

Airports Division Great Lakes Region

Optimizing the Planning, Environmental and Financial Cycle

Presentation to: 24th Annual Airports Conference
Schaumburg, Illinois

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Date: Thursday, November 6, 2008



Federal Aviation
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Agenda

- Review of major issues from yesterday's workshop.
- Relationship to the Airports Capital Improvement Plan (ACIP) process.



Major Points From Workshop

- Recognize different statutory and regulatory issues involved at each stage.
- Early and continuous coordination with FAA and other stakeholders is vital.
- Realistic timeframes are vital.
- Consider all stakeholders.
- Consider all required steps.
- Plan the process.



Major Points From Workshop (cont'd)

- Crucial to understand relationships between planning, environmental and financial processes.

Development objective

≠ Justification

≠ Purpose and need

≠ Funding priority

Major Points From Workshop (cont'd)

- Need to fully consider:
 - Short- and long-term plans
 - Environmental factors
 - Financial considerations
 - Operational issues



Major Points From Workshop (cont'd)

- Keys to managing timetable:
 - Early coordination with the FAA.
 - Full and realistic consideration of issues, processes and stakeholders.
 - Maintain environmental inventory.
 - A little extra time on the front end (during planning) can prevent enormous delays on the back end.

Major Points From Workshop (cont'd)

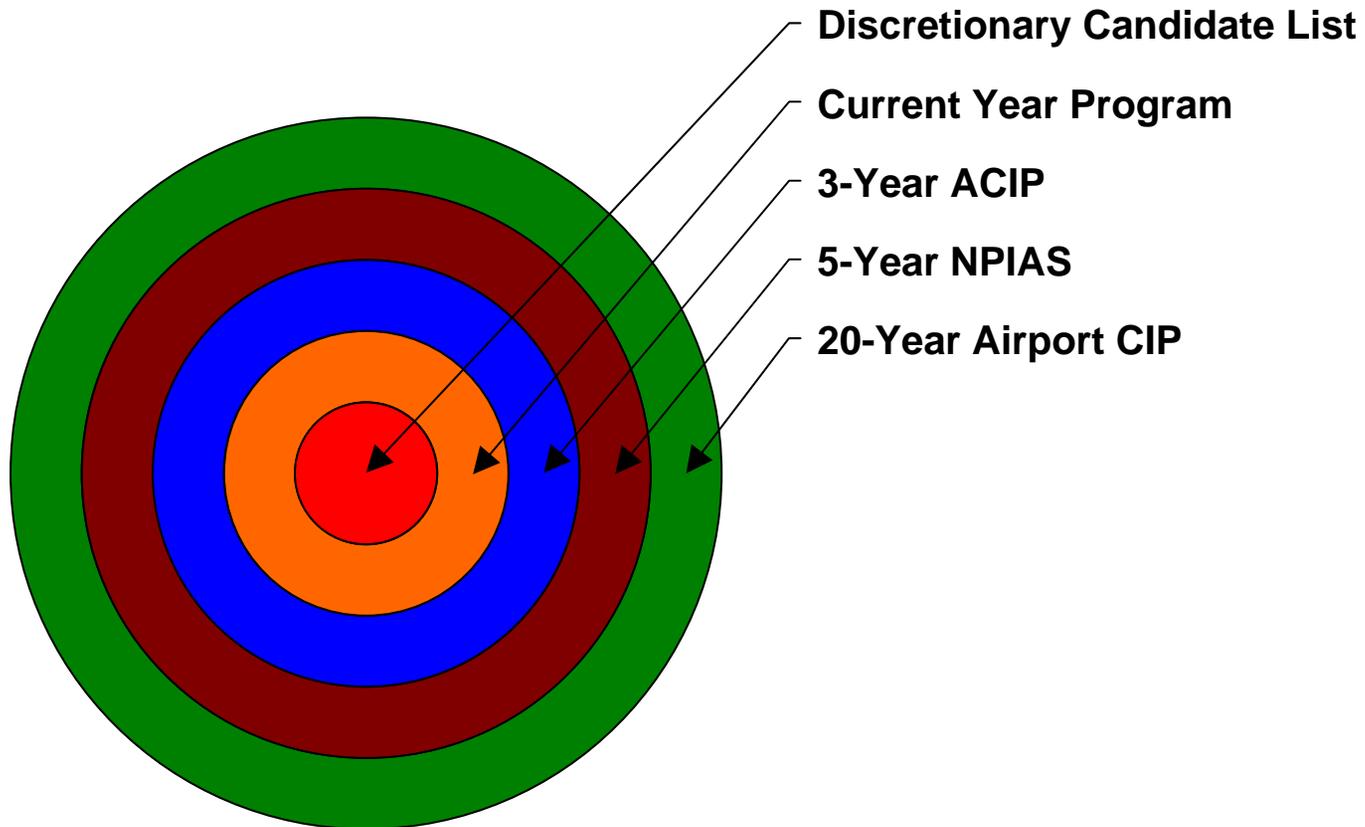
Planning grant

≠ Environmental grant

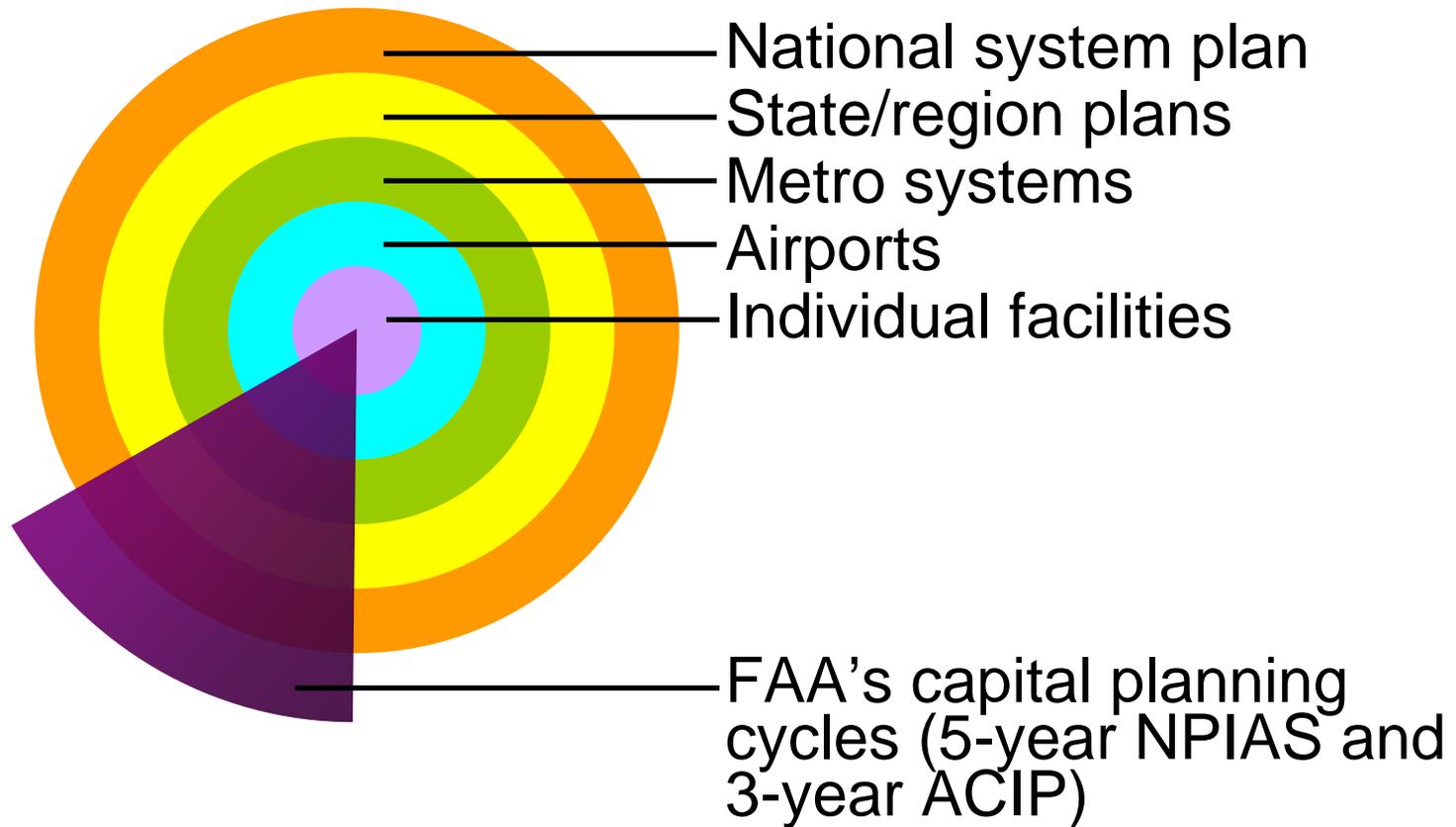
≠ Favorable determination

≠ Project funding

Major Points From Workshop (cont'd)



Different Levels of Planning



Feedback From Workshop

- “CIP development and FAA prioritization”
- “Details on ACIP development”
- “How a project becomes a grant”
- “EA and ALP timing—who dictates what?”
- “Development of a good ACIP”
- “How funding decisions are made”
- “Discretionary Funds”
- “State’s role in planning, environmental and financial.”
- “FAA’s view of getting other Federal agencies on board?”

Regional Guidance Letter #5100.20 (December 2007)

- Policy clarifications in response to concerns expressed by states, individual airport sponsors and consultants regarding the iterative process of funding decisions.
- Available online at http://www.faa.gov/airports_airtraffic/airports/regional_guidance/great_lakes/airports_resources/ppms/media/5100.20.pdf
- Objectives:
 - Ensure that states and airports in the Region receive the best possible information regarding the potential availability of AIP Discretionary funds for specific proposed projects; and
 - Ensure that AIP funds are used in the most effective and efficient manner to create improvements in terms of airport safety, capacity and efficiency.

Regional Guidance Letter #5100.20 (cont'd)

1. **ACIP process.** Between FY-2007 and FY-2009, transition to the principal focus of the three-year ACIP process is on the third year of the plan. The objective is that projects identified for potential funding in the first and second years are advancing towards implementation with a greater degree of certainty.

Translation?

- We already have a very clear idea of what we hope to fund in FY-2009, and a reasonably clear idea for FY-2010 as well.
- We are already working on the ACIP for FY 2010-2012.
- Our real focus is no longer FY-2010, but FY-2011 and FY-2012.
- ***To get ahead of this curve, use Attachment A.***

ATTACHMENT A—GENERAL MILESTONES FOR PROPOSED AIP PROJECTS

Four (4) years before proposed construction **Status**

- Identify potential projects and coordinate with Airports District Office (ADO).
- Identify proposed funding sources.
- Verify justification and funding eligibility in coordination with ADO.
- Determine whether Airport Layout Plan (ALP) or Exhibit A need to be updated.
- Review AIP-eligible projects for alignment with established Federal priorities.
- For new, extended or relocated runways, identify required flight procedure modifications.
- For new, extended or relocated runways, or any project that may affect an area of potentially significant environmental sensitivity (including wetlands or noncompatible land use), initiate environmental review process in coordination with FAA and other Federal, state and local agencies.

Three (3) years before proposed construction **Status**

- Establish scope of project and develop initial cost estimate.
- Determine whether a Benefit/Cost Analysis (BCA) or risk assessment may be required. If a BCA will be required, conduct screening-level evaluation.
- Determine whether existing NAVAIDS affected, or new NAVAIDS required.
- Determine whether flight procedures may need to be modified, and initiate obstruction survey if necessary.
- Determine level of environmental review required.
- Determine whether Disadvantaged Business Enterprise (DBE) goals need to be established or updated.

Two (2) years before proposed construction **Status**

- Update ALP if necessary.
- Initiate environmental review (if categorical exclusion or environmental assessment).
- Refine scope and cost estimate.

Factors That Can Drive Change

- New conditions (e.g., emerging wildlife hazards)
- Changes in activity levels
- Changes in capacity at other nearby airports
- Faster or slower deterioration of facilities than projected
- Faster or slower growth in projected demand
- Changes in availability of local funds
- Changes in local leadership or priorities
- New ideas on how to sequence project implementation
- Incomplete planning
- Unrealistic timeframe for environmental review or permitting

Environmental Vulnerabilities in the ACIP Process

- Incomplete planning
- Inadequate purpose and need
- Inadequate alternatives considered
- Inadequate consideration of affected environment
- Insufficient public process
- Insufficient agency coordination
- Incomplete permitting processes (401/404)
- Unresolved questions about critical habitat



Regional Guidance Letter #5100.20 (cont'd)

2. Regional allocation of Discretionary funds.

3. Discretionary standby list.

- Approximately 12 percent greater than estimated available Discretionary funds, to ensure sufficient priority projects ready to absorb any available funding, particularly if for any reason a higher-priority project does not proceed.
- Generally, projects proposed for the standby list should not be new projects; rather, they should generally be subsequent or final phases of projects already underway.
- Sponsors encouraged to design and bid projects in phases or with alternates, as this may enhance the FAA's ability to offer Discretionary funds if they become available.

Regional Guidance Letter #5100.20 (cont'd)

- 4. Publication of Discretionary funding priorities.** Look at what's on the list, and what's not.
- 5. Use of Entitlement funds.** Sponsors expected to use available Entitlement funds for highest-priority projects, including pavement maintenance, RSAT recommendations, RSA or RPZ improvements, or Part 139 requirements.



Regional Guidance Letter #5100.20 (cont'd)

6. **Contingency Project Funding Plan.** What will you do if the requested Discretionary funds do not become available?
7. **Contingency Plan for Entitlements.** How will you use your Entitlements if Discretionary funds do not become available during the fiscal year?
8. **Enforcement of grant application deadline.** Sponsors need to be prepared to submit a formal grant application for Entitlement-only grants by the deadline.
9. **Advance programming.** FAA will support advance programming of Entitlements whenever possible.

Regional Guidance Letter #5100.20 (cont'd)

10. Elimination of “placeholder” projects. Cannot change project to one with a lower National Priority Rating (NPR).



11. Environmental review deadlines.

- By February 1, ADO must be able to identify schedule and level of review required for projects in ACIP for following year.
- By October 1, environmental review must be completed.

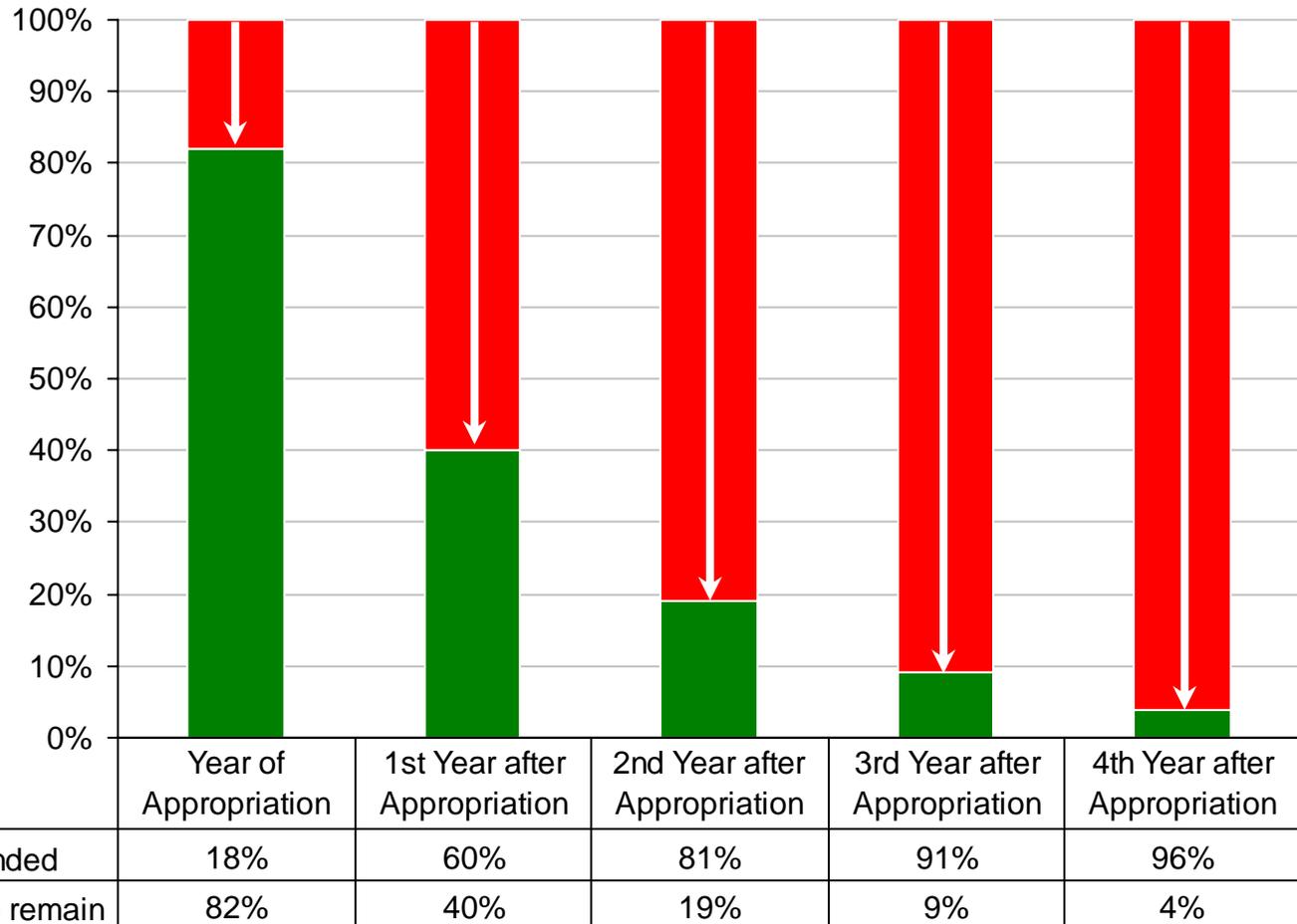
Regional Guidance Letter #5100.20 (cont'd)

- 12. Separate engineering grants and construction grants.** Region can consider awarding separate grants for engineering design and construction phases **IF** the associated construction has every expectation of beginning within two years, without relying upon Discretionary funds.
- 13. Grants based on bids.** Grants for construction and equipment issued only after competitive bids have been received.
- 14. Project phasing.** Discretionary funds generally limited to what can be physically built in one construction season—or, in cases where grants are issued late in the season, for the remainder of that year and the following construction season.

Changes in Key AIP Performance Metrics

- Focus on fiscal accountability and timely conversion of Trust Fund into airport improvements (safety, capacity and efficiency).
- Before last year, we had limited ability to efficiently monitor rates of actual drawdown of Treasury funds.
- Previously had to rely solely on “output”-type metrics to evaluate AIP performance:
 - Percentage of grants based on bids
 - Timely programming of grants
 - Grant closeout within four years of appropriation
 - Minimize inventory of open grants
 - Ensure no grants inactive for 18 (or even 12) months

Changes in Key AIP Performance Metrics (cont'd)



Changes in Key AIP Performance Metrics (cont'd)

- Significantly better indicator of actual conversion of Trust Fund resources into useful aviation infrastructure. Money sitting in the Trust Fund isn't helping the system.
- Helps articulate why the underlying policies are in place (e.g., why grants must be closed after four years).
- Allows us to ask the right questions (e.g., why isn't a project being implemented as swiftly as expected?)
- Allows us to identify where resources are being used most effectively, and to make better decisions about where to focus future resources.
- Helps communicate AIP performance to decision-makers to improve program competitiveness during challenging budgeting periods.

Changes in Key AIP Performance Metrics (cont'd)

- **Does this mean the other goals go away?**

The other goals remain as policies, and we will still monitor compliance. However, as long as we meet the new drawdown-based goal, we won't have to report on the other metrics in quite as much detail.

- **So, we just need to draw down our grants faster?**

No! The rate of drawdown can never exceed actual progress. However, once we award a grant, we expect projects to be implemented swiftly, because the goal is to convert the funds into useful infrastructure.

- **What should sponsors and their consultants do differently?**

Sponsors and consultants should recognize that this will become an area of greater scrutiny, and recognize that the FAA will be focusing more on projects that are ready to move swiftly into implementation.

Summary of Key Points

- **Plan the process:**
 - Planning
 - Environmental
 - Financial
 - Project implementation
- **Get ahead of the curve:**
 - Early coordination with FAA.
 - Early coordination with stakeholders.
 - Follow Attachment A from RGL 5100.20.
- **Understand the requirements.**
- **Help us help you.**

Summary of Key Points (cont'd)

- The FAA continues to view its role as that of a partner with state aeronautical agencies, individual airport sponsors and consultants, focused on helping advance safety, capacity and efficiency of the nation's airports.



Thank you!

Questions?

Comments?

Ideas?



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