

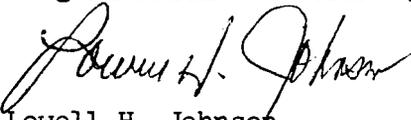


U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

# Memorandum

Subject: Program Guidance Letter 85-1

Date: JUN 12 1985

From:   
Lowell H. Johnson  
Manager, Grants-in-Aid Division, APP-500

Reply to  
Attn. of

To: PGL Distribution List

Effective this date, a new program guidance letter (PGL) system for the AIP is being implemented. The new system will be numbered sequentially during a fiscal year, e.g., 85-1, 85-2, etc. Each item in a particular PGL will continue to be numbered as part of the subset. Hence, a number of 85-1.1 indicates the first item in PGL 85-1.

PGL 1 through PGL 23 are cancelled. Although most of the items have been incorporated in Order 5100.38, there are a few which remain in effect which either have not yet been included in the Order or which are not appropriate for inclusion in an order. These items are repeated here. (Any attachments to those items have not been included). As future changes are made to Order 5100.38, our intent is to incorporate PGL items to the extent possible.

85-1.1 Airport Planning Eligibility - (APP-510, 426-3857) - (old PGL 9.4).  
Two questions have arisen regarding eligibility for planning grants under AIP.

1. Is an airport sponsor who operates two or more airports eligible for a system planning grant under Section 508(d)(4) (the "1 percent money") for planning covering all of its airports? Answer: No, unless the sponsor happens also to be the authorized areawide planning agency as defined by Section 503(a)(10).

2. Are the costs of tuition, travel and subsistence for a sponsor's planning personnel to attend airport planning courses at the FAA Aeronautical Training Center or any seminars/conferences of general interest, e.g., an AOCI seminar, an eligible cost under a grant for continuous system planning? Answer: No. Only travel directly associated with the approved work program is eligible. The grant program may not be directed toward training sponsor or contractor personnel.

85-1.2 Definition of Airport Revenue - Bill Southerland (426-3085) - (old PGL 9.7). Section 511(a)(12) of the AATA requires all revenues generated by the airport to be expended for capital or operating costs of the airport, with some exceptions. Several questions have already arisen regarding what constitutes airport revenue, and we expect more.

As this is basically a compliance question, inquiries regarding airport revenue should be directed to AAS-310. Attachment #1 to this PGL is a copy of an opinion from the DOT General Counsel stating, in effect, that an aviation gasoline tax levied by the City and County of Denver, Colorado, is not airport revenue. Another question on coverage of interest earned on airport revenue deposits is now under consideration in AAS-310. They will issue further guidance on this and other questions regarding airport revenue.

85-1.3 Retainage - (Jack Cathell, 426-3857) - (old PGL 12.3). An M-60 survey noted that some FAA field offices were apparently retaining 10 percent of each partial payment made to some sponsors, pending completion of the project. This violates the requirement in paragraph 7, Attachment J of OMB Circular A-102 which does not allow withholding payments for proper charges unless the sponsor has failed to comply with program objectives, grant award conditions, or reporting requirements, or is indebted to the U.S. Regions should follow guidance in Order 5100.36, Chapter 13 until the counterpart to that chapter is finalized in 5100.38.

85-1.4 Advance Grant Payments - (Jack Cathell, 426-3857) - (old PGL 13.1). A recent review of sponsors who have been given advance payments has shown that a number of them have held these funds for a period far in excess of time considered reasonable. Paragraph 1324 of 5100.36 requires that advance payments be limited to estimated costs of work accomplished within 30 days of the sponsor's application and that the funds be disbursed by the sponsor as soon as administratively feasible after receipt from the U.S. Treasury. Guidance received from the Office of Financial Management in OST indicates that advances should be disbursed no later than 7 days after receipt by the sponsor. Further, OMB Circular A-102, Attachment J, requires that sponsors receiving advance payments must 1) meet the financial management system standards of A-102, and 2) establish procedures minimizing the time between receiving and disbursing Federal funds. (Chapter 13 of 5100.38 will also include this item).

Any sponsor currently receiving advances but not meeting the above requirements should be notified that future payments will be made on a reimbursement basis until the two requirements are met.

85-1.5 Changes in Airport Classification - (John Sekman, 426-8590) - (old PGL 14.5).

#### Primary Airports

Questions have arisen regarding use of entitlement funds at airports whose classification has changed from primary to nonprimary. Any entitlement funds earned by an airport will be available to that airport for the entire 3-year life of those entitlements regardless of any subsequent change in airport classification.

Should a primary airport be inadvertently or erroneously classified as a nonprimary in the annual announcement of entitlement distribution, a sum equivalent to the earned entitlements may be made available to the airport from discretionary funds.

#### Reliever Airports

APP-400 may designate airports as relievers (assuming they meet criteria for relievers) at any time during the year, and they may be funded with reliever funds as soon as so designated.

#### Other Airports

A few airports change from general aviation to commercial and vice versa during a year. For funding classifications for these borderline airports, consult with headquarters.

85-1.6 Portable Hangars on Federally Funded Aprons - (Bob Yatzeck, 426-3857) - (old PGL 21.1). At various locations around the country, airport sponsors have permitted or are contemplating permitting the installation of portable hangars (i.e., hangars which can be readily removed and which do not require a foundation or footings) on aprons constructed with airport grant-in-aid funds. Paragraph 524, Aprons, of Order 5100.38 states that construction of aprons, which are predominantly for exclusive or near exclusive use of a tenant not furnishing an aeronautical service to the public, is ineligible. The construction of aprons upon which T-hangars will be erected (as well as any lead-in taxiways to T-hangars) is ineligible. The mobility or portability of a particular type of hangar is not germane to considerations of exclusive use.

Accordingly, FAA policy is as follows:

1. Construction of an apron or any part of an apron upon which the sponsor intends to permit the installation of portable hangars is ineligible.
2. The installation of portable hangars on an existing federally funded apron is not permissible except in the instance where, in the judgment of the Airports field office, changes in airport use patterns since construction of the apron are such that the apron or that portion of it proposed for hangar location is clearly surplus to current and forecast demand for paved aircraft tie-down space.
3. The FAA determination to permit installation of portable hangars in the exceptional instance will be conditioned on the requirement that any hangar installed be removed within 30 days written notice from the FAA and will be based on the following considerations:
  - A. The sponsor's proposal should be supported by a plan for the organized installation of the portable hangars.

- B. The proposed portable hangar area should be located behind the Building Restriction Line on the Airport Layout Plan.
  - C. Hangars will be located so as not to constrain the flow of aircraft traffic any more than would exist in an aircraft tie-down area.
  - D. Prior notice on FAA Form 7460-1, Notice of Proposed Construction, must be given to the appropriate Airports field office of the intent to erect each structure or group of structures being installed concurrently and FAA concurrence must be received.
  - E. Each hangar is specifically designed for ready removal; i.e., no foundation or footings required.
  - F. Each hangar will not cause damage to the apron beyond that associated with installation. Any damage beyond normal wear and tear must be repaired by the sponsor at its expense.
  - G. Each hangar is designed to accommodate one aircraft.
  - H. Each hangar design meets applicable local codes.
4. Where portable hangars have been installed on federally funded aprons without prior FAA concurrence, Airports field offices, at their discretion, may either make an after-the-fact determination on the current and forecast demand for aircraft tie-down space on the affected apron as in item 2 above, or may seek a remedy including:
- A. Requiring the sponsor to have portable hangars removed from the apron;
  - B. Seeking reimbursement for the Federal share of apron construction costs; (i.e., cost of apron replacement); or
  - C. Recovering the Federal share of apron construction costs in a future project.

85-1.7 Eligibility - Emergency Operation Centers - (Ben Castellano, 426-3857) --  
(old PGL 22.2). A recent request for major reconstruction and expansion of an emergency operation command center in a terminal building has engendered the development of programming guidelines for facilities of this nature. Such facilities may be located in a terminal building or in a separate building. The structure is eligible under the provision of section 513(C) of the AAIA which allows participation in buildings, housing facilities, or activities directly related to the safety of persons at the airport. These facilities can vary widely in cost and complexity. Since their use is directly tied to the occurrence of major emergencies on airports (hijacks, bomb threats, major accidents), hopefully a rare event, the following rules should be followed in determining reasonable and necessary costs of eligible work.

1. Only special facilities and equipment directly necessary for dealing with emergencies during a major incident are eligible along with

the normal CFR and security equipment required by FAR Part 139 and Part 107. Other equipment and facilities used for day-to-day airport operations may not be funded under this type of project even though they may be used during a major emergency.

2. Where an emergency operation center is co-located with the airport operation center, as would often be the case, a means of pro-rating the cost of space and facilities between eligible and ineligible portions should be developed.

3. Austerity should be sought, since such facilities will be rarely used. Amenities such as dormitories or kitchenettes are not considered directly necessary and should not be funded. Please consult with APP-510 as soon as details of such proposed projects are known.

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Attachment - New Index

Cancelled

Index for New Program Guidance Letters System

Issued by APP-500

PGL # 85 - May 31, 1985

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- 85-1.2 Definition of Airport Revenue
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Cancelled