



[4910-13]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No: FAA-2018-0526]

Supplemental Guidance on the Airport Improvement Program (AIP) for Fiscal Years 2018-2020

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation.

ACTION: Notice.

SUMMARY: The FAA is announcing the process for eligible airport sponsors in two categories to notify the FAA of any supplemental discretionary funding requests. The process includes two distinct deadlines with different submission requirements. The FAA may award supplemental discretionary funding regardless of whether the airport sponsor previously identified the project through the Airports Capital Improvement Plan (ACIP) process during the preceding year.

FOR FURTHER INFORMATION CONTACT: Elliott Black, Director, Office of Airport Planning and Programming, APP-1, at (202) 267-8775.

SUPPLEMENTARY INFORMATION:

The Consolidated Appropriations Act, 2018 (hereafter referred to as “the Act”) appropriated “an additional amount for “Grants-In-Aid for Airports”, to enable the Secretary of Transportation to make grants for projects as authorized by subchapter 1 of chapter 471 and subchapter 1 of chapter 475 of title 49, U.S.C., \$1,000,000,000, to

remain available through September 30, 2020.”¹ The Act also stipulated that:

- The Secretary shall distribute funds provided under this heading as discretionary grants to airports;
- The Secretary shall give priority consideration to projects at (a) nonprimary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget; or (b) primary airports that are classified as Small Hub or Nonhub airports; and
- The Federal share payable of the costs for which a grant is made under this heading to a nonprimary airport shall be 100 percent.

For grants at primary airports, the normal Federal share applies based on the airport category and project type.

The FAA administers the AIP in accordance with FAA Order 5100.38D, Airport Improvement Program Handbook.² The AIP Handbook explains what types of capital projects may be eligible and justified for AIP funding depending on the airport category, project type, and specific category or categories of AIP funding to be requested.

In addition, the FAA normally relies on the ACIP process³ outlined in FAA Order 5100.39A, Airports Capital Improvement Plan to evaluate and prioritize AIP funding requests, particularly those involving discretionary funds. Because of the unique statutory requirements associated with the supplemental discretionary funding made

¹ The Act authorizes the Administrator of the FAA to retain up to 0.5 percent of this amount to fund the award and oversight of these grants.

² Available online at: https://www.faa.gov/airports/aip/aip_handbook/.

³ Available online at:

https://www.faa.gov/regulations_policies/orders_notices/index.cfm/go/document.information/documentID/12759.

available by the Act, the FAA is hereby establishing a special process for airports to notify the FAA of any associated funding requests.

The process outlined in this notice relates solely to the selection process. All other applicable rules and requirements apply, including, but not limited to, the requirements for project eligibility and justification, procurement processes, and other requirements as set forth in the FAA orders referenced above.

It is also important to note that this process relates solely to the supplemental discretionary funding provided by the Act and does not relieve any airport sponsor of its responsibilities under the existing ACIP process for any other category of AIP funding. If an airport sponsor has properly submitted its AIP funding requests for Fiscal Years (FY) 2018-2020 and does not want to be considered for supplemental funding, then the airport sponsor does not need to take any other steps in response to this notice.

Conversely, the process outlined in this notice does not take the place of the normal ACIP process for regular AIP funding requests for FY 2019-2021.

The FAA anticipates issuing grants from this supplemental funding during FYs 2018, 2019, and 2020. However, the FAA cannot predict how much of the funding it will obligate in each fiscal year until the FAA receives and evaluates the requests from airport sponsors.

Any airport identified in the National Plan of Integrated Airport Systems (NPIAS) report⁴ is eligible to request supplemental discretionary funding under the Act. However, as noted above, the Act requires the FAA to give “priority consideration” to airports

⁴Available online at: https://www.faa.gov/airports/planning_capacity/npia/reports/media/NPIAS-Report-2017-2021-Appendix-A.xlsx.

meeting certain criteria. The FAA has identified the subset of NPIAS airports that meet the criteria in the Act. That list is available online at:

https://www.faa.gov/airports/aip/aip_supplemental_appropriation/. The relevant deadlines are:

Deadline #1 (for requests for supplemental funding in FY 2018): By **[INSERT DATE THAT IS 30 DAYS AFTER PUBLICATION OF THIS NOTICE]**, any airport meeting the criteria for “priority consideration” is invited to notify the FAA’s appropriate Airports District Office (ADO) (or regional office (RO) if there is no ADO) of the airport’s desire to be considered for FY 2018 supplemental discretionary funding as provided in the Act.

In submitting such notifications to the FAA, the airport sponsor must include the following information via electronic mail (email):

- Name and official three-letter identifier of the airport, its location, and NPIAS number;
- Brief description of the project (no more than 50 words);
- Brief explanation (no more than 500 words) of how the project meets the evaluation criteria set forth later in this notice;
- Target timeframe for grant award and construction start⁵; and
- Brief description (no more than 250 words) explaining how the airport sponsor is using its available AIP entitlement funds.

⁵This typically refers to the date of “Notice to Proceed.” The FAA recognizes that in certain types of climate, actual construction start may be delayed due to meteorological conditions. The FAA also recognizes that some airport sponsors may request supplemental funding for equipment acquisition rather than actual construction. In such cases, the airport sponsor must provide the associated timeline and key milestones.

The FAA requires an explanation of how the airport sponsor is using its entitlement funds because of a statutory requirement. Title 49 U.S.C. 47120 stipulates that the FAA “...shall discourage airport sponsors and airports from using entitlement funds for lower priority projects by giving lower priority to discretionary projects submitted by airport sponsors and airports that have used entitlement funds for projects that have a lower priority than the projects for which discretionary funds are being requested.” Therefore, as with regular AIP discretionary funds, an airport sponsor may request supplemental funding even if they are using their entitlements on a lower-priority project, but the FAA is required to consider that fact as part of the evaluation process.

If an airport sponsor has already carried over their available entitlements in FY 2018, the FAA may still consider a supplemental funding request for FY 2018, as long as the airport sponsor provides an explanation of their previous decision. The FAA will consider the airport sponsor’s explanation including the airport sponsor’s future plans for those funds.

It is not necessary to submit a completed OMB Form SF 424, Application for Federal Assistance, or any other documentation prior to Deadline #1. After evaluating all requests, the FAA may encourage an airport sponsor to prepare a final grant application if the FAA believes the project may compete well. For projects not selected in FY 2018, the FAA will retain those requests for reconsideration during FY 2019 or FY 2020.

For Deadline #1, the FAA will only consider grant applications for projects for which airports have already completed all of the required planning, airspace reviews, environmental and other permitting requirements, and engineering design. In addition,

the FAA will only consider grant applications for which construction bids will be received in time for the airport sponsor to be administratively prepared to accept a grant by September 1, 2018, with construction starting within 6 months thereafter or no later than March 1, 2019.⁶

The FAA will consider such requests in conjunction with the FAA's existing responsibility to fully obligate all other AIP funds by September 30, 2018, generally for projects that airport sponsors had previously requested through the ACIP process.

Deadline #2 (for requests for supplemental funding in FY 2019 or 2020): By October 31, 2018, any eligible NPIAS airport is invited to notify the FAA's appropriate ADO (or RO if there is no ADO) of the airport sponsor's desire to be considered for supplemental discretionary funding in FY 2019 or FY 2020. The FAA will update the list of airports eligible for "priority consideration" after publishing the next update of the NPIAS Report, which the FAA plans to publish in September 2018.

Based on the funding requests received, the FAA will consider such requests with due consideration of the FAA's existing responsibility to fully obligate all other available AIP funds by September 30 of each fiscal year, generally for projects previously requested through the ACIP process.

In submitting such notifications to the FAA, the airport sponsor must include all of the information identified under Deadline #1, plus the following additional information:

- Brief explanation (no more than 250 words) explaining the status of the proposed project, including whether the project has already been approved on the airport's current Airport Layout Plan (ALP), the status of related environmental reviews, other

⁶Please see footnote 4, which is applicable in this context as well.

required permitting, and the level of engineering design completed; and

- For airports that do not meet the criteria for “priority consideration,” a brief explanation (no more than 500 words) outlining why the airport sponsor believes the FAA should consider the project for this supplemental funding.

Airports must submit the preceding information to the appropriate ADO or RO via electronic mail in order to facilitate timely review and consideration by the FAA. The FAA will consider grant applications for projects where the FAA has a high degree of confidence that the airport sponsor will be administratively prepared to accept a grant by September 1, 2020, or earlier with construction starting within 6 months thereafter⁷ or no later than March 1, 2021.

For Airports in Block Grant States or Channeling Act States

For nonprimary airports located in block grant states, the airport sponsor must also provide a copy of its supplemental discretionary funding request to the designated state aeronautical agency. The FAA will consult with state aeronautical agencies, as appropriate, before making decisions regarding requests from nonprimary airports in each state.

The FAA encourages block-grant states (and states with channeling acts regarding Federal funds) to work with eligible airport sponsors to coordinate potential funding requests. The FAA will consider recommendations from state aeronautical agencies as part of the overall evaluation process.

Evaluation Criteria

The FAA will consider supplemental discretionary funding requests based on (but not

⁷See footnote 4, which is applicable in this context as well.

limited to) the following criteria:

- Eligibility and justification of the project pursuant to existing AIP eligibility rules;
- Ability of the project to enhance the long-term economic sustainability of the airport⁸;
- The airport sponsor's previous track record in project delivery and grant management (including any issues related to the airport's existing Federal grant obligations);
- Likelihood of the proposed project to be ready to proceed into construction during the same fiscal year as grant award or within 6 months of grant award;⁹
- Ability of the project to compete for regular AIP discretionary funding—i.e., FAA may give higher consideration to projects that might not otherwise get funded or that might not otherwise get funded as soon; and
- For requests from airports that do not meet the statutory criteria for “priority consideration,” the strength of the justification for why the FAA should consider the project.

Please note that under both deadlines:

- The FAA will not make its conclusions public or announce any planned grants from the supplemental funding until after completing the required congressional notification for each proposed grant award.
- After evaluating all requests, the FAA may encourage an airport sponsor to prepare a final grant application if the FAA believes the project may compete well.

⁸The FAA encourages airport sponsors to provide some level of detail regarding how the project will address unmet aeronautical demand, increase aeronautical revenues, reduce future capital or operating costs, or otherwise strengthen the airport's financial stability (beyond the operational benefits of the immediate proposed capital development). Airport sponsors should also demonstrate how the proposed project is consistent with the airport's existing master plan.

⁹See footnote 4, which is applicable in this context as well.

- Complete and timely grant applications (OMB Form SF 424, including all required information) will still be required as part of the final grant application package in accordance with the applicable statutory and regulatory requirements.

Issued in Washington, DC on July 3, 2018.

Elliott Black,

Director,

Office of Airport Planning and Programming,

Federal Aviation Administration.

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