



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

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**Memorandum**

Subject: Program Guidance Letter 97-1

Date: **OCT 23 1996**

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

Reply to  
Attn. of:

To: PGL Distribution List

97-1.1 Block Grant Applications - Mark Beisse  
(202) 267-8826.

Public Law 104-264, section 147, amends Title 49, United States Code, section 47128, to authorize one new State block grant participant in each of fiscal years 1997 and 1998. The pilot program is also made a permanent feature of the AIP.

States currently in the program will continue unless we receive notice from them to the contrary. In fairness to alternate State applicants, regions should confirm promptly with current block grant States their intentions regarding continued participation.

We plan to hold a single third round of selections early this fiscal year and to defer participation of one State until fiscal year 1998. Some of the States have recently expressed interest in having one year to transition into the program after their selection, so this process may attract a wider group of applicants. The original 3 pilot program selections made in 1989 were augmented by 4 more States in 1993.

States should have already received copies of the application guidance or electronic forms, except the formal invitation letter in Attachment A. The guidance in PGL 96-1 is current. In addition, the new statutory provision permits States to use their own priorities for purposes of airport capital improvement planning if they are not

inconsistent with the national priority system. For the present, regions should obtain the State priority system and project priorities pending changes to national guidance, if any, based on the comments resulting from the Federal Register notice. Regional agreement with each new State on policy and procedures, which may include priority considerations, should be developed. Contact APP-510 for any assistance needed with these written agreements.

Regions should send by October 30 the attached letter to State aviation officials, other than the current participants, inviting them to apply for a block grant. This letter also should be sent to nonState entities defined as States by Title 49, United States Code, section 47102. The letters should be sent with the attachments to PGL 96-1 together with the two applicable sets of standard airport and noise project assurances as well as the statutory language.

Each region should forward by December 15 applications of up to two States meeting 49 USC 47128(b) and Part II application requirements as its recommendation based on the strength of State proposals. Do not disclose your recommendation to States pending notification by APP-500 that a selection has been made. Regions should not approve any State block grant for new or current States without notice by APP-520 that an announcement can be made. Upon final determination of block grant amounts, the calculation sheet shown in Attachment B may be forwarded to States with the grant offer.

*Robert B. Chapman*

Robert B. Chapman  
Acting Manager, Airports  
Financial Assistance Division

Attachments

Attachment A

Dear \_\_\_:

I invite the State of \_\_\_ to compete for selection as one of the States to be added to the block grant program as authorized by the Federal Aviation Reauthorization Act of 1996. The block grant pilot program is made a permanent feature of the Airport Improvement Program by the new legislation.

We anticipate adding one State in fiscal year 1997, as well as one during fiscal year 1998, and the selection for both is to be made by January 15. Participation of one State will then be deferred for a year so that a transition period is provided.

Your application should be sent to me to be received no later than November 30. Application forms and instructions are enclosed. Please note that you may designate a year for which the application is intended, or we will consider it to apply to either year.

Criteria to be used by the Federal Aviation Administration for selecting States from applications will be based on those identified in Title 49, United States Code, section 47128, also enclosed.

Your questions about the block grant program may be telephoned directly to me at \_\_\_.

Sincerely,

Airports Division Manager

Enclosures

§ 47128. State block grant ~~pilot~~ program

(a) GENERAL REQUIREMENTS.—The Secretary of Transportation shall prescribe regulations to carry out a State block grant ~~pilot~~ program. The regulations shall provide that the Secretary may designate not more than

8 qualified States for fiscal year 1997 and 9 qualified States for each fiscal year thereafter

to assume administrative responsibility for all airport grant amounts available under this subchapter, except for amounts designated for use at primary airports.

(b) APPLICATIONS AND SELECTION.—~~(1)~~ A State wishing to participate in the program must submit an application to the Secretary. The Secretary shall select a State on the basis of its application only after—

(1) ~~(A)~~ deciding the State has an organization capable of effectively administering a block grant made under this section;

(2) ~~(B)~~ deciding the State uses a satisfactory airport system planning process;

(3) ~~(C)~~ deciding the State uses a programming process acceptable to the Secretary;

(4) ~~(D)~~ finding that the State has agreed to comply with United States Government standard requirements for administering the block grant; and

(5) ~~(E)~~ finding that the State has agreed to provide the Secretary with program information the Secretary requires.

~~(2) For the fiscal years ending September 30, 1993, 1996, the States selected shall include Illinois, Missouri, and North Carolina.~~

(c) SAFETY AND SECURITY NEEDS AND NEEDS OF SYSTEM.—Before deciding whether a planning process is satisfactory or a programming process is acceptable under subsection (b)(~~1~~~~(B)~~) or (c) of this section, the Secretary shall ensure that the process provides for meeting critical safety and security needs and that the programming process ensures that the needs of the national airport system will be addressed in deciding which projects will receive money from the Government.

(2) or (b)(3)

In carrying out this subsection, the Secretary shall permit a State to use the priority system of the State if such system is not inconsistent with the national priority system.

Aviation State Block Grant Program  
Calculation of Grant Amount

The block grant includes State apportionment funds and the State's proportionate share of discretionary funding for nonprimary airports based on the Airport Capital Improvement Plan. The block grant may also include cargo entitlements and small airport returned entitlements. Set-asides, which were considered in this calculation, include noise and military airports.

Allowances for the State block grant are as follows:

State apportionment . . . . .	\$
Noise 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.