chelsa Wagner
Allegheny County Controller
436 Grant Street
Courthouse, Room 104
Pittsburgh, PA 15219

Dear Ms. Wagner:

SUBJECT: STREET PRICING COMPLIANCE REPORT
77 STORES AT AIRMALL PITTSBURGH
35 STORES SAMPLED, 12 ITEMS FOUND NON-COMPLIANT

On behalf of AIRMALL® Pittsburgh, developer and manager of the AIRMALL at Pittsburgh International Airport, I wish to extend my thanks to the Allegheny County Controller's Office for conducting a review of the street pricing policy at the AIRMALL ("Pittsburgh International Airport Report on Street Pricing Compliance Procedures").

At AIRMALL Pittsburgh, street pricing forms the bedrock of our business model. We see it as a covenant between the Airport Authority, AIRMALL Pittsburgh and the traveling passenger. We invented the concept of street pricing for concessions on the airport concourse when we established the AIRMALL at Pittsburgh International Airport in 1992 and began requiring all concessionaires to sell their merchandise at "Regular Mall Prices...Guaranteed." Our innovation has enabled Pittsburgh International Airport to secure its position at the forefront of the airport concessions industry.

While "Regular Mall Prices...Guaranteed" is included in many of our collateral materials, it is more than a marketing slogan. It represents a value proposition to the traveling passenger, because they realize that they will pay no more for goods and services at the airport than they would at a comparable location. Simply stated, we believe wholeheartedly in street pricing for airport concessions, and we have created a comprehensive system of checks and balances to ensure that the passenger is being charged a fair price when they shop or dine at the Airport.

Baltimore/Washington
International Thurgood
Marshall Airport

Boston Logan
International Airport

Cleveland Hopkins
International Airport

With this in mind, we would like to respond to the recommendations on Page 4 in the report and offer further context:

- **Require the store found to be non-compliant with street pricing requirements to adjust the price of the 12 items to reflect the current comparable street price. Require the stores that appear to be non-compliant to provide information on the 10 items to support the higher price, such as size or quality, or adjust the price to reflect the current comparable location:** Out of 77 stores at the AIRMALL, there were 35 stores that were sampled and 12 items that were found to be non-compliant. AIRMALL is pleased to inform you that the AIRMALL currently complies with the street pricing policy. Of the 12 items found to be non-compliant, the items have been changed to the current street price. On the similar items, supporting documentation has been received from subtenant to support the correct price on the product.
- **Work with the Airport Authority and the subtenants to determine if there are better comparable locations available for stores selling items that are not carried at the current comparable locations. Consider amending the contract to allow for multiple comparable locations for stores where there are other entities of the same business, franchise, or trade name due to limited availability of items in certain stores:** AIRMALL Pittsburgh understands the frustration of the Controller's Office in not being able to test every item that is selected, but the uniqueness of the stores within the AIRMALL is one factor that makes the program award winning, and therefore, many items may not be able to be tested. With that in mind, AIRMALL supports whenever possible comparing like for like, brand to brand to get a true and accurate comparison. The Controller's Office should consider checking larger samples to get a better sampling of the product as was suggested by the Controller's Office to AIRMALL in 2010. It was recommended to AIRMALL that at least 25 to 30 items would obtain a better sampling. With that said, AIRMALL will still continue to work with the Airport Authority to see if there are better comparable locations that may be available.

- **Perform more frequent follow ups with stores that have proven to be continually non-compliant. Work with the Airport Authority to strengthen the language of the Development and Concession Agreement to include penalties for stores that are continually non-compliant with the street pricing regulations. Ensure continually non-compliant stores are made aware of penalties and that these penalties are enforced.** AIRMALL continues to go beyond what is contractually required to ensure that the street pricing policy is understood and adhered to by all Subtenants.

In summary, AIRMALL Pittsburgh is firmly committed to “Regular Mall Prices...Guaranteed” at the AIRMALL at PIT. We have perfected our approach in our two decades of managing and developing concessions for airports. Our subtenants understand our commitment to the model, and they know they will be held accountable. Moreover, we have formed a productive partnership with the Allegheny County Airport Authority as their concessions developer over the past 23 years. That partnership has secured a spot for Pittsburgh International Airport as the Airport with the leading concessions programs in North America.

Thank you again for your role in helping us achieve our goal of having our subtenants offer high-quality products at prices that are competitive and fair. Through your efforts, we can address the issues found in your report, making the program even more successful.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay Kruisselbrink', with a long horizontal line extending to the right.

Jay Kruisselbrink
Sr. Vice President