DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
WASHINGTON, D.C. 20591

DATE: SEP 1982

IN REPLY REFER TO: APP-510

SUBJECT: Program Guidance Letter No. 6

FROM: Manager, Grants-in-Aid Division, APP-500

TO: All Regions and AAC-960
   Attention: Manager, Airports Division

6.1 New Grant Agreement and Assurance Forms - (Ed Williams, 426-3857).

Attached for your local reproduction are the new Forms FAA 5100-37, Grant Agreement, and FAA 5100-100, Part V Assurances, to be used for the FY 82 and subsequent grant programs. These forms are not yet available from the FAA Depot and should not be ordered from there. We expect to have them available sometime in FY 83.

We have used the following principles to develop the new forms:

a. Conformed assurances to new Act language.

b. Prepared the forms to serve both planning grants and development grants.

c. Kept requirements not specifically called for in the Act to a minimum. Added only those which are essential, e.g., Airport Layout Plans.

d. Reduced verbiage to the extent possible at this time.

e. Planned to augment, at a later date, Assurance No. 1 with a brochure explaining the various requirements. (The brochure will not be available for the FY 1982 program, but most or all sponsors are familiar with these requirements as they applied to ADAP.)

In general, program implementation and compliance should follow the previous guidelines for ADAP (FAR 152, 5100.36, 5190.6, appropriate Advisory Circulars) insofar as they are not contrary to any new provisions in the Airport and Airway Improvement Act (AAIA). The standard boiler plate for contracts, deeds, and leases in Appendices 3 through 8 in 5100.36 should be used as applicable. (Until a new regulation and handbooks are prepared to implement the AAIA, the Saving Provision, Section 523, and the General Powers provision, Section 519, provide for this procedure.)
6.2 Special Conditions and Assurances - (Ed Williams - 426-3857).

As in the old Form 5100-37, there is a blank page for adding special conditions in each grant agreement. Although the line between special conditions and special assurances is often not clear, special conditions should generally be used in regard to overall fiscal arrangements, with special assurances being those things the sponsor either has done or promises to do in carrying out the project or in operating the airport or something that modifies a standard assurance.

On the form 5100-37, page 3, list the special conditions first beginning with No. 7 and then any special assurances under the heading:

"The following special assurances are added to Part V Assurances attached to this offer: 33. Cost Free Land........etc."

Below are listed items for which language has been developed for national use as appropriate.

Special Conditions:

a. ADAP and AIP shared funding - see PGL item 5.2.

b. Multi-year grants - see PGL item 6.3.

Special Assurances:

a. Cost free land - see PGL #1 and 5100.36, paragraph 1122.

b. MBE Requirements - see PGL item 2.4.

c. Program Income - see PGL item 3.3.

6.3 Multi-year Grants - (Bob David - 426-3857).

The new legislation continues the ADAP provision for multi-year grants for primary airports. Grants may be issued to a primary airport under this provision for any funds which will be apportioned to the sponsor through Fiscal Year 1987. (Caution should be used if the sponsor barely qualified as a primary airport). The following clause should be added after the words "Project Application" at the bottom of Page 1 of the Grant Agreement:

"Whereas, this project will not be completed during fiscal year _________
and the total estimated cost of completion will be $__________________;"
The following Special Condition should be added on page 3:

"7. Pursuant to Section 512 of the Airport and Airway Improvement Act, and at the sponsor's request, the FAA does hereby commit the United States to obligate an additional amount to this project for payment of its share of the cost, in accordance with the terms hereof, not to exceed the apportionment(s) made to the sponsor for FY(s) ___________ pursuant to Section 507(a)(1) of said Act, and subject to the restrictions now or hereafter imposed on the FAA on use of such apportionment by, but not limited to, Appropriation Acts now or hereafter enacted. The exact amount of this commitment will be established in an amendment to this grant that will be duly executed by the parties hereto when such computation and obligation can be made in FY(s) ___________. It is further understood by the parties hereto that this commitment does not in itself obligate, preclude nor restrict the FAA in the use of any funds made available for discretionary use under Section 507 of said Act to further aid the sponsor in meeting the cost of this project under the terms of this agreement and limitations of law."

[Signature]

Lowell H. Johnson

Attachment
TO:

(herein called the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated [date], for a grant of Federal funds for a project at the [Airport/Planning Area] together with plans and specifications for such development project, or the planning work definition for such Planning Project, which Project Application, as approved by the FAA, is hereby incorporated herein and made a part hereof; and

WHEREAS, the FAA has approved a project for the Airport or Planning Area (herein called the "Project") consisting of the following:

all as more particularly described in the Project Application.
NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of the Airport and Airway Improvement Act of 1982, herein called the "Act," and in consideration of (a) the Sponsor's adoption and ratification of the representations and assurances contained in said Project Application and its acceptance of this Offer as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the assurances and conditions as herein provided, THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States share of the allowable costs incurred in accomplishing the Project,

This Offer is made on and subject to the following terms and conditions:

Standard Conditions

1. The maximum obligation of the United States payable under this offer shall be $ which is comprised of:
   - $ for planning
   - $ for development other than land
   - $ for land acquisition

2. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under the Act.

3. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

4. The sponsor shall comply with the Airport and Airway Improvement Act of 1982 and shall carry out and complete the Project without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe and agrees to fully comply with the Part V Assurances which are attached to and become a part of this offer.

5. The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the sponsor.

6. This offer shall expire and the United States shall not be obligated to pay any part of the costs of the project unless this offer has been accepted by the sponsor on or before ___________________________ or such subsequent date as may be prescribed in writing by the FAA.
Special Conditions
The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and said Offer and Acceptance shall comprise a Grant Agreement, as provided by the Airport and Airway Improvement Act of 1982, constituting the obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

By...........................................
(Title)

Part II - Acceptance

The Sponsor does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept said Offer and by such acceptance agrees to all of the terms and conditions thereof.

Executed this day of , 19

...........................................
(Name of Sponsor)

By...........................................
(SEAL)

Title...........................................

Attest: ......................................

Title: ......................................

CERTIFICATE OF SPONSOR'S ATTORNEY

I, , acting as Attorney for the Sponsor do hereby certify:

That I have examined the foregoing Grant Agreement and the proceedings taken by said Sponsor relating thereto, and find that the Acceptance thereof by said Sponsor has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the State of and the Act and further that, in my opinion, said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at this day of , 19

...........................................
Title ...........................................

FAA Form 5100-37 Last PG (8-82)
PART V

ASSURANCES

These assurances are to be attached to and become a part of this grant agreement.

For airport development projects, these assurances shall remain in full force and effect throughout the useful life of the facilities developed under this Project, but in any event not to exceed twenty (20) years from the date of said acceptance of an offer of Federal aid for the Project. However, these limitations on the duration of the covenants do not apply to the covenant against exclusive rights and real property acquired with Federal funds.

For planning projects, only assurances no. 1 (as marked), 2, 3, 4, 16, 25, 26, 30, 31, and 32 apply, unless otherwise specified in the grant agreement.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements. It will comply with the following laws, regulations, policies, guidelines and requirements as they relate to the application, acceptance and use of Federal funds for this project:

   Federal Legislation
   a. Federal Aviation Act of 1958
   b. Hatch Act *
   c. Federal Fair Labor Standards Act *
   d. Davis-Bacon Act
   e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 - Titles II and III *
   f. National Historic Preservation Act of 1966 - Section 106
   g. Archeological and Historic Preservation Act of 1966
   h. Flood Disaster Protection Act of 1973 - Section 102(a)
   i. Rehabilitation Act of 1973 - Section 504, Section 503
   j. Civil Rights Act of 1964 - Title VI *
   k. Aviation Safety and Noise Abatement Act of 1979 *
   l. Age Discrimination Act of 1975
   m. Architectural Barriers Act of 1968
   n. Vietnam Era Veterans' Readjustment Assistance Act of 1974 - Section 402
   o. Airport and Airway Improvement Act of 1982

   Federal Regulation
   a. 49 CFR Part 21 - Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964. *

FAA Form 5100-100 (8-82)
b. 49 CFR Part 23 - Participation by Minority Business Enterprise in Department of Transportation Programs.

c. 49 CFR Part 27 - Non-Discrimination on the Basis of Handicap in Programs and Activities Receiving or Benefitting from Federal Financial Assistance.


Office of Management and Budget Circulars


b. A-102 - Uniform Requirements for Assistance to State and Local Governments.

c. FMC-74 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.

Executive Orders


b. 11593 - Historic Preservation.

c. 11288 - Prevention, Control and Abatement of Water Pollution.

d. 11926 - Evaluation of Flood Hazards.

Specific assurances required to be included in grant agreements by any of the above are incorporated by reference in this grant agreement. Items marked with (*) apply to both development and planning grants.

2. Consistency with Local Plans. The project is reasonably consistent with plans (existing at the time of approval of the project) of public agencies authorized by the State in which such airport is located to plan for the development of the area surrounding the airport and will contribute to the accomplishment of the purposes of the Act.

3. Sponsor Fund Availability. It has sufficient funds available for that portion of the project costs which are not to be paid by the United States and sufficient funds to assure operation and maintenance of the facility for the purposes constructed.

FAA Form 5100-100 (8-82)
4. **Authority of Sponsor.** It has legal authority to apply for the grant, and to finance and construct the proposed facilities; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

5. **Good Title to Airport.** It holds good title, satisfactory to the Secretary, to the landing area of the airport or site therefor, or will give assurance satisfactory to the Secretary that good title will be acquired.

6. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near which the project may be located.

7. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with the goals and objectives of such planning as has been carried out by the community and shall, when requested by the Secretary, submit a copy of the transcript to the Secretary.

8. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

9. **Economic Nondiscrimination.** It will make its airport available as an airport for public use on fair and reasonable terms and without unjust discrimination, to all types, kinds, and classes of aeronautical uses including the requirement that (A) each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to such
nondiscriminatory and substantially comparable rates, fees, rentals, and other charges and such nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all such air carriers which make similar use of such airport and which utilize similar facilities, subject to reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers, and (B) each fixed-based operator at any airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport utilizing the same or similar facilities, and (C) each air carrier using such airport shall have the right to service itself or to use any fixed-base operator that is authorized by the airport or permitted by the airport to serve any air carrier at such airport, and (D) that in any agreement, contract, lease or any other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor—

(1) to furnish said services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and

(2) to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided, that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(E) That it will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance and repair) that it may choose to perform, and (F) in the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by contractors or concessionaires of the sponsor under these provisions.

10. Exclusive Rights. It will permit no exclusive right for the use of the airport by any persons providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply: (1) It would be unreasonably costly, burdensome,
or impractical for more than one fixed-based operator to provide such services, and (2) If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

11. **Airport Operation and Maintenance.** It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions.

12. **Hazard Removal and Mitigation.** It will adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

13. **Compatible Land Use.** It will take appropriate action, including the adoption of zoning laws, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.

14. **Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that--

a. Five (5) or more government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of government aircraft is 300 or more, or the gross accumulative weight of government aircraft using the airport (the total movements of government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

15. **Land for Federal Facilities.** It will furnish without cost to the Federal Government for construction, operation and maintenance of
facilities for, and uses in connection with, any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of written requests from the Secretary.

16. **Standard Accounting Systems.** It will keep all project accounts and records in accordance with a standard system of accounting prescribed by the Secretary.

17. **Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection, except that no part of the Federal share of an airport development or airport planning project for which a grant is made under this title or under the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate base in establishing fees, rates, and charges for users of that airport.

18. **Reports and Inspections.** It will submit to the Secretary such annual or special airport financial and operations reports as the Secretary may reasonably request and will make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request.

19. **Airport Revenue.** It will expend all revenues generated by the airport, if it is a public airport, for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and directly related to the actual transportation of passengers or property: **Provided, however,** that if covenants or assurances in debt obligations previously issued by the owner or operator of the airport, or provisions in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all other revenues generated by the airport shall not apply.
20. **Consultation with Users.** In making a decision to undertake any airport development project under this title, it shall undertake reasonable consultations with affected parties using the airport at which the project is proposed.

21. **Terminal Development Prerequisites.** For projects which include terminal development, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 612 of the Federal Aviation Act of 1958 and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning or deplaning from aircraft other than air carrier aircraft.

22. **Construction Inspection and Approval.** It shall subject the construction work on any project for airport development contained in an approved project grant application to inspection and approval by the Secretary before the project is advertised and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

23. **Minimum Wage Rates.** It will include, in all contracts in excess of $2,000 for work on projects for airport development approved under this title which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a--276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

24. **Veterans Preference.** It shall include, in all contracts for work under project-grants for airport development which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam era and disabled veterans as defined in Section 515(c)(1) and (2) of the Act. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

25. **Audits and Recordkeeping Requirements.** It shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and the disposition by the recipient of the proceeds of the grant, the total cost of the plan or program in connection with which the grant is given or used, and the amount
and nature of that portion of the cost of the plan or program supplied by other sources, and such other records as will facilitate an effective audit and it shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to grants received under this title. The Secretary may require that an appropriate audit be conducted by a recipient.

26. Audit Reports. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the plan or program in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six months following the close of the fiscal year for which the audit was made.

27. Local Approval. In projects involving the construction or extension of any runway at any general aviation airport located astride a line separating two counties within a single state, it has received approval for the project from the governing body of all villages incorporated under the laws of that state which are located entirely within five miles of the nearest boundary of the airport.

28. Civil Rights. It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefitting from funds received from this grant.

29. Airport Layout Plan. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon. Such airport layout plan and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or in any of its facilities other than in conformity with the airport layout plan as so approved by the Secretary if such changes or alterations might adversely affect the safety, utility, or efficiency of the airport.
30. **Preserving Airport Rights and Powers.** It will not enter into any transaction which would operate to deprive it of any of the rights and powers necessary to perform any or all of the assurances herein without the written approval of the Secretary, and will act to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

31. **Construction Accomplishment.** It will execute the project in accordance with plans, specifications, and schedules as approved by the Secretary, and incorporated herein, or with modifications similarly approved, and will provide and maintain competent technical supervision at the construction site to assure that completed work conforms with the approved plans and specifications.

32. **Planning Projects.** In carrying out planning projects, that:

   a. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

   b. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a planning grant provided by the Secretary.

   c. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

   d. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

   e. It will grant the Secretary the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

   f. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

   g. It understands and agrees that the Secretary approval of this project grant or the Secretary approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.