Subject: ACTION: Program Guidance Letter 93-1

Date: NOV 4 1992

From: Manager, Airports Financial Assistance Division, APP-500

To: PGL Distribution List

This is the first of several program guidance letters (PGL) we expect to issue on the new legislation. Should you have questions pertaining to any of the PGL items below, please feel free to contact the key staff specialist indicated.

Throughout, we refer to the Airport and Airway Improvement Act of 1982, as amended, as the "AAIA;" and the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 as the "1992 Act." The 1992 Act was signed by the President on October 31, but has not as yet been given a public law number.

PGL 93-1.1 Amended Assurances for Airport Sponsors - Leslie Haener, (202)267-5879.

Section 113(a) of the 1992 Act amended Section 511(a)(11) of the AAIA to require that an airport sponsor assure that a report of the airport budget is available to the public at reasonable times and places. Section 113(b) of the 1992 Act amended Section 509(b)(6)(A) of the AAIA to require the sponsor of a project for airport development to certify that the airport management board either has voting representation from the communities where the project is located or has advised the communities that they have a right to petition the Secretary concerning a proposed project.

These provisions require changes to Assurance 26 (Reports and Inspections) and Assurance 9 (Public Hearings), respectively, of the Airport Sponsor Assurances. Consequently, those assurances have been rewritten to incorporate the new provisions. A copy of each is attached.
You should reproduce the attached Assurances 9 and 26 locally as needed for new grants issued after October 1, 1992. We are in the process of publishing new assurances in the Federal Register, and will reprint the entire assurance package incorporating these changes and several others after publication.

PGL-93-1.2 Provision on Leases at Laredo, TX - Leslie Haener, (202)267-5879.

In 1975, the United States conveyed property on which the Laredo International Airport is located to the City of Laredo, Texas. Under Section 313(c)(2) of the Airport and Airway Safety and Capacity Expansion Act of 1987, 68.1586 acres of land in the 1975 conveyance was released from the instrument of disposal dated February 21, 1975, and made available for nonaviation purposes. Condition (C) of the statutory provision restricted the term of the rental or lease agreement of this property to 20 years or less. Section 132 of the 1992 Act increases the allowable term for rental or lease agreements to 40 years or less. A copy of the 1987 provision, with a pen and ink change to condition (C), is attached.

93-1.3 Changes in Disadvantaged Business Enterprise (DBE) Requirements - Jim Borsari, (202)267-8822.

The 1992 Act changed a number of DBE provisions in the AAIA.

First, the average annual gross receipts used in the definition of small business concern in Section 505(d)(2)(A) has been increased from $14,000,000 to $16,015,000. Note that this section of the AAIA deals with the DBE requirements for contracting goals under the AIP.

Section 511(a)(17), which deals with concession goals, has been changed to clarify legislatively that entities providing ground transportation, baggage carts, automobile rental, and other consumer services are included in the concessions covered by this section. Also, a new Section 511(h)(5) was added to clarify that aeronautical activities are excluded from the DBE concession requirements.

Both the inclusion of concession services and exclusion of aeronautical activities were already addressed by regulation in 49 CFR Part 23. The clarification was desirable since there were a number of comments questioning DOT/FAA interpretations in the Notice of Proposed Rulemaking (NPRM).

Also as a result of comments to the NPRM to amend 49 CFR Part 23, there were requests to include management contracts and supplier contracts when computing DBE participation. New Sections 511(h)(1)
and 511(h)(2) have been added to the AAIA to allow the use of management contracts and credit for supplies purchased from DBE firms to meet the overall DBE concession goal.

New provisions have been added to address specific concerns raised by rental car companies. These provisions allow an airport operator or owner to require rental car firms to meet DBE concession goals through the purchase of goods and services from a DBE. In that event, a rental car company may use purchases or leases of vehicles from DBE vendors. The provision further states that nothing in Section 511(a)(17) may require a car rental company to alter its corporate structure to meet DBE requirements. This provision was added to allay the concerns of car rental companies that they could be forced into franchise operations, joint ventures, etc., in order to remain on airports.

The Assistant Administrator for Civil Rights, ACR-1, has primary action on these changes to the AAIA and will be taking appropriate action (guidance and rulemaking). Your regional civil rights office should be able to answer specific questions which may arise regarding these provisions.

93-1.4 Deicing Facilities - Mark Beisse, (202)267-8826.

Section 503(a)(2) of the AAIA has been amended to include acquisition or installation at or by a public-use airport of airplane deicing equipment and structures (other than airplane deicing fluids and storage facilities for such equipment and fluids).

The guidance on airplane deicing facilities in PGL 92-5.1 continues to be current. However, this amendment extends the definition of airport development to establish eligibility at general aviation airports for deicing equipment and structures. Please forward any proposal for such deicing equipment and structures at general aviation airports to APP-510 in the same manner as other deicing projects described in the above PGL.

93-1.5 Letters of Intent - Don Samuels, (202)267-8818.

Many of the early letter of intent (LOI) approvals contained a requirement for sponsors to impose a passenger facility charge (PFC) when authority to impose these charges became available. The requirement was included to maximize the revenue available for the long term airport development needs included in the LOI and to avoid long term commitments of limited AIP funds. It was also consistent with language in Section 507(c)(3) of the AAIA specifying a sponsor's commitment of other non-Federal funding sources as criterion for LOI approval.
In Section 111 of the 1992 Act, Congress added a new section 513(d)(1)(G) to the AAIA eliminating FAA's authority to make imposition of PFCs a requirement for approval of LOIs. Consequently, new LOIs will not contain language requiring the airport sponsor to impose a PFC. The sponsor can, however, be encouraged to consider the PFC as a supplemental source of long term funding for airport development needs.

93-1.6 Residential Soundproofing - Don Samuels, (202)267-8818.

Section 301(d) of the Airport and Airway Safety and Capacity Expansion Act of 1987 authorized, for an 18-month period after its enactment, the issuance of grants to any sponsor having a noise compatibility program (NCP) which was approved under Section 104(c)(2) of the Aviation Safety and Noise Abatement Act of 1979, but not under FAR Part 150. Grant approval required submission of a new noise exposure map and a favorable determination by FAA. Upon expiration of that provision on June 30, 1989, only airports having an approved FAR Part 150 NCP were eligible to receive funding for noise projects. (Projects for soundproofing of public buildings used for educational or medical purposes continued to be eligible, even at those airports not having an approved FAR Part 150 NCP.)

Section 131 of the 1992 Act reestablishes the expired authority for a 2-year period following enactment. Therefore, a sponsor without an approved FAR Part 150 NCP is again eligible to receive funding for residential soundproofing projects. The sponsor must have received a grant during the previous 18-month grace period and must submit newly updated noise exposure contours.

93-1.7 Made in America Labels - Jim Borsari, (202)267-8822.

Section 118(a) of the 1992 Act makes permanent under AIP a requirement that upon determining that a person or company has fraudulently affixed a "Made in America" label to any product sold or shipped to the U.S., the Secretary of Transportation shall declare such person ineligible to receive a Federal contract or grant for not less than 3 years nor more than 5 years.

In the event that a sponsor or a FAA Airports employee believes that there is evidence of a fraudulent placement of a Made in America label, please contact APP-510 for further guidance.


Section 118(b) of the 1992 Act makes permanent under AIP a prohibition against contracting with a person or company domiciled or operating under the laws of a foreign government which has been identified by the President as unfairly
maintaining, in government procurement, a significant and persistent pattern of discrimination against U.S. product or services.

We have not been notified of any country on a list issued pursuant to the Trade Agreements Act of 1979. Further information will be provided as it is received.

93-1.9 Vertiport Facilities - Mark Beisse, (202)267-8826.

Section 135 of the 1992 Act establishes the U.S. Department of Transportation Civil Tilt-rotor Development Advisory Committee. The committee will evaluate and make recommendations about the feasibility of the tilt-rotor aircraft as well as related infrastructure.

The establishment of this commission does not by itself, necessitate a change in our policies for funding vertiport planning or development. No decision has been made to proceed with the second round of vertiport planning which would include site selection and master plans. Many of the initial vertiport system planning projects have now been discontinued or completed. PGL 91-2.1 describes the background of vertiport projects, and interested parties may borrow copies of some of the final planning reports from APP-400.

Please continue to forward project preapplications for vertiport planning and development to APP-510 so that we can determine whether the project would significantly add to the vertical flight program. Sponsors may propose projects to accommodate new tilt-rotor facilities, such as additional vertiport planning, extra land, more pavement, structural reinforcement, and related development. These are ineligible at this time without Washington approval.

We have, however, approved selected supplemental work as in the case of Boston to refine their vertiport siting criteria, determine business interest, and obtain commitments from local jurisdictions for the proposed regulations. In addition, vertiport standards in Advisory Circular 150/5390-3, dated May 1991, may be incorporated into airport or heliport master plan and development projects where the costs of such incorporation are incidental relative to total project cost.

93-1.10 Block Grant Program - Mark Beisse, (202)267-8826.

Recent amendments to section 534 of the AAIA extend the State block grant program through fiscal year 1996 for Illinois, Missouri, and North Carolina. The amendments also authorize the issuance of block grants for fiscal years 1993 through 1996 in four additional States which are to be selected as outlined below. The expanded State role should better serve the airport
community because it will raise overall State/Federal staffing and allow FAA personnel to focus on providing assistance for larger airports.

Attached is a letter which regions should send to State aviation officials, other than the current pilot program participants, inviting them to apply for block grants. The letter should go to nonstate entities defined as States in section 503(a)(23) of the AAIA as well. It should be sent not later than November 16, two weeks from the date the 1992 Act was signed. You should include the enclosures which are included in Attachment C of this PGL.

The letter advises recipients that information about the application procedure can be found in the State block grant program report to Congress. Appendices A and D of the report describe the application procedure, as modified by this PGL and the attached letter. In this regard, some States may request additional copies of the report. If you are unable to satisfy such requests from your stock on hand or local reproduction, we can provide an additional copy per region from the limited stock remaining.

Regional evaluation of an application should include a determination that the State meets the mandatory statutory requirements for participation as set forth in section 534(c) of the AAIA and Part II of the application. Applicants may, in consultation with regions, agree to limit the number or type of nonprimary airports to be included in the block grant. FAA could, for instance, continue to administer grants for some or all relievers, commercial service airports, and locations in the Military Airport Program. Such an agreed upon limitation would not impair the strength or ranking of an application.

Each region may recommend for selection up to two new States, one which best meets mandatory requirements and an alternate. You should base your recommendations on the strength of a State’s application and your judgement of its ability to carry out the program. You may also provide additional justification for your recommendations. Appendix C of the report to Congress provides examples of how this was done in the selection of the initial three States.

For newly recommended States, please forward the applications and a short memorandum with your recommendations to APP-500 by January 15, 1993. Do not disclose your recommendations or the grant calculations to the States until we have had a chance to evaluate them. We expect to convene a selection committee to rank the applications in order of relative merit and recommend an appropriately balanced group of States. ARP-1 will make final recommendations to the Administrator.
Regions may not approve any State block grant for new or current States without notification by APP-500 that an announcement or allocation can be made. When the State selections have been made, we will request regions to submit copies of the attached calculation sheet for newly recommended States and for current participants. Upon final determination of block grant amounts, the calculation sheets, revised if appropriate, may be forwarded to the States with the grant offers and other information you wish to add. More detailed pilot program guidance will be provided to regions when the additional States are selected. Policy and procedures, which are described in section 4 of the report for currently participating States, will be individually arranged with the newly selected States through written agreements with regions.

We will be working with the Office of General Council to determine what changes to 14 CFR Part 156, which implements the block grant program, can be effected in the shortest amount of time. We are hopeful that most changes can be implemented administratively. Any necessary rulemaking, however, will be announced in the Federal Register as soon as possible. The changes we intend to propose will eliminate the submittal of a letter of interest and require submittal of block grant applications to regional Airports division managers. We will also propose that up to 1 percent of a State's apportionment funds, or $75,000, whichever is greater, be allowed to help defray State block grant program administrative costs.

Lowell H. Johnson

Attachments
Assurance 9. 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 goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.
Assurance 26. Reports and Inspections. It will submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request. A report of the airport budget will be available to the public at reasonable times and places. For airport development projects, it will also 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. For noise compatibility program projects, it will also make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request.
(iii) such conveyance by the State of Hawaii shall be subject to receipt of fair market value; and
(iv) the proceeds from such conveyance by the State of Hawaii shall be used for airport purposes only.

(c) LAREDO INTERNATIONAL AIRPORT, LAREDO, TEXAS.—

(1) AUTHORITY TO GRANT RELEASE.—Subject to paragraph (2), in recognition of the benefits to the public, the city of Laredo, Texas, and its successors and assigns are hereby released from all terms, conditions, reservations, and restrictions contained in the instrument of disposal dated February 21, 1975, by which the United States conveyed the property on which the Laredo International Airport, Laredo, Texas, is located to such city to the extent that such terms, conditions, reservations, and restrictions apply to the portion of such property consisting of approximately 680.1586 acres of land which is designated under the 1985 Master Plan and Land Use Plan for the Laredo International Airport as being available for nonaviation purposes.

(2) CONDITIONS.—The release granted by paragraph (1) shall be subject to the following conditions:

(A) All revenues derived from the property to which such release applies shall be used for development, improvement, operation, and maintenance of the Laredo International Airport.

(B) The use of property to which such release applies shall not interfere with the operation and maintenance of such airport.

(C) Property to which such release applies may only be rented or leased if the term of the rental or lease agreement is 10 years or less and if compensation which is not less than—

(i) 1/2 of fair market value is received in the case of a rental or lease agreement for a term of 10 years or less; and

(ii) 1/2 of fair market value is received in the case of a rental or lease agreement for a term of more than 10 years.

(D) Property to which such release applies may only be transferred if compensation which is equal to or more than fair market value is received.

(E) The city of Laredo, Texas, shall provide to the Administrator—

(i) an accounting and management plan acceptable to the Administrator for managing the Laredo International Airport general fund; and

(ii) an explanation of the management by such city of such general fund in calendar years beginning after December 31, 1977, and ending before the date of the enactment of this Act.

(3) IMPLEMENTATION.—The Administrator shall take such action as may be necessary to carry out the provisions of this subsection.

SEC. 31. FLIGHT SERVICE STATION IN JUNEAU, ALASKA.

(g) DESIGNATION.—The Federal Aviation Administration flight service station located in Juneau, Alaska, shall be known and designated as the "Dave Scheytt Flight Service Station".
Dear:

I am writing to inform you of the application procedure for selection as one of four additional States to participate in the State block grant pilot program reauthorized by the Airport and Airway Safety, Capacity, Noise Improvement and Intermodal Transportation Act of 1992. The program will run four additional years, beginning with Federal fiscal year 1993, and includes funding of airport master planning and development projects for all eligible nonprimary airports in selected States.

The Federal Aviation Administration (FAA) is committed to using this opportunity to further develop the State/Federal partnership in carrying out the pilot program. Criteria to be used by FAA for selecting State participants will be based on those listed in section 534 of the Airport and Airway Improvement Act of 1982, as amended.

The State block grant program report to Congress, which was transmitted to you by Leonard Griggs' letter of July 24, contains procedures used during the first three years of the pilot program. We expect to continue using these procedures with minor changes.

One change is that States have the flexibility to tailor the number or types of airports to be included in the block grant depending upon their needs and capabilities. For instance, States may opt to have FAA continue administering grants for some or all relievers, commercial service airports, and locations in the Military Airport Program. I encourage you to work with my office in considering this feature of the pilot program since the strength of your application will not necessarily depend on including all nonprimary airports. A block grant State could expand the scope of its program in a subsequent year.

Another intended modification is that up to 1 percent of a State's apportionment funds, or $75,000, whichever is greater, would be allowed to help defray State block grant program administrative costs.

Enclosed is an application which should be returned to me by December 30, 1992, if your State wishes to be considered for the fiscal year 1993 program. Appendix A of the State block grant program report to Congress includes procedures for preparing the
applications; it also describes how the pilot program has been administered to date. Appendix D has additional detail on how the program will be administered.

I am enclosing, for your information, a schedule of events. Please contact me with any questions you may have about the pilot program application and selection process.

Sincerely,

Manager, Airports Division

Enclosures
# APPLICATION FOR FEDERAL ASSISTANCE

## 1. TYPE OF SUBMISSION:
- □ Application
- □ Construction
- □ Non-Construction

## 2. DATE SUBMITTED

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## 3. DATE RECEIVED BY STATE

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## 5. APPLICANT INFORMATION

### Legal Name

### Address (give city, county, state, and zip code)

### Name and telephone number of the person to be contacted on matters involving this application (give area code)

## 6. EMPLOYER IDENTIFICATION NUMBER (EIN):

### 7. TYPE OF APPLICANT: (enter appropriate letter in box)

- □ A. State
- □ B. County
- □ C. Municipal
- □ D. Township
- □ E. Interstate
- □ F. Intermunicipal
- □ G. Special District
- □ I. State Controlled Institution of Higher Learning
- □ J. Private University
- □ K. Indian Tribe
- □ L. Individual
- □ M. Profit Organization
- □ N. Other (Specify)

## 8. TYPE OF APPLICATION:

- □ New
- □ Continuation
- □ Revision

### If Revision, enter appropriate letter(s) in box(es):

- □ A. Increase Award
- □ B. Decrease Award
- □ C. Increase Duration
- □ D. Decrease Duration
- □ Other (specify)

## 9. NAME OF FEDERAL AGENCY:

## 10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:

### TITLE:

## 11. DESCRITPTIVE TITLE OF APPLICANT'S PROJECT:

## 12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.)

## 13. PROPOSED PROJECT

### Start Date

### Ending Date

### a. Applicant

### b. Project

## 14. CONGRESSIONAL DISTRICTS OF

### a. Applicant

### b. Project

## 15. ESTIMATED FUNDING:

### a. Federal

### b. Applicant

### c. State

### d. Local

### e. Other

### f. Program Income

### g. TOTAL

## 16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

- □ YES
- □ NO

### a. YES

### b. NO

### c. PROGRAM IS NOT COVERED BY E.O. 12372

### d. OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

## 17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

- □ Yes
- □ No

### a. Yes

### b. No

### c. If “Yes,” attach an explanation

## 18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DUTY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

### a. Typed Name of Authorized Representative

### b. Title

### c. Telephone number

### d. Signature of Authorized Representative

### e. Date Signed

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*Authorized for Local Reproduction*
INSTRUCTIONS FOR THE SF 424

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:    Entry:
1. Self-explanatory.
2. Date application submitted to Federal agency (or State if applicable) & applicant's control number (if applicable).
3. State use only (if applicable).
4. If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.
5. Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.
6. Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.
7. Enter the appropriate letter in the space provided.
8. Check appropriate box and enter appropriate letter(s) in the space(s) provided:
   — "New" means a new assistance award.
   — "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.
   — "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation.
9. Name of Federal agency from which assistance is being requested with this application.
10. Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.
11. Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.
12. List only the largest political entities affected (e.g., State, counties, cities).
14. List the applicant's Congressional District and any District(s) affected by the program or project.
15. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
16. Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.
17. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
18. To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)
PART II - APPLICATION FORM

Part II of the application will be the principal information used in selecting the successful candidates for the State block grant pilot program. States receiving block grants will be expected to carry out the program in accordance with the information which they present in the application. States may use any written format they choose to provide the following information. Each item should be addressed.

1. Describe your State’s general approach to the block grant pilot program.

2. Describe your agency or organization to show that it is capable of administering effectively a block grant.

3. Describe your airport system planning process. Specify how safety and security projects are justified in your airport system planning process.

4. Describe your environmental protection requirements as they apply to airport development.

5. Define your project programming process. Specify the priority system for safety and security projects in your project programming process. Describe how this project programming process ensures that the needs of the national airport system are addressed.

6. Describe your procedure for compliance with Federal procedural and other standard requirements.

7. Describe any State channelling act which requires you to be an agency or sponsor in a Federal airport project.
PART III - APPLICATION FORM
ASSURANCES
STATE BLOCK GRANT PILOT PROGRAM

1. General. These assurances are required to be submitted as Part III of the project application by States applying for participation in the State block grant pilot program under Section 116 of the Airport and Airway Safety and Capacity Expansion Act of 1987, and 14 CFR Part 156 - State Block Grant Pilot Program, and shall be complied with in the performance of any grant agreement executed as a result of this application.

2. Inclusion in Grant Agreement. Upon acceptance of the grant offer by the State, these assurances are incorporated in and become part of the grant agreement.

3. Standard Federal Requirements. The State agrees to comply with Federal procedural and other standard requirements for administering the block grant.

4. Program Reporting. The State agrees to provide the FAA with such program information as the Secretary may require.

5. Obligation to Standard Assurances. For all projects where the State is the owner of the airport(s), the State shall be obligated to comply with the standard Airport Improvement Program assurances entitled "Assurances - Airport Sponsor" and "Assurances - Noise Compatibility Program Projects Undertaken by Nonairport Sponsors," as appropriate to the individual project. These standard assurances are attached to and become part of this State Block Grant Assurance.

For all projects benefiting an airport owner other than the State, the State shall enter into an agreement with that airport owner which shall obligate that airport owner, or the State, to comply with each of the attached assurances which would have been applicable to the airport owner as if it had applied directly to the FAA for a grant to undertake the project. That agreement shall address the transfer and delegation to the airport owner of State obligations to the FAA, if desired. That agreement and changes thereto must be satisfactory to the Administrator.

6. Compliance Responsibilities. The State shall take steps to enforce its agreement with each airport owner benefiting from the State block grant pilot program if noncompliance with the terms of the agreement is evident. This compliance responsibility
shall be assumed by FAA at the termination of the State block grant pilot program, or as otherwise agreed by the State and the FAA.

7. Environmental Responsibilities. A State which is subject to its own environmental requirements comparable to requirements of the National Environmental Policy Act of 1969 as defined in regulations issued by the U.S. Council on Environmental Quality (CEQ) shall follow its own requirements. If the State has no such requirements, it shall follow applicable CEQ regulations.

8. State Resource Availability. The State assures that sufficient funds will be available for that portion of project costs which are not paid by the United States, and that sufficient trained personnel will be available to carry out its responsibilities under this grant in a timely manner satisfactory to the FAA.
State Block Grant Pilot Program
Calculation of Grant Amount

The block grant includes State apportionment funds and the State’s proportionate share of discretionary funds for nonprimary airports based on the Capital Improvement Program. Set-asides which were considered in this calculation include reliever, noise, nonprimary commercial service, and military airports.

Allowances for the State block grant are as follows:

- State apportionment
- Reliever set-aside
- Noise set-aside
- Nonprimary commercial service set-aside
- Military airport set-aside
- Cargo entitlements
- Small airport returned entitlements
- Other discretionary

Total block grant

The block grant distribution may be made by the State without regard to these proportions, except as required by Condition 1 of the grant agreement.