



THE SECRETARY OF TRANSPORTATION  
WASHINGTON DC 20590

January 17, 2017

The Honorable Paul D. Ryan  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

I am pleased to send you the 29th Annual Report of Accomplishments under the Airport Improvement Program for Fiscal Years 2012 and 2013.

As required by 49 U.S.C. § 47131(a), this report contains comprehensive information on the Airport Improvement Program (AIP) and Airport Land Use Compliance Program. The narrative sections, figures, and tables highlight the program's accomplishments.

The purpose of the AIP is to assist in airport development to meet our current and future aviation needs, while continuing to optimize safety, capacity, and efficiency. This report reflects investment in aviation infrastructure continued in Fiscal Years 2012 and 2013.

Section 47131(a) requires submission of this report by June 1 each year. Publication of this report was delayed, but we have revamped our internal process with the goal of providing timelier reports.

I have sent a similar letter to the President of the Senate. If I can provide further information or assistance, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Anthony R. Foxx', is written over a blue circular stamp. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Anthony R. Foxx

Enclosure



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WASHINGTON DC 20590

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The Honorable Joseph R. Biden, Jr.  
President of the Senate  
Washington, DC 20510

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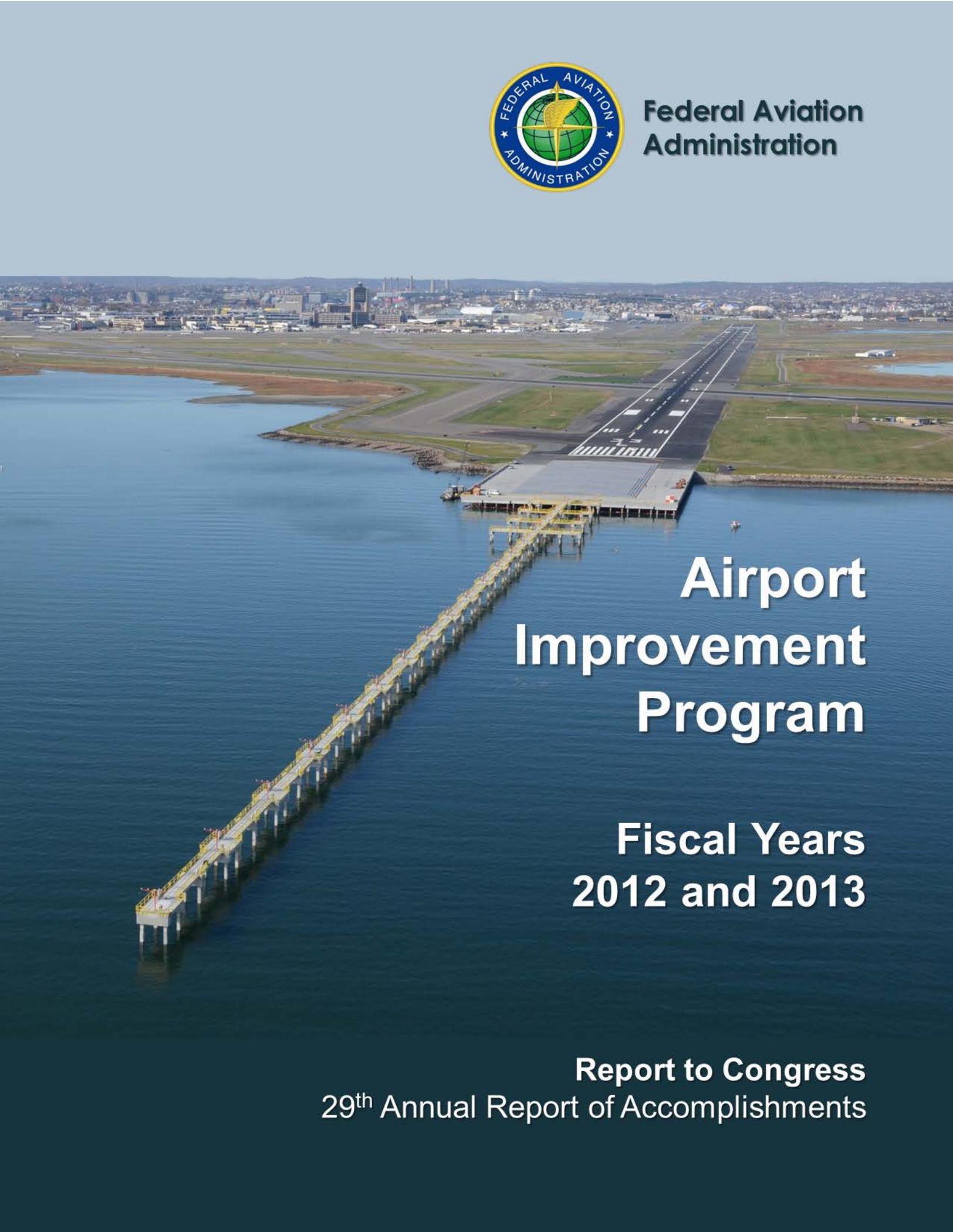
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Anthony R. Foxx

Enclosure



**Federal Aviation  
Administration**

An aerial photograph of an airport runway extending over a large body of water. A long, narrow pier structure, likely for a ferry or barge, runs parallel to the runway. In the background, a city skyline is visible under a clear blue sky.

# **Airport Improvement Program**

**Fiscal Years  
2012 and 2013**

**Report to Congress  
29<sup>th</sup> Annual Report of Accomplishments**

**Cover Photograph**

General Edward Lawrence Logan International Airport, Boston, Massachusetts

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## Executive Summary

This 29th Annual Report of Accomplishments under the Airport Improvement Program for Fiscal Years (FY) 2012 and 2013 is submitted to Congress in accordance with title 49 United States Code (U.S.C.), section 47131. This report covers activities carried out under this subchapter as mandated by Congress for the 2 fiscal years ending September 30, 2012, and September 30, 2013.

### PROGRAM BACKGROUND

The Federal Aviation Administration (FAA), through the Office of the Associate Administrator for Airports, administers Federal funds for airport improvements through the Airport Improvement Program (AIP). For the purposes of this report, the Office of the Associate Administrator for Airports will be referred to as the FAA's Office of Airports. Specifically, this report provides an overview of how appropriated funds were allocated, a listing of airport development completed, and each project undertaken. Also included in this report is information on the:

- State Block Grant Program (SBGP);
- Military Airport Program (MAP);
- Letter of Intent (LOI) Program;
- Noise and air quality programs; and
- Airport Land Use Compliance Program.

The Airport and Airway Trust Fund (Trust Fund), which was established by the Airport and Airway Development Act of 1970 (Public Law (P.L.) 91-258), provides the revenues used to fund AIP projects and the administration of the program. The Act, as amended, authorizes the use of funds from the Trust Fund to make grants under the AIP on a fiscal year basis. The U.S. Congress provides obligation authority to distribute Trust Fund resources to U.S. airports through the AIP.

On February 14, 2012, following 4 years of successive short-term extensions to the FAA's authorization, the President signed the FAA Modernization and Reform Act of 2012 into law, providing \$3.35 billion in annual contract authority for the AIP through September 30, 2015.<sup>1</sup> Consistent with this authorization level, Congress also appropriated \$3.35 billion for the AIP in FY 2013.

In FY 2012, FAA directed 50 percent of AIP funds (approximately \$1.66 billion) to rehabilitation and standards projects. During FY 2013, FAA directed 56 percent of AIP funds (approximately \$1.65 billion) to rehabilitation and standards projects. During FY 2012 and FY 2013, there were no changes in the states participating in the SBGP. During FY 2012, FAA awarded \$24.8 million in AIP funds (including discretionary and entitlement funds) for eligible and justified projects at MAP airports. In FY 2013, FAA awarded \$21.5 million for such

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<sup>1</sup> P.L. 112-95, signed into law on February 14, 2012.

projects. For FY 2012, LOI payments totaled approximately \$283 million in AIP discretionary funds and airport sponsor entitlements. For FY 2013, LOI payments totaled approximately \$220 million. The capacity, security, safety, and noise projects set-aside in FY 2012 was \$167.5 million. For FY 2013, the set aside was \$172.6 million.

## Chapter 1: Program Overview

This report provides an overview of how FAA allocated appropriated funds, a listing of airport development completed, and each project undertaken.

In administering the AIP, FAA gives the highest priority to eligible and justified projects that increase capacity and enhance the safety, security, and efficiency of the U.S. airport and airway system. Generally, the AIP authorizing statute specifies requirements for administering the program; however, FAA has implemented standard operating procedures and policies to ensure an efficient and uniform approach to implementing the AIP.

### 1.1 U.S. AIRPORT SYSTEM

Aviation activity in the United States accounts for approximately 40 percent of the commercial aviation in the world and 50 percent of all general aviation activity in the world. An extensive system of almost 20,000 airports throughout the United States has been developed to support this activity.

Title 49 U.S.C., section 47103, requires the Secretary of Transportation to maintain a plan to develop public-use airports within the United States and its territories and to transmit this plan to Congress every 2 years. The National Plan of Integrated Airport Systems (NPIAS) lists the development considered necessary to provide a safe, secure, efficient, and integrated airport system that meets the needs of civil aviation. The report corresponding to the NPIAS snapshot that projects airport development needs from calendar years (CY) 2013 through 2017 was transmitted to Congress in September 2012 and was based on airport activity during CY 2011.<sup>2</sup>

The FAA, in concert with state aviation agencies and local planning organizations, identifies airports that are important to national air transportation for inclusion in the NPIAS. The NPIAS identifies the airports included in the national system, the role they serve, and the airport development and associated AIP-eligible costs required over the following 5 years. For FY 2012 and FY 2013, FAA designated 3,330 existing public-use airports as important to national transportation and therefore eligible to receive grants under the AIP. Tables 1 and 2, respectively, provide breakdowns of these NPIAS airports. The FAA's capital planning process starts with projects identified in the NPIAS. Airport development included in the NPIAS that does not have a dedicated funding source is eligible for funding under the AIP; however, the cost of planned development consistently exceeds the funding available from the AIP. The average annual cost of development at NPIAS airports in the 2013-2017 NPIAS was estimated at approximately \$8.5 billion with AIP funding accounting for approximately 30 percent of the cost of all AIP-eligible projects identified.

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<sup>2</sup> The current NPIAS Report to Congress, 2015-2019, and prior year NPIAS reports are available online at: [http://www.faa.gov/airports/planning\\_capacity/npias/](http://www.faa.gov/airports/planning_capacity/npias/).

## 1.2 AIRPORT CATEGORIES

The NPIAS includes all U.S. commercial service, reliever, and select general aviation airports throughout the United States and its territories. The word, “airport,” as used in the categories of airports from the latest NPIAS report defined below, includes landing areas developed for conventional fixed-wing aircraft, helicopters, and seaplanes. Except where otherwise stated, the word “airport” in this report refers only to airports included in the NPIAS. The commercial service airport categories are determined by the number of passenger enplanements per year.<sup>3</sup> Tables 1 and 2, respectively, provide the distribution of activity by airport type for CY 2010 and CY 2011, the most current passenger data available at the beginning of FY 2012 and FY 2013.

**Table 1. Distribution of Activity by Airport Type (FY 2012)<sup>4</sup>**

Number of Airports	Airport Type	Percentage of All Passenger Enplanements
29	Large Hub Primary	69.60
36	Medium Hub Primary	18.60
74	Small Hub Primary	8.30
239	Nonhub Primary	3.10
121	Nonprimary Commercial Service	0.10
268	Relievers	0.00
2,563	General Aviation	0.00
<b>3,330</b>	<b>Existing NPIAS Airports</b>	<b>100.00</b>
16,456	Low-Activity Landing Areas (Non-NPIAS)	

**Table 2. Distribution of Activity by Airport Type (FY 2013)<sup>5</sup>**

Number of Airports	Airport Type	Percentage of All Passenger Enplanements
29	Large Hub Primary	70.30
35	Medium Hub Primary	17.90
74	Small Hub Primary	8.40
249	Nonhub Primary	3.20
124	Nonprimary Commercial Service	0.09
268	Relievers	0.00
2,551	General Aviation	0.00
<b>3,330</b>	<b>Existing NPIAS Airports</b>	<b>100.00</b>
16,456	Low-Activity Landing Areas (Non-NPIAS)	

<sup>3</sup> The NPIAS is issued every 2 years, but the FAA’s Office of Airports relies on annual enplanement data to determine airport eligibility for AIP funding and the apportionment distributions based on the formulas prescribed in title 49 U.S.C., section 47114.

<sup>4</sup> Subtotals and totals may not add exactly due to rounding.

<sup>5</sup> Subtotals and totals may not add exactly due to rounding.

### 1.2.1 Commercial Service Airports

A commercial service airport is defined in title 49 U.S.C., section 47102(7), as a public-use airport receiving scheduled passenger service and having 2,500 or more enplaned passengers (also referred to as boardings) per year. The FAA uses the following four airport hub classifications for primary airports:

- ➔ **Large Hub Airports:** A large hub airport is defined in title 49 U.S.C., section 47102(11), as an airport that accounts for at least 1 percent of the total U.S. passenger enplanements.<sup>6</sup> At these airports, some passengers originate in the local community and some are connecting passengers transferring from one flight to another. Several large hub airports have little passenger transfer activity, while in others, transfers account for more than half of the traffic. Large hub airports tend to support airline passenger and freight operations and typically have only small amounts of general aviation activity.
- ➔ **Medium Hub Airports:** A medium hub airport is defined in title 49 U.S.C., section 47102(13), as an airport that accounts for at least 0.25 percent but less than 1 percent of the total U.S. passenger enplanements. Medium hub airports typically have sufficient capacity to accommodate air carrier operations and have a moderate amount of general aviation activity.
- ➔ **Small Hub Airports:** A small hub airport is defined in title 49 U.S.C., section 47102(25), as an airport that accounts for at least 0.05 percent but less than 0.25 percent of the total U.S. passenger enplanements. These airports are generally uncongested, do not have significant air traffic delays, and are able to accommodate general aviation activity.
- ➔ **Nonhub Primary Airports:** A nonhub primary airport is defined in title 49 U.S.C., section 47102(14), as an airport that accounts for less than 0.05 percent of the total U.S. commercial passenger enplanements but have at least 10,000 annual enplanements. These airports have little commercial activity, few enplanements, and general aviation aircraft account for most of the activity.

### 1.2.2 Nonprimary Commercial Service Airports

Commercial service airports that have between 2,500 to 9,999 annual passenger enplanements are defined in title 49 U.S.C., section 47102(7), as nonprimary commercial service airports. In most locations, general aviation aircraft account for the majority of activity at nonprimary airports.

### 1.2.3 Reliever Airports

Due to differences in operating requirements for small general aviation aircraft and large commercial aircraft, general aviation pilots often avoid using congested large and medium hub

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<sup>6</sup> An enplanement is defined as a revenue passenger that boards an aircraft. Title 14 Code of Federal Regulations (CFR), parts 241 and 298, require how air carriers report to the U.S. Department of Transportation (DOT).

airports. For example, large commercial aircraft operate at much greater speeds than small general aviation aircraft. Such operational differences complicate aircraft operations when both types of aircraft use the same runways and taxiways. In recognition of this, FAA has encouraged the development of high-capacity general aviation airports in major metropolitan areas. These specialized airports, called relievers, are defined in title 49 U.S.C., section 47102(23), and provide pilots with attractive alternatives to using congested hub airports. They also provide general aviation with access to metropolitan areas. Reliever airports must have at least 100 based aircraft or 25,000 annual itinerant operations.<sup>7</sup> Airports that FAA designates as relievers are included in the NPIAS.

### 1.2.4 General Aviation Airports

Airports that do not receive scheduled commercial service may be included in the NPIAS as sites for general aviation airports if they account for enough activity (usually at least 10 based aircraft) and are at least 20 miles from the nearest NPIAS airport.

### 1.2.5 Low-Activity Landing Areas

Low-activity landing areas typically represent small, privately owned general aviation airports that are not considered by FAA to have a measureable impact on the national aviation system. These airports are not included in the NPIAS and are not eligible for AIP funding.

## 1.3 COLLECTION OF ENPLANEMENT AND CARGO DATA

Each year, the FAA's Office of Airports publishes passenger enplanements and all-cargo activity<sup>8</sup> representing annual passenger boardings and revenue cargo data by all-cargo aircraft. The data is obtained from the Air Carrier Activity Information System and is subsequently used to determine apportionment distributions of annual AIP funds.

Passenger boarding data is derived from information provided to the Department of Transportation (DOT) by air carriers, including U.S. scheduled and nonscheduled large certificated air carriers, U.S. commuter and small certificated air carriers, and foreign flag air carriers. In addition, FAA conducts an annual survey of air taxi/commercial operators, which voluntarily report their nonscheduled activity. For purposes of calculating AIP apportionments to airport sponsors, passenger boardings also include those passengers on board international flights that stop at airports located within the 50 states for nontraffic purposes (typically refueling stops). Data from all-cargo carriers were compiled for airports with a minimum of 100 million pounds of cargo aircraft landed weight annually. Cargo carriers report the cargo aircraft landed weight of all-cargo aircraft to the airport operator, who then submits it to FAA.

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<sup>7</sup> A based aircraft is an operational and airworthy aircraft that is located at a facility for the majority of the year.

<sup>8</sup> The FAA passenger boarding and all-cargo statistics are available online at:  
[http://www.faa.gov/airports/planning\\_capacity/passenger\\_allcargo\\_stats](http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats).

## 1.4 PROGRAM HISTORY AND STATISTICS

The following related historical program information may found by visiting the AIP Web site:

- Cumulative performance data of the AIP for FY 1982 through FY 2013;
- a detailed history of the AIP and any legislative changes to the program;
- yearly totals for AIP grant funding authorizations, obligation limitations, and obligations since 1982;
- the overall AIP totals to date for apportioned and discretionary funds; and
- the totals by development planning type and funding type.

## 1.5 AIP ADMINISTRATION

Within FAA, the Office of Airports is responsible for the administration of the AIP. The Office of Airports includes staff in Headquarters, 9 regional divisions, and 21 district offices. The Office of Airports Headquarters' staff develops policy, provides guidance for the effective utilization of AIP funds, and provides technical, financial, planning, environmental, and administrative guidance to the Office of Airports' regional and district offices. The regional and district offices conduct grant oversight, program implementation, and directly interfaces with the airport sponsors.

Formulas and program set-asides contained in congressional legislation shape and guide the administration of the AIP. Headquarters' staff, with significant input from field and regional offices, airport sponsors, and state aviation organizations, makes decisions on the distribution of discretionary and other types of funding. Projects identified for receipt of funds are carefully scrutinized to ensure that they are justified based on established FAA priorities, such as safety standards, security requirements, aeronautical demand, and environmental mitigation. They must also meet selection criteria established by Congress in the authorizing legislation. Headquarters' staff further refines these mandates and disseminates them to the regions through program guidance and design criteria. Headquarters' staff then monitors adherence to these directives to ensure conformity and consistency nationwide.

In particular, Congress establishes set-aside funding to:

- minimize environmental impacts on nearby communities;
- enhance system capacity;
- meet forecasted aviation demand;
- develop reliever airports;
- protect and enhance natural resources;
- reduce aircraft operations delays;
- convert former military bases to civilian use; and
- implement a variety of other provisions to ensure a safe and efficient airport system.

In the administration of the AIP, FAA implements these policies by giving the highest priority to projects that enhance the safety, security, capacity, and efficiency of the U.S. airport system. By

assigning high priority to projects that maintain current airport infrastructure and increase the capacity of facilities to accommodate growing passenger and cargo traffic, FAA advances other major policy objectives.

To achieve these goals, FAA uses a national priority rating system that includes current year appropriation levels and numerical priority ratings. This results in the creation of a list of airport projects rated by priority. The FAA then uses this project ranking, along with other selection criteria in the development of its national Airport Capital Improvement Program (ACIP). The ACIP provides a selection process for the distribution of AIP funds to the projects that have the greatest potential for improving the national system of airports. The ACIP process also allows for additional consideration of current national initiatives and local priorities.

## Chapter 2: Summary of Financial Assistance

The Trust Fund provides the revenues used to fund AIP projects, which are primarily accrued from passenger ticket taxes and aviation fuel taxes. The Airport and Airway Development Act of 1970 (P.L. 91-258), as amended, established the Trust Fund and authorizes the use of Trust Fund monies to make grants under the AIP on a fiscal year basis. Funds authorized but remaining after a fiscal year due to appropriations limitations carry forward to future fiscal years unless Congress takes specific action to limit such amounts. During the annual appropriations process, Congress may also limit the funding that may be obligated for grants to an amount that differs from the annual authorization.<sup>9</sup>

This chapter summarizes AIP financial commitments for FY 2012 and FY 2013 and discusses significant accomplishments. For additional financial assistance information on individual grants awarded in FY 2012 and FY 2013, please refer to the AIP Web site. A searchable record is available which provides a listing of the airport sponsor, grant amount, and project description for each grant awarded in FY 2012 and 2013.

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<sup>9</sup> For more information on the AIP funding and grant process, see FAA Order 5100.38D, Airport Improvement Program Handbook. This order is available online at: [http://www.faa.gov/airports/aip/aip\\_handbook/](http://www.faa.gov/airports/aip/aip_handbook/).

## 2.1 FUNDING AWARDED BY AIRPORT TYPE

Table 3. AIP Funding Distribution Summary of New Grants in FY 2012<sup>10</sup>

Airport Category	Number of Grants Awarded	Percent of Total Grants	Obligated Amounts for New Grants (\$ millions)	Percent of Total Obligated Amounts
<b>Large Airports</b>				
Primary Large Hub Airports	74	3.9%	\$ 0.5	18.9%
Primary Medium Hub Airports	71	3.7%	356.4	10.8%
<b>Grants to Large Airports Subtotal</b>	<b>145</b>	<b>7.5%</b>	<b>976.9</b>	<b>29.7%</b>
<b>Small Airports</b>				
Primary Small Hub Airports	139	7.2%	485.8	14.8%
Primary Nonhub Airports	289	15.0%	649.3	19.7%
Nonprimary Commercial Service Airports	54	2.8%	52.7	1.6%
Reliever Airports	155	8.1%	239.1	7.3%
Other General Aviation Airports	1,042	54.2%	588.3	17.9%
SBGP and Other State-Sponsored Locations	50	2.6%	219.4	6.2%
<b>Grants to Small Airports Subtotal</b>	<b>1,729</b>	<b>90.0%</b>	<b>2,234.6</b>	<b>67.9%</b>
<b>Airport System Planning</b>				
Planning Agencies and Other State-Sponsored Locations	47	2.4%	77.3	2.4%
<b>System Planning Grants Subtotal</b>	<b>47</b>	<b>2.4%</b>	<b>77.3</b>	<b>2.4%</b>
<b>Total</b>	<b>1,921</b>	<b>100.0%</b>	<b>\$3,288.9</b>	<b>100.0%</b>

<sup>10</sup> Subtotals and totals may not add exactly due to rounding.

Table 4. AIP Funding Distribution Summary of New Grants in FY 2013<sup>11</sup>

Airport Category	Number of Grants Awarded	Percent of Total Grants	Obligated Amounts for New Grants (\$ millions)	Percent of Total Obligated Amounts
<b>Large Airports</b>				
Primary Large Hub Airports	66	3.7%	\$ 566.3	19.1%
Primary Medium Hub Airports	70	3.9%	300.8	10.1%
<b>Grants to Large Airports Subtotal</b>	<b>136</b>	<b>7.6%</b>	<b>867.1</b>	<b>29.2%</b>
<b>Small Airports</b>				
Primary Small Hub Airports	129	7.2%	390.2	13.1%
Primary Nonhub Airports	294	16.4%	631.2	21.3%
Nonprimary Commercial Service Airports	73	4.1%	72.2	2.4%
Reliever Airports	151	8.4%	164.5	5.5%
Other General Aviation Airports	936	52.3%	534.1	18.0%
SBGP and Other State-Sponsored Locations	40	2.3%	234.7	7.3%
<b>Grants to Small Airports Subtotal</b>	<b>1,623</b>	<b>90.7%</b>	<b>2,026.8</b>	<b>68.3%</b>
<b>Airport System Planning</b>				
Planning Agencies and Other State-Sponsored Locations	30	1.7%	74.4	2.5%
<b>System Planning Grants Subtotal</b>	<b>30</b>	<b>1.7%</b>	<b>74.4</b>	<b>2.5%</b>
<b>Total</b>	<b>1,789</b>	<b>100.0%</b>	<b>\$2,968.3</b>	<b>100.0%</b>

<sup>11</sup> Subtotals and totals may not add exactly due to rounding.

## 2.2 FUNDING AWARDED BY PROJECT TYPE

The following tables include a funding breakdown by project type for all new AIP grant awards made during FY 2012 and FY 2013. State block grant subaward information is included in this report under section 2.3. The data reflected in these tables refers to new grant obligations, which could include current year funding, reobligated funds recovered from a prior year, or protected entitlements from a prior year.<sup>12</sup>

**Table 5. 2012 Project Types Receiving AIP Funds**

Project Type	Percentage of Total Awarded (%)	Total of Awards (\$)
Apron	10.75%	\$ 353,467,727
Aircraft Rescue and Firefighting (ARFF)	1.70	55,975,946
Equipment	0.37	12,138,005
Heliport	0.00	96,494
Land	1.33	43,795,651
New Airport	2.22	73,124,197
Noise	5.66	186,067,577
Other <sup>13</sup>	3.80	125,239,389
Planning	2.48	81,501,602
Roads	1.41	46,411,586
Runway Safety Areas (RSA)	9.64	317,080,912
Runway	31.17	1,025,171,974
Security	1.07	35,217,661
Snow Removal	1.83	60,125,497
State Block	6.18	203,323,419
Taxiway	15.64	514,428,996
Terminal	4.15	136,334,046
Voluntary Airport Low Emissions (VALE)	0.59	19,383,777
<b>Total</b>	<b>100.00%<sup>14</sup></b>	<b>\$3,288,884,456</b>

<sup>12</sup> A protected entitlement results from a decision by an airport sponsor to forego using their AIP entitlements in the current fiscal year and defer them to the following fiscal year or potentially beyond. Funding expiration deadlines still apply. See Section 3.3 for additional information.

<sup>13</sup> Other projects may include: constructing utilities, removing obstructions, improving airport drainage, installing airport beacons, and other related projects.

<sup>14</sup> May not add exactly due to rounding.

**Table 6. 2013 Project Types Receiving AIP Funds**

Project Type	Percentage of Total Awarded (%)	Total of Subawards (\$)
Apron	10.09%	\$ 299,553,981
ARFF	1.80	53,479,317
Equipment	0.30	8,849,982
Heliport	0.03	852,500
Land	1.87	55,487,894
New Airport	2.55	75,801,267
Noise	4.18	124,152,709
Other <sup>15</sup>	4.54	134,837,817
Planning	2.29	67,835,949
Roads	1.09	32,410,133
RSA	11.10	329,491,262
Runway	28.27	839,220,298
Seaplane Base	0.00	273,724
Security	1.40	41,499,146
Snow Removal	1.68	50,000,277
State Block	7.32	217,213,692
Taxiway	17.11	426,561,365
Terminal	3.78	112,262,602
VALE	0.58	17,097,469
Zero Emission	0.00	14,193
<b>Total</b>	<b>100.00%<sup>16</sup></b>	<b>\$2,968,266,290</b>

## 2.3 STATE BLOCK GRANT PROGRAM (SBGP) OVERVIEW

In 1987, the Airport and Airway Safety and Capacity Expansion Act of 1987 made a number of changes to the AIP. Those changes included a new pilot program, the SBGP, in which FAA would provide AIP funds to certain state aeronautical agencies, that would in turn administer those funds on behalf of FAA (including project selection), and provide grants to the nonprimary airports in those states.

The FAA initiated the SBGP in 1989 with grants to three states: Illinois, Missouri, and North Carolina. In 1992, the pilot program was expanded to seven states and was made permanent by the Federal Aviation Reauthorization Act of 1996. Since the enactment of the

<sup>15</sup> Other projects may include: constructing utilities, removing obstructions, improving airport drainage, installing airport beacons, and other related projects.

<sup>16</sup> May not add exactly due to rounding.

Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21), P.L. 106-181, 10 states have been authorized to participate in the SBGP. In FY 2012 and FY 2013. The 10 states in the program were: Georgia, Illinois, Michigan, Missouri, New Hampshire, North Carolina, Pennsylvania, Tennessee, Texas, and Wisconsin.

In FY 2012, FAA granted approximately \$205 million in state apportionment, nonprimary entitlements, and discretionary funds under the SBGP. In FY 2013, that total was approximately \$217 million. Table 7 provides a breakdown of the FY 2012 SBGP funds by state. Table 8 provides the FY 2013 breakdown.

**Table 7. SBGP Totals for FY 2012**

State	Block Grant Funds (\$)		State Total (\$)
	Apportionment <sup>17</sup>	Discretionary	
Georgia	\$ 16,283,153	\$12,496,882	\$ 28,780,035
Illinois	12,800,917	35,385,018	48,185,935
Michigan	11,247,199	0	11,247,199
Missouri	9,776,930	7,611,136	17,388,066
New Hampshire	232,702	0	232,702
North Carolina	8,408,189	7,216,570	15,624,759
Pennsylvania	8,911,238	1,386,350	10,297,588
Tennessee	12,662,884	0	12,662,884
Texas	17,530,369	18,170,683	35,701,052
Wisconsin	14,085,578	10,629,828	24,715,406
<b>SBGP Total</b>	<b>\$111,939,159</b>	<b>\$92,896,467</b>	<b>\$204,835,626</b>

<sup>17</sup> Apportionment amounts include nonprimary entitlements and state apportionments.

**Table 8. SBGP Totals for FY 2013**

State	Block Grant Funds (\$)		State Total (\$)
	Apportionment <sup>18</sup>	Discretionary	
Georgia	\$ 19,703,471	\$17,870,000	\$ 37,573,471
Illinois	17,843,615	8,476,932	26,320,547
Michigan	18,134,929	150,000	18,284,929
Missouri	12,375,658	0	12,375,658
New Hampshire	4,102,793	3,955,960	8,058,753
North Carolina	16,421,989	4,500,000	20,921,989
Pennsylvania	8,122,313	1,466,064	9,588,377
Tennessee	13,155,009	6,103,500	19,258,509
Texas	41,717,821	0	41,717,821
Wisconsin	15,686,923	7,426,715	23,113,638
<b>SBGP Total</b>	<b>\$167,264,521</b>	<b>\$49,949,171</b>	<b>\$217,213,692</b>

### 2.3.1 State Subawards

By participating in the SBGP, states agree to assume certain responsibilities related to the administration of the AIP that are otherwise performed by FAA. States assume AIP administration responsibilities for airports classified as “other than primary” airports—that is, nonprimary commercial service, reliever, and general aviation airports. The states review project requests from airports and make funding decisions consistent with established FAA eligibility and justification criteria. The states assign nonprimary entitlement (NPE) and state apportionment funds and make recommendations regarding discretionary funding for consideration by FAA. Tables 9 and 10 provide a subaward breakdown by state for FY 2012 and FY 2013, respectively. The data provided in these tables may include additional nonfederal amounts from the states.

<sup>18</sup> Apportionment amounts include nonprimary entitlements and state apportionments.

**Table 9. Total FY 2012 Subawards and Amount<sup>19</sup>**

FY 2012 SBGP Subawards By State		
State	Number of Grants	Total Federal Funds (\$)
Georgia	131	\$ 33,985,366
Illinois	196	65,314,571
Michigan	106	17,462,295
Missouri	120	18,741,424
New Hampshire	7	453,750
North Carolina	142	22,835,474
Pennsylvania	131	88,513,307
Tennessee	46	19,089,153
Texas	230	58,272,001
Wisconsin	175	28,784,168
<b>Grand Total</b>	<b>1,284</b>	<b>\$353,451,509</b>

**Table 10. Total FY 2013 Subawards and Amount<sup>20</sup>**

FY 2013 SBGP Subawards By State		
State	Number of Grants	Total Federal Funds (\$)
Georgia	128	\$ 28,651,510
Illinois	167	56,524,592
Michigan	107	20,951,981
Missouri	218	102,608,481
New Hampshire	25	6,666,543
North Carolina	125	27,248,504
Pennsylvania	55	12,644,872
Tennessee	54	22,437,280
Texas	267	64,705,149
Wisconsin	208	23,530,204
<b>Grand Total</b>		<b>\$365,969,116</b>

One of the tools FAA uses to make discretionary funding decisions, as well as to ensure that entitlement funds are applied to the most important projects, is the national priority system. That system is also used by the states to distribute entitlement and state apportionment funds. However, FAA's national priority system does not consider all factors that states, local

<sup>19</sup> Subawards may include funding from prior year block grants, as well as the funding awarded in the FY 2012 block grants detailed in Table 10.

<sup>20</sup> Subawards may include funding from prior year block grants, as well as the funding awarded in the FY 2013 block grants detailed in Table 11.

governments, or private sponsors use to establish their individual priorities. Block grant states have some flexibility in using the national priority system or proposing comparable alternatives.

In FY 2012, nearly 71 percent of the SBGP subawards provided funding to complete runway, taxiway, and apron projects. Table 11 provides a breakdown of the types of projects funded with SBGP subawards. During FY 2013, approximately 65 percent of the SBGP subawards provided funding to complete runway, taxiway, and apron projects. Table 12 provides a breakdown of the projects.

**Table 11. FY 2012 Subaward Totals by Project Type<sup>21</sup>**

Project Type	Percentage of Total Awarded (%)	Total of Subawards (\$)
Apron	10.42%	\$ 36,846,943
ARFF	0.15	539,767
Equipment	0.63	2,219,612
Land	5.78	20,416,569
New Airport	0.04	150,000
Noise	0.93	3,270,914
Other <sup>22</sup>	9.51	33,628,600
Planning	2.12	7,494,086
Roads	1.40	4,964,334
RSA	2.25	7,953,192
Runway	40.30	142,440,708
Security	3.15	11,117,220
Snow Removal	2.36	8,342,040
Taxiway	19.96	70,553,348
Terminal	0.99	3,514,176
<b>Total</b>	<b>100.00%</b>	<b>\$353,451,509</b>

<sup>21</sup> Subtotals and totals may not add exactly due to rounding.

<sup>22</sup> Other projects may include: constructing utilities, removing obstructions, improving airport drainage, installing airport beacons, and other related projects.

Table 12. FY 2013 Subaward Totals by Project Type<sup>23</sup>

Project Type	Percentage of Total Awarded (%)	Total of Subawards (\$)
Apron	8.90%	\$ 32,566,183
ARFF	0.04	148,500
Equipment	0.34	1,254,065
Land	10.17	37,232,388
New Airport	0.88	3,217,820
Noise	0.14	503,085
Other <sup>24</sup>	13.29	48,640,788
Planning	2.53	9,274,578
Roads	1.20	4,383,194
RSA	1.93	7,056,887
Runway	37.83	138,456,200
Security	2.23	8,178,345
Snow Removal	1.65	6,034,657
Taxiway	18.07	66,113,550
Terminal	0.79	2,908,876
<b>Total</b>	<b>100.00%</b>	<b>\$365,969,116</b>

## 2.4 NOISE AND AIR QUALITY PROGRAMS

The FAA continues to provide funding to airport sponsors to develop comprehensive programs to reduce noise and achieve compatible land uses in areas surrounding an airport. Legislation prescribes the procedures, standards, and methodology governing the development, submission, and review of airport noise exposure maps and airport noise compatibility programs (NCPs).<sup>25</sup> Since an approved NCP is a precondition to receiving AIP funds for most noise mitigation actions, operators of airports where noise is a significant factor have generally engaged in some level of noise planning.

### 2.4.1 Noise Compatibility

Through FY 2013, 275 airport sponsors have taken part in the noise planning process. Of these, 256 sponsors have approved NCPs, and FAA has approved 140 amendments to NCPs. In FY 2012, FAA awarded three grants totaling \$1.81 million for new or updated noise studies. The FAA awarded another 19 grants totaling \$122.3 million for noise mitigation. In FY 2013, FAA awarded three grants totaling \$1.42 million for new or updated noise studies. Additionally,

<sup>23</sup> Subtotals and totals may not add exactly due to rounding.

<sup>24</sup> Other projects may include: constructing utilities, removing obstructions, improving airport drainage, installing airport beacons, and other related projects.

<sup>25</sup> FAA's Airport Noise Compatibility Planning was established under the Aviation Safety and Noise Abatement Act of 1979 (recodified at title 49 U.S.C. § 47501 *et seq.*)

FAA awarded another 27 grants totaling \$108.1 million for noise mitigation. These projects included purchasing noise-impacted land adjacent to airports, soundproofing residences and schools, and other efforts to reduce effects of noise.

Many public agencies have applied for approval to collect Passenger Facility Charges (PFC),<sup>26</sup> in part to provide more funding to improve airport land use compatibility. In FY 2012, FAA approved the collection of \$19.9 million in PFC funds for noise planning and mitigation. In FY 2013, FAA approved the collection of \$2.5 million in PFC funds for noise planning and mitigation. Since the inception of the PFC Program in 1992, FAA has approved the collection of \$3.42 billion to fund noise planning and mitigation projects.

The PFC and AIP eligibility for funding noise compatibility projects are different. As noted, to be AIP eligible, a noise mitigation measure must, with few exceptions, be an approved noise compatibility measure in an FAA-approved NCP. For a project to be eligible for PFC funding, a noise compatibility measure needs only to qualify for approval under a part 150 NCP. Even where an approved NCP is in place at that airport, PFCs can be used to fund a measure not included in the approved NCP, as long as the measure would qualify for approval.

With the passage of Vision 100 extensions, additional noise projects outside part 150 became eligible for AIP grants in FY 2004. Section 160 of Vision 100 added section 47141 to title 49 U.S.C., authorizing the Secretary of Transportation to issue grants from AIP noise set-aside funds. These funds are for states and units of local government for compatible land use planning and projects adjacent to large and medium hub airports that have neither submitted a noise compatibility program nor updated such a program within the preceding 10 years.

#### **2.4.2 Voluntary Airport Low Emissions (VALE) Program**

The FAA VALE Program was authorized by Vision 100 and began in FY 2005. The program provides airport sponsors with funding through the AIP and the PFC Program with emission credits to help meet airport responsibilities under the Clean Air Act (CAA) in support of state planning to meet national clean air standards.

The VALE Program is available to commercial service airports located in air quality nonattainment and maintenance areas, as designated by the U.S. Environmental Protection Agency (EPA). The goal of the program is to reduce ozone, nitrogen oxides, particulates, carbon monoxide, and other pollutants that are generated by airport stationary and mobile sources. As of FY 2013, the 66 VALE projects that have received AIP funding remove approximately 466 tons of smog-forming nitrogen oxides from the air each year; the equivalent of eliminating 26,000 cars and trucks from the road.

Airport sponsors have financial and regulatory incentives under the VALE Program to make earlier and larger investments in low-emission technology. Project eligibility is limited to capital

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<sup>26</sup> The PFC Program is a separate but AIP-related funding mechanism available to support airport capital improvements. Detailed information on the PFC Program can be found by visiting the following FAA Web site: <http://www.faa.gov/airports/pfc/>.

investments and the deployment of proven, cost-effective technology that is commercially available. Eligible technologies range from airport on-road vehicles and aeronautical ground support equipment to refueling and recharging stations, gate electrification, and other infrastructure improvements that lower emissions. The program emphasizes the use of domestic alternative fuels, which are well suited to airports because of centralized operations and the availability of safe sites for refueling and recharging stations.

The low-emission standards for the program are maintained in cooperation with EPA and the U.S. Department of Energy. State governments also play an important role in the program by providing regulatory incentives in the form of “airport emission reduction credits.” Airport sponsors receive state-issued credits for eligible VALE projects and may use the credits to meet CAA requirements.

The VALE Program has grown steadily in response to airport interest. Since FY 2005, FAA has granted \$133 million for new low-emission technology of which \$19.4 million was awarded in FY 2012 and \$17.1 million in FY 2013. Further information about the program is located on FAA’s Web site at: <http://www.faa.gov/airports/environmental/vale>.

### **2.4.3 Zero Emissions Airport Vehicle and Infrastructure Pilot Program**

Section 511 of the FAA Modernization and Reform Act of 2012 (P.L. 112-95) enacted a new section 47136(a) under title 49 U.S.C. for Zero-emission Airport Vehicles and Infrastructure. This section established a pilot program allowing FAA to award AIP funds to an airport for the acquisition of zero-emission vehicles (ZEVs). Construction or modification of infrastructure to facilitate the delivery of fuel and services necessary for the use of such vehicles is also eligible under the new section of the statute. The FAA defines eligible infrastructure as refueling stations, rechargers, onsite fuel storage tanks, and other equipment needed for station operation.

Any public-use airport in the NPIAS is eligible to receive consideration for AIP funding under the ZEV pilot program, although the statute directs that priority be given to airports located in EPA-designated air quality nonattainment areas. To meet ZEV standards, the vehicle must produce zero exhaust of any criteria pollutant (or pollutant precursor).

FY 2013 was the first year of implementation of the ZEV pilot program and FAA awarded one ZEV grant during FY 2013 for \$14,193. This project will result in ozone emission reductions of approximately 0.13 tons over the life of the project (e.g., 5 years).

Although other airport sponsors were interested in the ZEV pilot program, most of the ZEVs currently commercially available do not meet the AIP Buy American standard and are thus ineligible for AIP funding. However, many automotive manufacturers are expanding production of ZEVs, and sponsors may have greater opportunities in future years to acquire ZEVs that meet the Buy American standards.

## Chapter 3: Annual AIP Funding

Congress authorizes AIP contract authority, which permits FAA, through the AIP, to obligate funds from the Trust Fund. This contract authority is contained in title 49 U.S.C., chapter 471, and has been amended numerous times since 1982.

For FY 2012, Congress authorized and appropriated \$3.35 billion in funding for the AIP. Of the \$3.35 billion available in FY 2012, Congress directed that \$101 million was specifically for the operational and administrative budget of the FAA's Office of Airports, \$29.3 million was to fund the Airport Technology Research Plan (ATRP), \$15 million was to fund the Airport Cooperative Research Program (ACRP), and \$6 million was to fund the Small Community Air Service Development Program (SCASDP).<sup>27</sup> The remaining \$3.199 billion was made available for AIP grants.

For FY 2013, Congress authorized and appropriated \$3.35 billion, but the Office of Management and Budget imposed a Governmentwide rescission, which reduced available AIP funds by \$6.7 million. This made \$3.343 billion available to the AIP for the fiscal year. From this available amount, Congress directed that \$101 million was specifically for the operational and administrative budget of the FAA's Office of Airports, \$29.2 million was to fund the ATRP, \$15 million was to fund the ACRP, and \$6 million was to fund the SCASDP. The remaining \$3.192 billion was initially made available for AIP grants. In May 2013, the President signed legislation authorizing the one-time transfer of \$253 million in discretionary funds to prevent reduced FAA operations and staffing resulting from the across-the-board Federal budget reductions known as sequestration.<sup>28</sup>

The amounts available for obligation fall into two basic categories: apportioned funds (also known as entitlement funds) and discretionary funds. Apportioned funds are those that are calculated for each airport based on formulas prescribed in title 49 U.S.C., section 47114. Funds apportioned to airports may generally be used for any AIP-eligible airport planning or development. The FAA approves other funds for use on projects after consideration of project priority and other selection criteria. Although airport sponsors receiving apportioned funds are given some latitude in determining how they will be used, they are discouraged by both FAA policy and statutory requirements from using entitlement funds for lower priority projects while also seeking discretionary funding. Discretionary funds are limited and consequently are directed only to higher priority needs as determined by FAA or DOT.

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<sup>27</sup> The SCASDP is a program managed by DOT in which grants are awarded to small communities seeking to improve air carrier service pursuant to title 49 U.S.C., section 41743.

<sup>28</sup> P.L. 113-9, "Reducing Flight Delays Act of 2013," signed into law on May 1, 2013.

## 3.1 CALCULATION AND DISTRIBUTION OF APPORTIONED FUNDS

Title 49 U.S.C., section 47114, requires AIP funds to be apportioned by formula each year to specific airport sponsors, types of airports, or states. These funds are more commonly referred to as “entitlement funds.” The AIP statute establishes the formulas used to calculate individual airport entitlements. These formulas are applied to the amount of AIP funding available to grants in a given year. Such funds are available to airport sponsors in the year they are first apportioned. In the case of large, medium, and small hub airports, if the funds are not used in the year they were apportioned, a comparable amount remains available for up to 2 fiscal years. In the case of nonhub primary and nonprimary airports, entitlement funds are available in the year they are first apportioned and remain available for 3 fiscal years following apportionment.

### 3.1.1 Primary Airports

Each primary airport’s entitlement funds are based on the number of passenger boardings at the airport. When AIP funding in a fiscal year is below \$3.2 billion, the minimum amount of entitlement funds that may be apportioned to the airport sponsor of a primary airport is \$650,000 and the maximum is \$22 million. As directed in title 49 U.S.C., section 47114, FAA calculates individual airport annual entitlement funds as follows:

- ➔ \$7.80 for each passenger boarding up to 50,000 passengers;
- ➔ \$5.20 for each additional passenger boarding up to 100,000 passengers;
- ➔ \$2.60 for each additional passenger boarding up to 500,000 passengers;
- ➔ \$0.65 for each additional passenger boarding up to 1,000,000 passengers; and
- ➔ \$0.50 for each additional passenger boarding from 1,000,001 passengers and up.

Additionally, under title 49 U.S.C., section 47114, individual entitlements are doubled (with a maximum of \$26 million and a minimum of \$1 million per airport sponsor) when AIP funding in a fiscal year is at least \$3.2 billion.

### 3.1.2 AIP Apportionment Reductions

In 1990, Congress enacted legislation that allows public agencies controlling commercial service airports to charge enplaning passengers using the airport a \$1, \$2, or \$3 PFC. AIR-21 (P.L. 106-181), signed into law in the year 2000, authorized additional PFC amounts of \$4 and \$4.50. Public agencies that want to charge a PFC must apply to FAA for such authority and meet certain requirements.

Title 49 U.S.C., section 47114(f), requires that AIP funds apportioned to a large or medium hub airport be reduced by 50 percent of the forecasted PFC revenue for that fiscal year, but not more than 50 percent of the preliminary apportionment for that fiscal year where a PFC of \$1, \$2, or \$3 is imposed. Likewise, should a large or medium hub airport impose a PFC at the \$4 or \$4.50 level, apportioned AIP funds for those airports are reduced by 75 percent of the forecasted PFC revenue, but not more than 75 percent of the preliminary apportionments for that fiscal year. Table 13 shows the total number of large and medium hub airports whose entitlements were reduced because of anticipated PFC revenues during FY 2012 and FY 2013.

**Table 13. Number of Large and Medium Hub Airports Subject to PFC-Related Entitlement Reductions in FY 2012 and FY 2013**

Airports with Entitlement Reductions	Total Number of Large and Medium Hubs With PFCs	50 Percent Reduction	75 Percent Reduction
Fiscal Year 2012	63	7	56
Fiscal Year 2013	62	6	56

The FAA redistributes the apportionments that are withheld as a result of PFC collections within the AIP. The FAA is required to assign 87.5 percent of these redistributed funds to the small airport fund pursuant to its authorizing statute (49 U.S.C. § 47116). The FAA then redistributes the remaining 12.5 percent (to the small hub airports) of apportionments that were withheld as a result of PFC collections to the AIP discretionary fund.

### 3.1.3 Cargo Service Airport Funding

Pursuant to title 49 U.S.C., section 47114, FAA allocates 3.5 percent of the AIP to cargo service airports. Each cargo service airport receives funds in the same proportion as its proportion of landed weight of cargo aircraft to the total landed weight of cargo aircraft at all qualifying airports.<sup>29</sup> In both FY 2012 and FY 2013, 111 airports qualified as cargo service airports, sharing 3.5 percent of the available funding, which totaled approximately \$112 million in each year.

### 3.1.4 State/Insular Areas

In accordance with the statute, the AIP formulas apportion 20 percent of total AIP funds available for grants to nonprimary commercial service, general aviation, and reliever airports within the states and insular areas.<sup>30</sup> These airports are collectively referred to as nonprimary airports (see Section 1.2, Airport Categories). Out of this total amount, each eligible nonprimary airport may be entitled to an individual apportionment not to exceed \$150,000 per year (commonly known as “nonprimary entitlement” or “NPE”). This is based on one-fifth of the airport’s 5-year capital needs, as identified in the NPIAS.

The remainder (commonly referred to as “state apportionment”) is distributed to states based on the proportions of both the land area of each state to the total land area of all states and the population of each state to the population of all states. Therefore, as the amount required for NPEs has increased from year-to-year due to airports’ increasing capital requirements, the percentage remaining available for state apportionments has decreased.

<sup>29</sup>“Landed weight” is defined as the weight of aircraft transporting only cargo in intrastate, interstate, and foreign air transportation.

<sup>30</sup>Under title 49 U.S.C., section 47114, if AIP funding drops below \$3.2 billion, this allocation is reduced to 18.5 percent of AIP funding. In order to provide individual apportionments to each nonprimary airport, that amount is not reduced further.

In FY 2012, the statutory formulas resulted in \$410.4 million to nonprimary airports. In FY 2013, the formulas resulted in \$401 million. Of the amount remaining after the allocation to individual nonprimary airports, 99.4 percent was apportioned to airports within the United States, the District of Columbia, and Puerto Rico.<sup>31</sup> The remaining 0.62 percent was apportioned to airports in four insular areas: Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. In FY 2012, \$229 million in state apportionment was directed to airports in the 50 states, the District of Columbia, and Puerto Rico. In addition, \$1.422 million was provided to the insular areas. In FY 2013, \$238 million in state apportionment was directed to the states and territories with \$1.472 million to the insular areas.

### 3.1.5 Alaska Supplemental Funds

Congress apportions funds for certain Alaskan airports to ensure that the State of Alaska receives at least as much as these airports were apportioned in FY 1980 under previous Grants-in-Aid for Airports appropriation legislation. In both FY 2012 and FY 2013, this requirement provided an additional \$21.3 million for Alaskan airports based on the special apportionment rule applicable if the AIP funding level is \$3.2 billion or more.

## 3.2 DISTRIBUTION OF DISCRETIONARY FUNDS

The authorizing statute defines the remaining funds as discretionary funds, but establishes a number of set-aside amounts to ensure specified minimum funding levels are achieved.<sup>32</sup>

- ➔ **Noise:** An amount equal to 35 percent of the discretionary fund (\$167.5 million in FY 2012 and \$133.5 million in FY 2013) was reserved for noise compatibility planning and implementing noise compatibility programs under title 49 U.S.C., section 47501, et seq. The FAA can use entitlement funds to satisfy this minimum set-aside as long as the total AIP funds awarded for noise compatibility purposes equals the amount specified in the legislation. Funding for projects under the VALE Program, which provides funding to projects that help airports meet their responsibilities under the CAA are included in this set-aside. In FY 2012, FAA issued 145 noise grants totaling \$240.9 million and 11 VALE grants totaling \$19.4 million. In FY 2013, FAA issued 67 noise grants totaling \$264 million and 11 VALE grants totaling \$17.1 million.<sup>33</sup>
- ➔ **MAP:** As required by title 49 U.S.C., section 47117(e)(1)(B), FAA reserved a minimum of 4 percent of the discretionary fund, amounting to \$19.1 million in FY 2012 and \$15.3 million in FY 2013 for the MAP.<sup>34</sup> Airport sponsors within the MAP also received an additional

<sup>31</sup> The District of Columbia and Puerto Rico are treated as states for the purposes of the state apportionment in accordance with title 49 U.S.C., section 47114(d).

<sup>32</sup> See title 49 U.S.C., section 47114.

<sup>33</sup> The noise set-aside established in title 49 U.S.C., section 47114, is a minimum funding level that should be reserved towards noise projects, and FAA may fund in a given year noise projects above this reserved amount.

<sup>34</sup> The MAP provides financial assistance for capacity and/or conversion-related projects at current joint-use or former military airports.

\$5.65 million in discretionary and entitlement AIP funds in FY 2012 and \$6.25 million in FY 2013. Total MAP spending equaled \$24.8 million in FY 2012 and \$21.5 million in FY 2013.

- **Reliever:** Under title 49 U.S.C., section 47117(e)(1)(C), if the AIP funding level is \$3.2 billion or more, an amount equal to two-thirds of 1 percent of the total is to be made available for grants to the sponsors of airports that have been designated by the Secretary of Transportation as reliever airports and that have:
1. more than 75,000 annual operations;
  2. a minimum usable runway length of at least 5,000 feet;
  3. a precision instrument landing procedure; and
  4. a minimum number of based aircraft (100) as determined by the Secretary of Transportation.

In FY 2012, \$3.2 million was set aside for the sponsors of reliever airports. However, FAA determined that 22 projects at these airports warranted \$166.5 million in discretionary funding. In FY 2013, \$2.5 million was set-aside for the reliever airports. The FAA determined that 24 projects at these airports warranted \$96.9 million in discretionary funding.

After these set-asides were met, \$289 million in FY 2012 and \$230 million in FY 2013 in discretionary funds remained available. As directed by statute, these funds were allocated to two funding categories:

1. **Capacity/Safety/Security/Noise (C/S/S/N):** The FAA reserved 75 percent (\$217 million in FY 2012 and \$173 million in FY 2013) of the remaining discretionary funding for C/S/S/N projects.
2. **Remaining discretionary:** The FAA reserved 25 percent (\$72.2 million in FY 2012 and \$57.6 million in FY 2013) of the remaining discretionary funding for any eligible project at any airport included in the NPIAS.

The following tables show the AIP Funding Distribution Plan based on the funding requirements described above. Table 14 provides details for FY 2012, and Table 15 provides funding details for FY 2013.

**Table 14. AIP Funding Distribution Plan for FY 2012 (\$ millions)**

<b>Authorized by Legislation</b>	<b>\$3,350.0</b>
Government-wide Budget Rescission <sup>35</sup>	0.0
<b>Available for AIP (Obligation Limitation)</b>	<b>3,350.0</b>
Less:	
SCASDP	6.0
Administrative Expenses	101.0
Airport Technology Research	29.3
Airport Cooperative Research Program	15.0
<b>Total Available for AIP Grants</b>	<b>\$3,198.8</b>
<b>FUNDING DISTRIBUTION</b>	
<b>Entitlements/Appportionments</b>	
Primary Airports	839.9
Cargo (3.5 Percent of the Total Available for AIP Grants)	112.0
Alaska Supplemental	21.3
States (20 Percent of the Total Available for AIP Grants)	
Nonprimary Entitlements	410.4
State Apportionment by Formula	229.4
Protected (formerly "Carryover") Entitlements	622.5
<b>Entitlements Subtotal</b>	<b>\$2,235.5</b>
Small Airport Fund	
Nonhub Airports	277.0
Noncommercial Service	138.5
Small Hub	69.3
<b>Small Airport Fund Subtotal</b>	<b>\$484.7</b>
<b>Nondiscretionary Subtotal</b>	<b>\$2,720.2</b>
<b>DISCRETIONARY</b>	
Noise (35 Percent of Discretionary Funds)	167.5
Reliever (0.66 Percent of Discretionary Funds)	3.2
MAP (4 Percent of Discretionary Funds)	19.1
<b>Discretionary Set-asides Subtotal</b>	<b>\$189.8</b>
C/S/S/N	216.6
Remaining Discretionary	72.2
<b>Other Discretionary Subtotal</b>	<b>\$288.8</b>
<b>Discretionary Subtotal</b>	<b>\$478.6</b>
<b>Funding Distribution Total for Fiscal Year Funds</b>	<b>\$3,198.8</b>
<b>Recovery Ceiling Authorized for Reobligation</b>	<b>\$136.1</b>
<b>Total Authorized Obligation Level</b>	<b>\$3,334.9</b>

<sup>35</sup>From time to time, rescissions affect the annual AIP funding levels. For consistency and ease of comparing this analysis from year to year, FAA includes this line item in every AIP annual report, regardless of whether there is actually a rescission in that year.

**Table 15. AIP Funding Distribution Plan for FY 2013 (\$ millions)**

<b>Authorized by Legislation</b>	<b>\$3,350.0</b>
Government-wide Budget Rescission <sup>36</sup>	6.7
<b>Available for AIP (Obligation Limitation)</b>	<b>3,343.3</b>
Less:	
SCASDP	6.0
Administrative Expenses	100.8
Airport Technology Research	29.2
Airport Cooperative Research Program	15.0
<b>Total Available for AIP Grants</b>	<b>\$3,192.4</b>
<b>FUNDING DISTRIBUTION</b>	
<b>Entitlements/Appportionments</b>	
Primary Airports	850.3
Cargo (3.5 Percent of the Total Available for AIP Grants)	111.7
Alaska Supplemental	21.3
States (20 Percent of the Total Available for AIP Grants)	
Nonprimary Entitlements	401.0
State Appportionment by Formula	237.5
Protected (formerly "Carryover") Entitlements	702.7
<b>Entitlements Subtotal</b>	<b>\$2,324.5</b>
Small Airport Fund	
Nonhub Airports	277.9
Noncommercial Service	139.0
Small Hub	69.5
<b>Small Airport Fund Subtotal</b>	<b>\$486.4</b>
<b>Nondiscretionary Subtotal</b>	<b>\$2,810.9</b>
<b>DISCRETIONARY</b>	
Noise (35 Percent of Discretionary Funds)	133.5
Reliever (0.66 Percent of Discretionary Funds)	2.5
MAP (4 Percent of Discretionary Funds)	15.3
<b>Discretionary Set-asides Subtotal</b>	<b>\$151.3</b>
C/S/S/N	172.6
Remaining Discretionary	57.5
<b>Other Discretionary Subtotal</b>	<b>\$230.2</b>
<b>Discretionary Subtotal</b>	<b>\$381.4</b>
<b>Funding Distribution Total for Fiscal Year Funds</b>	<b>\$3,192.4</b>
<b>Recovery Ceiling Authorized for Reobligation</b>	<b>\$134.0</b>
<b>Total Authorized Obligation Level</b>	<b>\$3,326.3</b>

<sup>36</sup>From time to time, rescissions affect the annual AIP funding levels. For consistency and ease of comparing this analysis from year to year, FAA includes this line item in every AIP annual report, regardless of whether there is actually a rescission in that year.

### 3.3 PROTECTED ENTITLEMENT FUNDS

Entitlements are funds that FAA allocates to an airport sponsor pursuant to the apportionment formulas in the authorizing statute. The AIP legislation specifies that entitlement funds will remain available to an airport sponsor for 2 or 3 years after the year of apportionment depending on the category of airport or airport sponsor type.<sup>37</sup> For a variety of reasons, an airport sponsor may elect not to use their entitlements in the fiscal year in which FAA makes the funds available. These unused entitlements are made available to other airport sponsors in the form of discretionary funds to ensure full obligation of all program funds. The airport sponsor's entitlements will be made available in a subsequent fiscal year. In those instances where an airport sponsor has not used its entitlements within their 3- to 4-year life span, the entitlement funds expire and are directed by FAA to higher priority projects.

The unused entitlement funds are called "protected entitlement" funds (formerly called "carryover"<sup>38</sup> funds). Protected entitlements are funds that must be made available to the airport sponsor in a subsequent fiscal year. In a subsequent fiscal year, FAA makes funds available to replace the original grant airport sponsor's protected entitlements in addition to the airport sponsor's entitlements for that fiscal year.

The authorizing statute requires FAA to make available protected entitlements from prior years before funding all entitlements and set-aside commitments. Because the protected entitlements must be made available to the original airport sponsors in the subsequent fiscal year, this reduces the amount of new discretionary funds available in that fiscal year. Discretionary set-asides specified in title 49 U.S.C., section 47117 (minimum funding levels for noise projects, certain reliever airports, and the MAP), are affected by changes in protected entitlements. The FAA establishes the level of discretionary funds after protected entitlements are deducted from the total AIP and calculates set-aside funds as a percentage of those discretionary funds.

In FY 2012, airport sponsors deferred \$702.7 million in entitlements to use in subsequent years. The FAA converted that amount to additional discretionary funds for use in FY 2012 and then protected the same amount to be available to those airports in the form of protected prior-year entitlements in FY 2013. In FY 2013, airport sponsors protected and FAA converted \$725.7 million. In both years, NPE funds accounted for the largest category of unused entitlement funds.

### 3.4 FEDERAL SHARE OF AIP PROJECTS

At medium and large hub airports, the Federal share is 75 percent of the total allowable project cost, except for project grants to implement noise compatibility projects as authorized by title 49 U.S.C., section 47501, et seq., which are funded at 80 percent. At all other airports, the Federal share is 90 percent of the total allowable project cost for all airports. Temporary increases in the Federal share to 95 percent established in FY 2004 under Vision 100 were not

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<sup>37</sup> See title 49 U.S.C., section 47114.

<sup>38</sup> The terminology was changed from prior versions of the AIP Annual Report of Accomplishments to improve the accuracy of the description.

renewed under the FAA Modernization and Reform Act of 2012. This resulted in most small airports reverting to a 90 percent Federal share as required by title 49 U.S.C., section 47109. The act made an exception that permit smaller airports located in economically distressed areas that also receive Essential Air Service to retain the 95 percent Federal share.

Airports located in states with more than 5 percent of their land under Federal control are eligible to receive a higher Federal share under title 49 U.S.C., section 47109. The actual Federal share is determined by legislatively prescribed formulas that take into account the percent of land under Federal control, the size of the airport, and the historic Federal shares. Currently, airports in 13 states qualify for this adjustment. The maximum Federal share permitted by this provision is 93.75 percent.

## Chapter 4: Land Use Compliance

**T**itle 49 U.S.C., section 47131, requires FAA to prepare a Land Use Compliance Report, which lists airports the Secretary of Transportation believes do not comply with Federal grant assurances or other Federal land use requirements with respect to airport lands.

The report must include:

- The circumstances of such noncompliance;
- The corrective action the airport sponsor intends to take to bring the airport into compliance; and
- The timelines for the completion of the corrective action.

The Land Use Compliance Report as of FY 2013, which is included in this report within Chapter 5, lists airport sponsors that FAA investigated regarding noncompliance or airport sponsors that FAA worked with to resolve a land use compliance issue. The list also includes airports identified in previous years but where resolution is still in progress.

In monitoring the airport sponsor's compliance with land use requirements, FAA relies in part on inspections of selected airports. Congress authorized this program in FY 2000, and the following fiscal year, FAA implemented a regular program of land use inspections of selected airports in each FAA region.

The FAA has developed guidance on the procedures to be used when conducting land use inspections, including:

- Airport selection criteria;
- Data gathering;
- Pre-inspection procedures;
- Onsite inspection procedures; and
- Corrective actions.

The purpose of land use inspections is to determine the airport sponsor's compliance with the terms of applicable Federal obligations incurred through grant agreements, surplus property, and nonsurplus property conveyances dealing specifically with the use of airport property. The FAA also uses this inspection program to promote standardized reporting formats and to provide supporting data for potential compliance determinations both informal and formal. The results of these inspections, including those conducted in FY 2013, are the basis of the Land Use Compliance Report.

Finally, throughout FY 2012 and FY 2013, FAA monitored airport sponsors' compliance with Federal grant assurances and other Federal land use requirements. Through the Airport Compliance Program, FAA worked with airport sponsors to resolve violations of land use requirements. Through FY 2013, there were 55 airport sponsors undertaking corrective action and 8 airport sponsors found in noncompliance. Nineteen airport sponsors were brought into compliance with their grant assurances.

## Chapter 5: Land Use Compliance Report

The information contained in the following Land Use Compliance Report was current as of the end of FY 2013. It does not reflect changes in status, including the addition or removal of locations, which may have occurred since the report was developed. All text reflects the present tense of each compliance situation at the time it was documented in FY 2013 or earlier. The report organizes each compliance issue in groups according the region where the issues occurred. A compliance status legend is also provided to define certain nomenclature specific to this report.

Compliance Status Legend	Definition
Compliance	The airport sponsor is meeting its Federal commitments.
Conditional Compliance	The airport sponsor has been notified of compliance deficiencies and is willing to undertake corrective action within a timeframe FAA determines to be appropriate based on the situation at that airport.
Pending Noncompliance	The airport sponsor has been placed in conditional compliance and the timeframe provided to undertake corrective action has expired, or the airport sponsor refuses to take corrective action after being notified of conditional compliance. The Airports District Office (ADO) and/or regional office must notify the Office of Airports' Compliance Division (ACO-100) prior to describing an airport sponsor as pending noncompliance.
Noncompliance and Default	The FAA has made a formal finding regarding compliance deficiencies through the issuance of a Director's Determination, Final Agency Decision, or hearing in accordance with title 14 CFR, part 16. The FAA is withholding further Federal financial assistance. Only ACO-100 may find an airport sponsor to be in noncompliance and default.

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Aniak Airport	AL	Aniak	AK	ANI	The airport sponsor has permitted nonaeronautical uses without the FAA's knowledge or approval and at below fair market value (FMV).	The airport sponsor has submitted a draft corrective action plan. The FAA has not received a copy of the new lease agreement with state troopers where they will be paying FMV for existing buildings/housing on airport property. For the short term, warning signs must be placed between these residences and the runway. In the long term, housing must be relocated outside airport property.	Conditional Compliance	December 2014

<sup>39</sup> This report lists airport sponsors that, as of the end of FY 2013, FAA was investigating or working with to resolve a land use compliance issue. Future compliance dates are projected estimates based on information available during the reporting period.

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Dillingham Airport	AL	Dillingham	AK	DLG	The airport layout plan (ALP) is not current, and incompatible land uses have been found at the airport. There are problems with private residences located on airport property. The airport sponsor has also permitted nonaeronautical use of airport property (Quonset hut, storage shed, outhouse, garage, abandoned vehicles, gift shop in a hangar, cemetery) without FAA approval. There are parcels of land that do not appear to have good title.	The airport sponsor has submitted a corrective action plan for review. The following items require further coordination: Trees in the cemetery have not been removed yet. Runway 19 end is in Tract VIII, Parcel B. The responses do not clarify the level of risk for DOT and FAA. Request a meeting to clarify the details of this native allotment on the runway. The FAA did not receive a response for free lease agreement on Property Item 008. Gift Shop on Block 500A, Lot 6C.	Conditional Compliance	No timeframe offered by airport sponsor
Girdwood Airport	AL	Girdwood	AK	AQY	The ALP continues to be out of date. The airport sponsor has also permitted nonaeronautical use of airport property (kennel facilities, vehicular parking, and storage) without FAA knowledge or approval; FAA and the airport sponsor are not in agreement with the proposed use of airport land. Suggest that land use changes be done with an ALP and narrative update. The FAA and the airport sponsor have disagreements over FMV rental rates. An appraisal or comparable sales is needed to verify the rates.	The airport sponsor has not responded.	Pending Noncompliance	No timeframe offered by airport sponsor

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Igiugig Airport	AL	Igiugig	AK	IGG	The airport sponsor has permitted certain nonaeronautical (residences, offices, vehicle parking) uses at the airport without FAA knowledge or approval. The ALP is not current.	The airport sponsor has not responded. The FAA issued a maintenance grant for \$10,000 in 2008.	Pending Noncompliance	No timeframe offered by airport sponsor
Ralph M. Calhoun Memorial	AL	Tanana	AK	TAL	The ALP is not current and incompatible land use was identified at the airport. There are problems with private residences located on airport property.	A corrective action plan has been submitted and is under review. The FAA is in the process of formulating a response.	Conditional Compliance	December 2014
Unalaska Airport	AL	Unalaska	AK	DUT	Residential property and boats on airport property.	The FAA is waiting for relocation of residences/boats outside of airport property.	Conditional Compliance	December 2014
Merrill Field Airport	AL	Anchorage	AK	MRI	Grant Assurances 5 – Preserving Rights and Powers, 19 – Operation and Maintenance, 21 – Compatible Land Use, 24 – Fee and Rental Structure, and 29 – Airport Layout Plan.	A corrective action plan has been submitted and is under review. Airport lands are being used by the airport sponsor at less than FMV. The airport sponsor is nonresponsive to FAA.	Conditional Compliance	December 2014
Willow Airport	AL	Willow	AK	UUO	The ALP is not current and incompatible land uses have been identified at the airport (residences, church, school) without FAA knowledge or approval and at below FMV.	The airport sponsor is communicating with FAA.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Bettles Airport	AL	Bettles	AK	BTT	The ALP is not current and incompatible land uses have been identified at the airport. There are problems with private residences located on airport property. The airport sponsor has also permitted nonaeronautical use of airport property (school) without FAA knowledge or approval.	The airport sponsor has submitted a corrective action plan for review.	Conditional Compliance	December 2014
Palmer Municipal Airport	AL	Palmer	AK	PAQ	The ALP is not current. The airport sponsor has also permitted nonaeronautical use of airport property (telecommunication business, school nutritional distribution facility, golf course, water well, fire and police department facilities) without FAA approval.	The airport sponsor has updated the ALP and mitigated non-aeronautical use of airport property. As part of the negotiated corrections, currently FAA is reviewing a request to release airport lands and to grant a modification to standards.	Conditional Compliance	December 2014
Talkeetna Airport	AL	Talkeetna	AK	TKA	Military aircraft “substantially” use airport facilities in the absence of a Joint Use Agreement without charge for the proportional use of facilities; the ALP is not up-to-date; part 77 obstructions to primary and approach surface; a residence, public beach, and public trails may be on airport property.	The region has directed the airport sponsor to provide a corrective action plan; the region directed the airport sponsor to conduct a property boundary survey.	Conditional Compliance	December 2014
Akutan Airport	AL	Akutan	AK	KQA	The ALP is not up-to-date; Exhibit “A” is not up-to-date; multiple no-cost, nonaeronautical uses of airport property require additional review for FMV applicability.	The region has directed the airport sponsor to provide a corrective action plan.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Emmonak Airport	AL	Emmonak	AK	ENM	Grant Assurances 19 – Operation and Maintenance, 20 – Hazard Removal and Mitigation, 21 – Compatible Land Use, and 24 – Fee and Rental Structure.	The airport sponsor has responded to FAA concerns and is preparing a corrective action plan.	Conditional Compliance	December 2014
Gulkana Airport	AL	Gulkana	AK	GKN	The ALP is not current. Certain taxiways are used for nonaeronautical uses (ski/gravel strip). Several nonaeronautical uses of airport property have been sanctioned by the airport sponsor without FAA knowledge or approval (personal equipment/vehicle storage, private residences, and campground). Nonaeronautical users not paying FMV.	The airport sponsor has corrected discrepancies. Nonaeronautical land was released and sold. The region is waiting for receipts/evidence of the land sale.	Conditional Compliance	December 2014
Superior Municipal Airport	WP	Superior	AZ	E81	Airport closed without FAA approval.	The airport sponsor is seeking congressional support to close the airport permanently and retain the land. It does not appear that the airport sponsor has any intention to reopen the airport.	Pending Noncompliance	No formal corrective action plan or completion date

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Winslow-Lindbergh Regional Airport	WP	Winslow	AZ	INW	Airport sponsor disposed of airport property without FAA approval.	The airport sponsor's corrective action is not complete. A new master plan was intended to be used to correct the deficiencies. The master planning process is still ongoing. The master plan and draft ALP remain deficient. The airport sponsor has been advised to correct the inadequacies of both documents. Private property and commercial through-the-fence (TTF) have yet to be depicted on the ALP.	Conditional Compliance	December 2014
Eloy Municipal Airport	WP	Eloy	AZ	E60	Commercial TTF operations exist, but the airport sponsor does not have access agreements in place.	The city has agreed to negotiate a TTF access agreement. Commercial TTF operators refuse to negotiate an access agreement. The airport sponsor continues to pursue access agreements.	Conditional Compliance	December 2014
Bisbee Municipal Airport	WP	Bisbee	AZ	P04	Residential TTF operations exist, but the airport sponsor does not have access agreements in place.	The airport sponsor has agreed to negotiate a TTF access agreement. The airport sponsor has been unsuccessful in negotiating residential TTF access agreements due to refusal of residents to conform to the requirements of section 136 of P.L. 112-95. The airport sponsor continues to pursue access agreements.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Holtville Airport	WP	Holtville	CA	L04	The airport is no longer used as an airport. The airport has effectively been abandoned. This airport is in violation of the Surplus Property Agreement.	The airport sponsor was asked to take appropriate action to ensure that the facility is used for airport purposes. A feasibility study for a replacement airport was conducted. Plans to reopen the airport have been considered. The airport remains closed and without a California airport permit, it cannot legally operate. It does not appear that the airport sponsor will reopen the airport.	Pending Noncompliance	No formal corrective action plan or completion date
Oroville Municipal Airport	WP	Oroville	CA	OVE	The airport sponsor allowed long-term nonaeronautical uses of the airport without FAA approval; granted long-term leases that did not impose FMV rental rates.	The corrective action plan was provided to FAA on November 30, 2010. The plan did not fully address the issues and the airport sponsor has not taken corrective actions. A land release has been granted by FAA; however, not all issues of nonaeronautical use will be resolved by the release. Corrective actions still pending.	Pending Noncompliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Sacramento Executive Airport	WP	Sacramento	CA	SAC	Residential TTF operations exist, but the airport sponsor does not have access agreements in place.	The airport sponsor has agreed to negotiate a TTF access agreement. The airport sponsor is attempting to negotiate RTTF access, but residential tenants are unresponsive and have refused to negotiate for more than a decade.	Conditional Compliance	December 2014
Cottonwood Airport	WP	Cottonwood	AZ	P52	Major land use discrepancies involving 29 commercial nonaeronautical tenants; the airport sponsor has allowed nonairport uses of the airport without FAA approval. The airport sponsor's nonaeronautical rates and charges are not based on FMV; the airport sponsor has entered into numerous long-term, nonaeronautical leases without the requisite escalation/subordination clauses.	The region is in the process of collecting additional information to more fully understand the plethora of lease issues and associated compliance problems. Upon completion of the review, the region will request a response and a corrective action plan from the airport sponsor. The region is waiting for the airport sponsor to provide the requested information.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Venice Municipal Airport	SO	Venice	FL	VNC	Exhibit "A" and the ALP must be revised to accurately reflect the boundaries of the airport. The airport sponsor must address rent-free, nonaeronautical municipal use of airport property. The airport sponsor must address use of airport property for storage of nonaeronautical personal property by some tenants. The airport sponsor must address use of a runway safety area (RSA) as a golf course driving range. The airport sponsor must address a restaurant lease of airport property and other unapproved nonaeronautical uses of airport property.	The city submitted a corrective action plan that addresses the issues identified at the airport. The city is continuing to work with the ADO to resolve the remaining findings. ACO-100 is currently reviewing the city's response regarding unapproved nonaeronautical use of airport property.	Conditional Compliance	July 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Vero Beach Municipal Airport	SO	Vero Beach	FL	VRB	Exhibit "A" and the ALP must be revised to accurately reflect the boundaries of the airport. The airport sponsor must address rent-free, nonaeronautical municipal use of airport property. The airport sponsor must address the use of airport property for storage of nonaeronautical personal property by tenants. The airport sponsor must address the designation of airport land for conservation purposes in the city's comprehensive plan. The airport sponsor must assess charges to the airport for municipal water cleaning tower and compensation from the extraction of water. The airport sponsor must also address charges from other municipal departments (police).	A corrective action plan is currently under review. The Office of the Chief Counsel is currently reviewing the city's response regarding the water wells on airport property.	Conditional Compliance	July 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Winter Haven's Gilbert Airport	SO	Winter Haven	FL	GIF	The airport sponsor is permitting nonaeronautical use (law enforcement training activities, records storage, a swimming pool, and recreational vehicles) on airport property and not receiving FMV for these uses. Incompatible land uses encroach into airport property, and a private residence has TTF access to the airport. Aircraft storage hangars have been established on an apron constructed or rehabilitated under a Federal AIP grant. Local residents are permitted to jog and bicycle within the security and safety fence of the airport.	The airport sponsor has resolved all land use issues except hangar leasing and management issues. The airport sponsor provided additional information to the Orlando ADO. The ADO is currently reviewing the city's response.	Conditional Compliance	July 2014
Newnan Coweta County Airport	SO	Newnan	GA	CCO	The ALP is not current, and the Exhibit "A" Property Map does not accurately depict airport property and boundaries. The airport sponsor is permitting non-aeronautical use on airport property and not receiving FMV. The sponsor established a long-term lease with a tenant who may not be required to comply with the airport's minimum standards. The airport erected a utility pole without FAA approval.	The airport sponsor has been asked to provide additional information regarding the airport property boundary. The Atlanta ADO is currently reviewing the final documentation and corrective actions for closeout.	Conditional Compliance	March 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Bowman Field Airport	SO	Louisville	KY	LOU	<p>A municipal fire station and emergency siren are on airport property and no agreements were provided to formalize these arrangements. A parcel on the northeast corner of the airport was found to have been liquidated and removed from Exhibit "A." The airport's interest in several parcels was not accurately described on Exhibit "A." Several nonaeronautical leases were not coordinated with FAA and rental rates were not supported by appraisals or market studies in the case of short-term year-to-year commercial leases. Subsequent to the land use inspection, FAA was told the airport authority does not own fee interest in the western one-half of the airport. The authority is attempting to define their interest in this property.</p>	<p>The airport sponsor has engaged in corrective action for issues identified during inspection. The Memphis ADO is currently reviewing the final documentation and corrective actions for closeout.</p>	Conditional Compliance	March 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Michael J. Smith Field Airport	SO	Beaufort	NC	MRH	The airport sponsor is permitting commercial TTF hangars competing with on-airport hangars, storage of nonaeronautical property in hangars and on airport, and nominal ground lease rates. The airport sponsor also needs to update the Exhibit "A" property map and verify existing airport boundaries.	The airport sponsor provided a corrective action plan and is implementing the same. The DOT highway project that is associated with corrective actions has been delayed due to condemnation proceedings. The DOT project is now expected to begin in the summer of 2014. The ADO is currently working with the airport sponsor to address remaining land issues.	Conditional Compliance	December 2014
Barnwell Regional Airport	SO	Barnwell	SC	BNL	The airport sponsor has allowed several nonaeronautical uses of airport property without FAA approval. This includes municipal uses and a cemetery. The airport has also granted an easement on airport property to another entity and has allowed a nonairport entity to control parts of the airport. In addition, the airport property was disposed of without FAA approval.	The airport sponsor provided a corrective action plan that addressed all of the land use issues identified at the airport. The ADO is reviewing final documentation and corrective actions for closeout.	Conditional Compliance	February 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Georgetown County Airport	SO	Georgetown	SC	GGE	The airport sponsor is permitting nonaeronautical, municipal use (county mosquito control activities) on airport property and is not receiving FMV for this use. The airport sponsor disposed of several parcels of airport property without receiving FMV for the property. This has been resolved through completing capital improvements to the airport funded with general revenues and more than compensate the airport for the value of the liquidated properties. The airport sponsor must revise Exhibit "A" and the ALP to accurately reflect airport boundaries.	The airport sponsor provided a corrective action plan that addressed all of the land use issues identified at the airport. The ADO is reviewing final documentation and corrective actions for closeout.	Conditional Compliance	March 2014
Smyrna Airport	SO	Smyrna	TN	MQY	Nonaeronautical municipal use of airport property at below FMV.	A corrective action plan was submitted. The airport sponsor provided historical documents regarding water treatment plant release. The airport sponsor is also searching city/county records for evidence of release and compensation to airport.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Tri-State Steuben County Airport	GL	Angola	IN	ANQ	The ALP is out of date.	The airport sponsor is in the process of updating the ALP and "Exhibit A." Awaiting completion of wildlife hazard assessment and will incorporate into the final ALP submittal. The airport sponsor received a FY 2013 grant to complete work needed to finish both the ALP and "Exhibit A."	Conditional Compliance	September 2014
Coleman A. Young Municipal Airport	GL	Detroit	MI	DET	The airport sponsor has permitted several nonaeronautical uses of airport property without FAA concurrence, including nonaeronautical uses of hangars; The airport sponsor does not have a current ALP or "Exhibit A" property map.	The nonaeronautical uses of airport property have been resolved. A new ALP and "Exhibit A" were also needed. The "Exhibit A" issue was resolved, while there has been progress on resolving the ALP submittal. Additional time is needed to achieve resolution for an updated ALP.	Conditional Compliance	September 2016
Owosso Community Airport	GL	Owosso	MI	RNP	The airport sponsor does not have a current ALP and has failed to apply for appropriate land release approval.	The airport sponsor has been acquiring property through condemnation actions. Additional time is needed to achieve resolution for an updated ALP.	Conditional Compliance	December 2016
Tioga Municipal Airport	GL	Tioga	ND	D60	The airport sponsor has permitted several nonaeronautical uses of hangars. The ALP and "Exhibit A" are out of date.	The airport sponsor is in the process of updating the ALP and "Exhibit A." The airport sponsor received a grant in FY 2013 to conduct an airport master plan study, complete with ALP and "Exhibit A."	Conditional Compliance	July 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Clermont County Airport	GL	Batavia	OH	I69	The airport sponsor has granted an exclusive right for all airport property. The airport sponsor has permitted nonaeronautical use of airport property. There is no current ALP.	The airport sponsor has not taken adequate corrective action since 2006.	Pending Noncompliance	No progress, evaluating removal from NPIAS
Cincinnati Municipal Airport-Lunken Field	GL	Cincinnati	OH	LUK	A significant portion of the airport is being used for nonaeronautical uses without FAA approval and without adequate FMV compensation. Other land use issues have also been identified, including airspace penetrations due to on-airport obstructions.	The airport sponsor is working with FAA to resolve issues. The airport sponsor must correct existing land uses and demonstrate FMV. Additional time is necessary to resolve all remaining issues.	Conditional Compliance	September 2014
Ohio State University Airport	GL	Columbus	OH	OSU	Several nonaeronautical uses were permitted at the airport without FAA approval and/or below FMV. Issues include land use designations and compensation back to the airport for nonaeronautical uses.	The airport sponsor is taking steps toward implementing corrective action. The airport sponsor is working with FAA to update the ALP. The ALP update will address the remaining outstanding item regarding proposed noncompatible land use. Additional time is needed to achieve resolution for an updated ALP.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Jefferson County Airpark	GL	Steubenville	OH	2G2	Airport property maps do not accurately describe the property thus allowing cost-free, municipal use of airport property for nonaeronautical purposes. Several nonaeronautical leases appear to be at less than FMV. The airport sponsor allows numerous, improper nonaeronautical storage in aeronautical facilities.	The airport sponsor is researching corrective actions and updating the ALP and "Exhibit A" property map. The airport sponsor is developing standard leases and requesting concurrent use for nonaeronautical storage. They have submitted initial land release documentation for nonaeronautical property.	Conditional Compliance	December 2016
Wadsworth Municipal Airport	GL	Wadsworth	OH	3G3	The airport sponsor has permitted certain nonaeronautical uses at the airport without FAA approval.	The Chicago ADO is continuing to work with the airport sponsor on a land release for nonaeronautical land use. The airport sponsor is cooperating with FAA in taking corrective action, but not all issues have been addressed.	Conditional Compliance	December 2016

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Grosse Ile Municipal Airport	GL	Grosse Ile	MI	ONZ	Multiple nonaeronautical, revenue generating commercial leases without a proper release from FAA. The ALP and “Exhibit A” property map are not updated to reflect airport property use. The airport sponsor has permitted certain nonaeronautical, nonhangar storage of recreational vehicles, farming equipment, etc., on airport property without compensation. The airport sponsor’s Airport Rules and Regulations specifically allow additional nonaviation storage in T-hangars in conflict with the grant assurances.	A corrective action plan has been received and is currently being reviewed.	Conditional Compliance	January 2016
Havana Regional Airport	GL	Havana	IL	9I0	Existing farm lease on airport property renews automatically without specified/escalating terms. Farm crops violate design standards/Part 77; “Exhibit A” not updated.	The airport sponsor has been directed by the region to perform corrective actions with specific timetables for completion throughout 2014.	Conditional Compliance	December 2014
Ocean City Municipal Airport	EA	Ocean City Municipal	NJ	26N	The airport sponsor permitted nonaeronautical land uses within the airport property without FAA approval and below FMV.	ACO-100 will require the city to reimburse the airport’s account the total amount of \$797,664 of uncollected rent for the period of 2003-2013. The city is also required to update the ALP to reflect the nonaeronautical use.	Conditional Compliance	December 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Wheeling Ohio County Airport	EA	Wheeling	WV	HLG	The airport sponsor has leased airport property for mineral extraction but has not updated the ALP to show nonaeronautical use of airport property. The airport sponsor entered into a 99-year lease with the U.S. Army Corps of Engineers (USACE) at a nominal lease rate. The ALP has not been updated to show USACE nonaeronautical use. The airport sponsor entered into a long-term nominal lease with the West Virginia Air National Guard (ANG) that doesn't have an aeronautical mission at the airport.	The region received guidance from ACO-100 to address each finding. The region is currently in the process of drafting a response to the airport sponsor proposals for USACE and ACO-100 will draft and sign the letter for West Virginia ANG issue.	Conditional Compliance	December 2014
Brookhaven Airport	EA	Shirley	NY	HWV	Nonaeronautical use of airport property by fire substation, town maintenance area, and groundwater treatment facility	The airport sponsor did provide corrective actions that are not acceptable to FAA. The region received guidance from ACO-100 to address each finding. The region is currently in the process of drafting a response to the airport sponsor's proposals.	Conditional Compliance	December 2014
Deming Municipal Airport	SW	Deming	NM	DMN	The airport sponsor disposed of two parcels of property without concurrence or FAA approval (one parcel sold in 1953).	The airport sponsor provided documentation to FAA to obtain formal release of obligations. The FAA is currently performing a legal review.	Conditional Compliance	June 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Davis Field Airport	SW	Muskogee	OK	MKO	The airport sponsor could not provide documentation for the disposition of land and previously acquired approach easements.	The airport sponsor is in the process of finding the records of disposition of various easements. The FAA has made repeated requests for the easement documentation. The airport sponsor has not provided the requested documents after multiple requests.	Pending Noncompliance	June 2014
Tacoma Narrows Airport	NM	Gig Harbor	WA	TIW	One remaining nonaeronautical lease needs an interim/concurrent use approval. The airport sponsor needs to provide documentation to complete the transfer of airport sponsorship. The release of the golf course needs documentation of the use of funds for Federal share of property. Nonaeronautical storage on the property.	Obtain interim or concurrent nonaeronautical use approval for one remaining lease. Provide the accounting information to complete the documentation on the transfer of the airport sponsorship. Document use of funds for golf course release.	Conditional Compliance	February 2014
Felts Field Airport	NM	Spokane	WA	SFF	“Exhibit A” identifies property that is not airport property.	“Exhibit A” still needs to be corrected. Draft has been submitted. Final corrections are being made for the final submission.	Conditional Compliance	March 2014
Spokane Int’l Airport	NM	Spokane	WA	GEG	Nonaeronautical farm lease needs concurrent use approval. Clarify use of surplus property revenue and establish a process whereby the revenue supports the airport.	The airport sponsor has completed corrective actions. Draft “Exhibit A” has been submitted for final approval.	Conditional Compliance	March 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Roseburg Regional Airport	NM	Roseburg	OR	RBG	Nonaeronautical use lease on aeronautical property. Right of first refusal in fixed-base operator (FBO) lease. Storage of nonaeronautical property in or around the hangars.	The FAA has directed the airport sponsor to request an interim nonaeronautical use approval from the ADO. The airport sponsor must collect FMV for nonaeronautical use of airport property. Remove the right of first refusal from the FBO lease. Take action to prevent storage of nonaeronautical property on airport property.	Conditional Compliance	March 2014
Fitchburg Municipal Airport	NE	Fitchburg	MA	FIT	The city has placed a wastewater treatment plant on the airport, as well as has a recycling plant on the airport property for which the airport is not collecting FMV. The city also sold numerous parcels of land more than 50 years ago for which the airport fund was not reimbursed.	The city has submitted a corrective action plan. The plan did address the sold parcels, but there remain outstanding issues and/or documentation required to resolve the two other matters at this time. The FAA is working with the city to obtain an agreement.	Conditional Compliance	June 2014
Robertson Field Airport	NE	Plainville	CT	4B8	The ALP is out of date and does not reflect current status of property. One hanger has been leased for a nonaeronautical purpose and the lease will not expire for 4.5 years. The Civil Air Patrol is leasing property for \$1 per year and is not operating any aircraft. This does not reflect FMV. The FBO manager currently resides in a home located on airport property.	The airport was a private airfield recently purchased by the town as a new sponsor. All existing leases were inherited by the town and will be brought into compliance as existing terms expire.	Conditional Compliance	June 2014

Location	Region	City	State	LOCID	Compliance Issue	Corrective Action	Compliance Status	Compliance Date <sup>39</sup>
Hartford-Brainard Airport	NE	Hartford	CT	HFD	Use of aeronautical property to store police/urban search/rescue trailers, etc., without a lease; undefined Connecticut National Guard use of building on aeronautical property without a lease; out-of-date ALP; Civil Air Patrol based aircraft without a lease.	The airport became part of the Connecticut Airports Authority in FY 2013. The FAA has requested a corrective action plan be submitted. The airport sponsor is in the process of submitting a corrective action plan and making corrective actions.	Conditional Compliance	June 2014
Groton-New London Airport	NE	Groton	CT	GON	Nonaeronautical use of airport property. FMV not collected for rental car facilities. Nonaeronautical use of ANG facilities without FMV rental terms. Out-of-date ALP.	The airport became part of the Connecticut Airports Authority in FY 2013. The FAA has requested a corrective action plan be submitted. The airport sponsor is in the process of submitting a corrective action plan and making corrective actions.	Conditional Compliance	June 2014

## ACRONYM LIST

<b>ACIP</b>	Airports Capital Improvement Plan
<b>ACRP</b>	Airport Cooperative Research Program
<b>ADO</b>	Airports District Office
<b>AIP</b>	Airport Improvement Program
<b>ALP</b>	Airport Layout Plan
<b>ANG</b>	Air National Guard
<b>ARFF</b>	Airport Rescue and Fire Fighting
<b>C/S/S/N</b>	Capacity/Safety/Security/Noise
<b>CAA</b>	Clean Air Act
<b>CFR</b>	Code of Federal Regulations
<b>CY</b>	Calendar Year
<b>DOT</b>	Department of Transportation
<b>EPA</b>	Environmental Protection Agency
<b>FAA</b>	Federal Aviation Administration
<b>FBO</b>	Fixed Base Operator
<b>FMRA</b>	FAA Modernization and Reform Act of 2012
<b>FMV</b>	Fair Market Value
<b>FY</b>	Fiscal Year
<b>LOCID</b>	Location Identifier
<b>LOI</b>	Letter of Intent
<b>MAP</b>	Military Airport Program
<b>NCP</b>	Noise Compatibility Program
<b>NPE</b>	Nonprimary Airport Entitlements
<b>NPIAS</b>	National Plan of Integrated Airport Systems
<b>PFC</b>	Passenger Facility Charge
<b>P.L.</b>	Public Law
<b>RSA</b>	Runway Safety Area
<b>RTTF</b>	Residential Through The Fence
<b>SBGP</b>	State Block Grant Program
<b>SCASDP</b>	Small Community Air Service Development Program
<b>TTF</b>	Through The Fence
<b>USACE</b>	United States Army Corps of Engineers
<b>U.S.C.</b>	United States Code
<b>VALE</b>	Voluntary Airport Low Emission

## Supplemental Resources

For additional information regarding specific aspects of the program not included in this report, please visit the AIP section of the FAA's Office of Airports' Web site. The AIP Web site contains links to further details regarding AIP statistics, including the following special programs and additional performance measurements:

- The ACIP process, including developmental steps and benefit-cost analyses;
- The MAP set-aside designed to provide Federal assistance to former military airports converting to civilian use; and
- LOIs, which are designed to help fund large-scale capacity projects at primary or reliever airports.

Finally, the Annual Report section of the AIP Web site contains links to other relevant program information not referenced in the report. This includes, but may not be limited to, information such as:

- Environmental responsibilities tied to the execution of AIP grants or projects;
- Pilot or other limited duration programs;
- Special funding initiatives;
- Grant funding authorizations, obligation limitations, and obligations;
- Total fiscal year AIP grant funds awarded by development and funding type;
- Comparisons of the AIP to the PFC Program;
- LOI payments and commitments listed by fiscal year;
- Fiscal year AIP grants awarded and grant amounts by airport type and state;
- AIP grants awarded in the fiscal year listed by state; and
- An AIP Glossary of Terms.