



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

July 3, 2013

Mr. Thomas G. Kozura
Aviation Safety Inspector
Federal Aviation Administration
Flight Standards District Office
3196 Kraft Avenue, SE, Suite 103
Grand Rapids, Michigan 49512

Dear Mr. Kozura:

The Office of Aeronautics (Aero), Michigan Department of Transportation (MDOT), does not agree with the assertions that we have been providing air commerce without an appropriate operating certificate. Specifically, those flights provided to state colleges and universities paid from "off budget" accounts alleged not to be from the university general fund. Case law supports our belief that state colleges and universities are indeed a part of state government in Michigan.

We have not found where Federal Aviation Regulations (FAR) define the use of civil aircraft based on the benefit to the user. We do, however, understand that FAR regulates flights conducted for common carriage or for compensation and hire when holding one's self out to the public to provide such services. FAR also allows for compensation of flights where entities share a "common treasury" or funds. The definition of "common treasury" in FAR is not clear, but it is our position that funds controlled by the elected officials would be part of the "common treasury."

MDOT does not hold out its services to the public. We provide air transportation to state government departments, agencies, colleges, and universities, as do many other states. This has been a common practice for many years. State colleges and universities are governed by elected boards, controlled, funded, and audited by the State Legislature. This establishes state colleges and universities and their discretionary unbudgeted fund accounts as an arm of state government. We, therefore, conclude that state colleges and universities are eligible to use state aircraft on college and university business.

Enclosed are examples of billing documents generated in our office for flights previously taken by Michigan State University (MSU) and Michigan Technological University. Also enclosed are invoice documents, generated by MDOT's Financial Operations Division, copies of check stubs received from payment from both universities, and receipt documents for those flights.

Supporting the position of university status with the State of Michigan, specifically MSU, enclosed is a copy of *Hutchins vs. MSU*. This not only establishes the university's status as part of state government, but also affirms that discretionary unbudgeted accounts, such as athletic accounts, are state funds.

Mr. Thomas G. Kozura
Page Two
July 3, 2013

We also note that, in good faith, we have not accepted any flight requests from any universities since this topic surfaced in May. Again, we do not believe we have operated outside of FAR. In the best interest of the universities and our operation, we will continue to decline state university flight requests and fully cooperate with your office until the matter is resolved.

Thank you for your consideration and patience. If you have any questions, please feel free to contact me at 517-335-8396.

Sincerely,



Richard A. Carlson, Manager
Transport & Safety Section
Office of Aeronautics

Enclosures

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 02/01/13 - 02/28/13

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
MSU	EXTN	N702MA	02/12/13	6855	6855	KLAN	KSAW	246	0.0	0.0	0	9	816.00 H	\$ 0.00
MSU	EXTN	N702MA	02/12/13	6855	6855	KSAW	KLAN	246	0.0	0.0	0	9	816.00 H	\$ 225.00
Expense Breakdown														
														Expense Amount
SHUTTLE SEAT(S)														225.00
MSU	EXTN	N1655M	02/14/13	6860	6860	KLAN	KSAW	246	0.0	0.0	0	9	816.00 H	\$ 0.00
MSU	EXTN	N1655M	02/14/13	6860	6860	KSAW	KLAN	246	0.0	0.0	0	9	816.00 H	\$ 225.00
Expense Breakdown														
														Expense Amount
SHUTTLE SEAT(S)														225.00
Authorization Total EXTN -														
MSU	FOOTBALL	1655SP	02/01/13	11174	6839	KZZV	KCLE	88	0.6	1.0	1	8	1231.00 H	\$ 450.00
MSU	FOOTBALL	1655SP	02/01/13	11174	6839	KCLE	CYYZ	168	0.9	1.2	2	7	1231.00 H	\$ 738.60
MSU	FOOTBALL	1655SP	02/01/13	11174	6839	CYYZ	KGRR	262	1.3	1.5	2	7	1231.00 H	\$ 1107.90
MSU	FOOTBALL	1655SP	02/01/13	11174	6839	KGRR	KLAN	42	0.3	0.5	0	9	1231.00 H	\$ 1600.30
Expense Breakdown														
														Expense Amount
LANDING FEE														110.31
RAMP - HANDLING - FACILITY-PARKING														444.78
HANGAR RENTAL														40.00
MSU	FOOTBALL	702MSP	02/08/13	11104	6849	KLAN	KCMH	183	0.9	1.0	2	7	1231.00 H	\$ 1107.90
MSU	FOOTBALL	702MSP	02/08/13	11104	6849	KCMH	KACY	385	1.6	1.7	2	7	1231.00 H	\$ 1969.60
MSU	FOOTBALL	702MSP	02/08/13	11104	6849	KACY	KLAN	494	2.2	2.3	2	7	1231.00 H	\$ 3261.70
Expense Breakdown														
														Expense Amount
LANDING FEE														23.50
RAMP - HANDLING - FACILITY-PARKING														10.00
PILOT CHARGE														520.00

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 02/01/13 - 02/28/13

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
MSU	FOOTBALL	702MSP	02/11/13	11175	6851	KLAN	KORD	155	1.1	1.4	1	8	1231.00 H	\$ 1354.10
MSU	FOOTBALL	702MSP	02/11/13	11175	6851	KORD	KLAN	155	0.8	1.1	1	8	1231.00 H	\$ 1458.82
Expense Breakdown														
Account														Expense Amount
LANDING FEE														94.61
RAMP - HANDLING - FACILITY-PARKING														94.61
PILOT CHARGE														225.00
CONCESSION FEE														20.20
SECURITY FEE														39.60
MSU	FOOTBALL	702MSP	02/23/13	11215	6870	KLAN	KCLT	484	2.5	2.6	2	7	1231.00 H	\$ 3077.50
MSU	FOOTBALL	702MSP	02/23/13	11215	6870	KCLT	KLAN	484	2.1	2.3	2	7	1231.00 H	\$ 3235.10
Expense Breakdown														
Account														Expense Amount
PILOT CHARGE														650.00
Authorization Total FOOTBALL -														16.6
MSU	MEN'S	1655SP	02/01/13	11169	6841	KLAN	KPQL	763	3.0	3.1	2	7	1231.00 H	\$ 3693.00
MSU	MEN'S	1655SP	02/01/13	11169	6841	KPQL	KSTL	505	2.2	2.3	2	7	1231.00 H	\$ 2708.20
MSU	MEN'S	1655SP	02/02/13	11169	6841	KSTL	KLAN	357	1.5	1.7	2	7	1231.00 H	\$ 2496.50
Expense Breakdown														
Account														Expense Amount
PILOT CHARGE														650.00
Authorization Total MEN'S -														7.1
MSU	WOMEN	2844SP	02/06/13	11172	6845	KLAN	KHAO	205	1.2	1.3	1	3	395.00 H	\$ 474.00
MSU	WOMEN	2844SP	02/06/13	11172	6845	KHAO	KLAN	205	1.2	1.4	1	3	395.00 H	\$ 864.00
Expense Breakdown														
Account														Expense Amount
AFTER HOURS - FUELER/CALL IN CHARGE														65.00

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 02/01/13 - 02/28/13

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
PILOT CHARGE														
MSU	WOMEN	N702MA	02/27/13	11214	6881	KLAN	KIMT	237	1.0	1.3	1	8	816.00 H	\$ 816.00
MSU	WOMEN	N702MA	02/27/13	11214	6881	KIMT	KLAF	328	1.4	1.6	1	8	816.00 H	\$ 1142.40
MSU	WOMEN	N702MA	02/28/13	11214	6881	KLAF	KLAN	177	0.9	1.1	0	9	816.00 H	\$ 301.60
Expense Breakdown														
										Account		Expense Amount		
										AFTER HOURS - FUELER/CALL IN CHARGE		60.00		
										SHARED FLIGHT		-492.80		
										Authorization Total WOMEN -		1152 5.7 6.7		\$ 3598.00
										Department Total MSU -		6661 26.7 30.4		\$ 32821.61

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 03/01/13 - 03/31/13

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
MSU	MEN'S	1655SP	03/01/13	11232	6889	KLAN	KMDW	153	0.9	1.1	1	8	1231.00 H	\$ 1107.90
MSU	MEN'S	1655SP	03/01/13	11232	6889	KMDW	KLAN	153	0.7	0.9	1	8	1231.00 H	\$ 1740.20
Expense Breakdown														
Account														
LANDING FEE 63.50														
RAMP - HANDLING - FACILITY-PARKING 280.00														
PILOT CHARGE 520.00														
SECURITY FEE 15.00														
MSU	MEN'S	1655SP	03/08/13	11239	6899	KLAN	KMDW	153	0.8	1.0	1	8	1231.00 H	\$ 984.80
MSU	MEN'S	1655SP	03/08/13	11239	6899	KMDW	KLAN	153	0.7	0.9	1	8	1231.00 H	\$ 1720.20
Expense Breakdown														
Account														
LANDING FEE 63.50														
RAMP - HANDLING - FACILITY-PARKING 280.00														
PILOT CHARGE 500.00														
SECURITY FEE 15.00														
Authorization Total MEN'S - 612 3.1 3.9 \$ 5553.10														
MSU	WOMEN	521SP	03/05/13	11231	6893	KLAN	KIMT	237	1.3	1.4	1	-1	395.00 H	\$ 513.50
MSU	WOMEN	521SP	03/05/13	11231	6893	KIMT	KLAN	237	1.4	1.5	1	-1	395.00 H	\$ 898.00
Expense Breakdown														
Account														
AFTER HOURS - FUELER/CALL IN CHARGE 60.00														
RAMP - HANDLING - FACILITY-PARKING 25.00														
PILOT CHARGE 260.00														
MSU	WOMEN	N1655M	03/28/13	11291	6931	KLAN	KIMT	237	1.1	1.3	1	8	816.00 H	\$ 897.60

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 03/01/13 - 03/31/13

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges					
MSU	WOMEN	N1655M	03/28/13	11291	6931	KIMT	KLAN	237	0.9	1.1	1	8	816.00 H	\$ 864.40					
Expense Breakdown																			
										Account									
										PILOT CHARGE		130.00							
										Authorization Total WOMEN -		948		4.7		5.3		\$ 3173.50	
										Department Total MSU -		1560		7.8		9.2		\$ 8726.60	

MDOT
841(1/92)

INVOICE

Refer to this Number in Correspondence ----

Invoice No.

MU 351627

Date

4/9/13

MICHIGAN STATE UNIVERSITY
ATHLETIC DEPT. - PEGGY BROWN
213 JENISON FIELD HOUSE
EAST LANSING, MI 48824-1025

Department of Transportation
Attention: Finance Cashier
P. O. Box 30648
Lansing, Michigan 48909
Phone: (517) 373-1516

Payment Due Within 30 Days Unless Agreement States Otherwise -- Make Check Payable to: State of Michigan - MDOT

In Re: UNCLASSIFIED

FLIGHTS ON MDOT AIRCRAFT DURING FEBRUARY, 2013.
DETAIL ATTACHED.

Invoice Amount: \$32,371.61

Balance Due: \$32,371.61

MDOT Fed. Id.: 386000134

DETACH HERE, SEND REMITTANCE AND THIS STUB TO:

Michigan Department of Transportation, ATTN: Finance Cashier, P. O. Box 30648, Lansing, Michigan 48909

Invoice No.	Code	Name	Agreement
MU 351627	35048	MICHIGAN STATE UNIVERSITY	-

Tran	AY	Index	PCA	Appr	Fund	AO	AC-3	GL	Amount	Proj No	Proj Phase	Fed. Item No.
190	13	88522	88888	88852	2114	3532		0503	32,371.61			

MDOT
841(1/92)

INVOICE

Refer to this Number in Correspondence ----

Invoice No.

MU 351639

Date

4/9/13

MICHIGAN STATE UNIVERSITY
ATHLETIC DEPT. - PEGGY BROWN
213 JENISON FIELD HOUSE
EAST LANSING, MI 48824-1025

Department of Transportation
Attention: Finance Cashier
P. O. Box 30648
Lansing, Michigan 48909
Phone: (517) 373-1516

Payment Due Within 30 Days Unless Agreement States Otherwise -- Make Check Payable to: State of Michigan - MDOT

In Re: UNCLASSIFIED

FLIGHTS ON MDOT AIRCRAFT DURING MARCH, 2013.
DETAIL ATTACHED.

Invoice Amount: \$8,726.60

Balance Due: \$8,726.60

MDOT Fed. Id.: 386000134

DETACH HERE, SEND REMITTANCE AND THIS STUB TO:

Michigan Department of Transportation, ATTN: Finance Cashier, P. O. Box 30648, Lansing, Michigan 48909

Invoice No.	Code	Name	Agreement
MU 351639	35048	MICHIGAN STATE UNIVERSITY	-

Tran	AY	Index	PCA	Appr	Fund	AO	AC-3	GL	Amount	Proj No	Proj Phase	Fed. Item No.
190	13	88522	88888	88852	2114	3532		0503	8,726.60			

MDOT
841(1/92)

INVOICE

Refer to this Number in Correspondence ----

Invoice No.

MU 351628

Date

4/9/13

MICHIGAN STATE UNIVERSITY
ATTN: CLAIRE LAYMAN
446 W CIRCLE DR. ROOM 11 SUITE
EAST LANSING, MI 48824

Department of Transportation
Attention: Finance Cashier
P. O. Box 30648
Lansing, Michigan 48909
Phone: (517) 373-1516

Payment Due Within 30 Days Unless Agreement States Otherwise -- Make Check Payable to: State of Michigan - MDOT

In Re: UNCLASSIFIED

FLIGHTS ON MDOT AIRCRAFT DURING FEBRUARY, 2013.
DETAIL ATTACHED.

PLEASE FORWARD PAYMENT DOCUMENTATION TO JULIE MATEER AT
mateerj@michigan.gov OR FAX TO (517) 373-6266
PHONE NUMBER: (517) 373-1516 AGENCY CODE 591

USE CODING BELOW INCLUDING PROJECT AND JOB NUMBER IF
APPLICABLE.

Invoice Amount: \$450.00

Balance Due: \$450.00

MDOT Fed. Id.: 386000134

DETACH HERE, SEND REMITTANCE AND THIS STUB TO:

Michigan Department of Transportation, ATTN: Finance Cashier, P. O. Box 30648, Lansing, Michigan 48909

Invoice No.	Code	Name	Agreement
MU 351628	45368	MICHIGAN STATE UNIVERSITY	-

Tran	AY	Index	PCA	Appr	Fund	AO	AC-3	GL	Amount	Proj No	Proj Phase	Fed. Item No.
190	13	88522	88888	88852	2114	3532		0503	450.00			

**MICHIGAN STATE
UNIVERSITY**

Remittance Advice

04/30/2013

Check Number
2000212741

Office of the Controller-Accounting
360 John A. Hannah Administration Bldg
East Lansing, MI 48824-1046

*Exempt from State and Federal tax, TIN 38-6005984
MSU is an affirmative-action, equal-opportunity employer.*

Invoice Number	PO Number	Reference Number	Terms Discount	Net Amount
Invoices MU 351627 and MU 351639		2713625		41,098.21
Payment Questions Call 517-355-5000 or email accounting@cltr.msu.edu			Check Total	\$41,098.21

MICHIGAN STATE
UNIVERSITY

Remittance Advice

05/21/2013

Check Number
2000218382

Office of the Controller-Accounting
360 John A. Hannah Administration Bldg
East Lansing, MI 48824-1046

*Exempt from State and Federal tax, TIN 38-6005984
MSU is an affirmative-action, equal-opportunity employer.*

Invoice Number	PO Number	Reference Number	Terms Discount	Net Amount
Invoice No. MU 351628		2772781		450.00
Payment Questions Call 517-355-5000 or email accounting@ctrl.msu.edu			Check Total	\$450.00

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 09/01/12 - 09/30/12

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
MSU	B&CD	N1655M	09/28/12	10834	6685	CLAN	KSAW	246	1.1	1.3	5	4	1231.00 H	\$ 1354.10
MSU	B&CD	N1655M	09/28/12	10834	6685	KSAW	CLAN	246	1.0	1.2	5	4	1231.00 H	\$ 1456.00
Expense Breakdown														
<u>Account</u>													<u>Expense Amount</u>	
PILOT CHARGE													225.00	
Authorization Total B&CD -													492 2.1 2.5 \$ 2810.10	
Department Total MSU -													492 2.1 2.5 \$ 2810.10	

MDOT
841(1/92)

INVOICE

Refer to this Number in Correspondence ----

Invoice No.
MU 347561

Date
10/8/12

MSU-CENTER FOR BLEEDING & CLOTTING DISORDERS
ATTN: LAURA CARLSON
2900 HANNAH BLVD. STE. #202
EAST LANSING, MI 48823

Department of Transportation
Attention: Finance Cashier
P. O. Box 30648
Lansing, Michigan 48909
Phone: (517) 373-1516

Payment Due Within 30 Days Unless Agreement States Otherwise -- Make Check Payable to: State of Michigan - MDOT

In Re: UNCLASSIFIED

FLIGHTS ON MDOT AIRCRAFT DURING SEPTEMBER, 2012.
DETAIL ATTACHED.

Invoice Amount: \$2,810.10
Balance Due: \$2,810.10

MDOT Fed. Id.: 386000134

DETACH HERE, SEND REMITTANCE AND THIS STUB TO:

Michigan Department of Transportation, ATTN: Finance Cashier, P. O. Box 30648, Lansing, Michigan 48909

Invoice No.	Code	Name	Agreement
MU 347561	40011	MSU-CENTER FOR BLEEDING & CLOTTING DISO	-

Tran	AY	Index	PCA	Appr	Fund	AO	AC-3	GL	Amount	Proj No	Proj Phase	Fed. Item No.
190	12	88522	88888	88852	2114	3532		0503	2,810.10			

**MICHIGAN STATE
UNIVERSITY**

Remittance Advice

10/29/2012

Check Number
2000169212

Office of the Controller-Accounting
360 John A. Hannah Administration Bldg
East Lansing, MI 48824-1046

*Exempt from State and Federal tax, TIN 38-6005984
MSU is an affirmative-action, equal-opportunity employer.*

Invoice Number	PO Number	Reference Number	Terms Discount	Net Amount
MDOT airfare 9/28/12 Mqtte,	5 passengers, 10/30/12 CC	2224277 inv# MU347561, date 10/9/12,	\$2,810.10	2,810.10
Payment Questions Call 517-355-5000 or email accounting@cir.msu.edu			Check Total	\$2,810.10

RECEIPTS VALIDATION

Refund Approved
Date

Validation No : 830529 Deposit Ticket No : 84407879 Batch Date: 10/30/12 Batch No: 1

Amount Received : 2,810.10 Check No: 2000169212

Received From : MSU-CENTER FOR BLEEDING & CLOTTING DISORDERS

Payment Type : UNCLASSIFIED

Receipt To : Paid For :

Invoice No : 347561 Amount Applied : 2,810.10

Trans Code Year	Appr No	PCA No	Fund Agency	Agency GL Acct	Object Code 3	Total	Proj No	Grant Phase#	Agency Code 1	Agency Code 2	Struct Job No	Fed Item No	Auth No
190	13	88522	88888	88852	2114	3632	503						
						2,810.10							

**MDOT - AIR TRANSPORT
SUMMARY BILLING BY DEPARTMENT/AUTHORIZATION**

Date Range: 11/01/12 - 11/30/12

Dept Code	Auth Code	Tail Number	Trip Date	Disp Number	Log Number	Dep ICAO	Arr ICAO	Miles	Flight Hours	Block Hours	Nbr Pax	Empty Seats	Charge Rate Per	Total Charges
MTU	COE	N72521	11/10/12	10808	6752	KSAW	KCMX	66	0.6	0.7	0	4	395.00 H	\$ 237.00
MTU	COE	N72521	11/10/12	10808	6752	KCMX	KDTW	369	2.0	2.1	4	0	395.00 H	\$ 790.00
MTU	COE	N72521	11/10/12	10808	6752	KDTW	KSAW	303	1.1	1.3	4	0	395.00 H	\$ 547.00

Expense Breakdown

Account	Expense Amount
PILOT CHARGE	112.50

Authorization Total COE - 738 3.7 4.1 \$ 1574.00

Department Total MTU - 738 3.7 4.1 \$ 1574.00

MDOT
841(1/92)

INVOICE

Refer to this Number in Correspondence ----

Invoice No.
ML
~~IA~~ 349073

Date
12/14/12

MICHIGAN TECHNOLOGICAL UNIVERSITY
1400 TOWNSEND DRIVE
500 ADMINISTRATION BLDG.
HOUGHTON, MI 49931

Department of Transportation
Attention: Finance Cashier
P. O. Box 30648
Lansing, Michigan 48909
Phone: (517) 373-1516

Payment Due Within 30 Days Unless Agreement States Otherwise -- Make Check Payable to: State of Michigan - MDOT

In Re: INTER-ACCOUNT BILLS

FLIGHTS ON MDOT AIRCRAFT DURING NOVEMBER, 2012
DETAIL ATTACHED.

PLEASE FORWARD PAYMENT DOCUMENTATION TO JULIE MATEER AT
mateerj@michigan.gov OR FAX TO (517) 373-6266
PHONE NUMBER: (517) 373-1516 AGENCY CODE 591

USE CODING BELOW INCLUDING PROJECT AND JOB NUMBER IF
APPLICABLE.

Invoice Amount: \$1,574.00
Balance Due: \$1,574.00

MDOT Fed. Id.: 386000134

DETACH HERE, SEND REMITTANCE AND THIS STUB TO:

Michigan Department of Transportation, ATTN: Finance Cashier, P. O. Box 30648, Lansing, Michigan 48909

Invoice No.	Code	Name	Agreement
IA 349073	29863	MICHIGAN TECHNOLOGICAL UNIVERSITY	-

Tran	AY	Index	PCA	Appr	Fund	AO	AC-3	GL	Amount	Proj No	Proj Phase	Fed. Item No.
190	13	88522	88888	88852	2114	3532		0503	1,574.00			

For questions regarding this payment, please call (906) 487-2371

484253

MICHIGAN TECH • 1400 TOWNSEND DRIVE • HOUGHTON, MI 49931-1295

RETAIN THIS STUB FOR YOUR RECORDS

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DISCOUNT	TAX	ADD'L CHARGES	NET AMOUNT
MU 349073	12/14/12	1,574.00	0.00	0.00	0.00	1,574.00

