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

Office of Airport Compliance
and Management Analysis

800 Independence Ave., SW
Washington, D.C. 20591

August 1, 2025

Ms. Christina A. Cassotis
Chief Executive Officer
Pittsburgh International Airport
100 Airport Boulevard
Pittsburgh, PA 15231

Re: Transmittal of Final Financial Compliance Report

Dear Ms. Cassotis:

Thank you for your January 31, 2025, response to the Federal Aviation Administration's (FAA) draft compliance review report of the Allegheny County Airport Authority (ACAA) and Pittsburgh International Airport (PIT), airport sponsor and operator of PIT. We appreciate your letter recognizing PIT's full commitment to address recommendations proposed by the FAA's Office of Airport Compliance and Management Analysis (ACO) during the February 26 – February 29, 2024, financial compliance review.

The draft report recommendations, PIT's responses, and the FAA's final determinations are summarized below for clarity. The complete responses can be found in the main body of the report:

<u>Form 126 and 127 Operating and Financial Summary</u>

FAA Recommendation: The FAA recommends that Certification Activity Tracking System (CATS) Forms 5100-126 & 127 be reconciled and updated to the appropriate financial reports in their Fiscal Year Ending (FYE) June 30, 2021, and 2022 Annual Comprehensive Financial Reports (ACFRs).

ACAA's Response: The ACFR, audited by Plante & Moran PLLC, consolidates the operating results of both PIT and Allegheny County Airport (AGC). Since AGC is a general aviation, non-commercial airport, its results have historically been excluded from the CATS reporting. Following receipt of the draft Financial Compliance Report, ACAA reached out to the FAA twice to clarify the proper treatment of AGC within CATS but has not yet received guidance. ACAA is prepared to update the CATS forms, both retroactively and going forward, should inclusion of AGC be required.

FAA's Conclusion: The FAA acknowledges that the ACFR consolidates financial data for both PIT and AGC. Given that AGC is a general aviation, non-commercial airport, ACAA's exclusion of its operating results from CATS Form 5100-127 is appropriate. After reviewing the disaggregated trial balances provided by ACAA for fiscal years ending December 31, 2021, and December 31, 2022, the FAA considers this matter closed.

Aircraft Rescue and Fire Fighting (ARFF)

FAA Recommendation: Except in cases of mutual aid and with the approval of the 14 CFR part 139 inspector, ARFF equipment cannot be used off airport for non-airport purposes. PIT should work with the Harrisburg Airports District Office and/or Eastern Region Office to determine whether the equipment can be approved for off airport use as part of a mutual aid agreement. In our view, mutual aid is generally offered in cases where there is a disaster emergency, a catastrophic situation, or an unusual event, and not in the cases of frequent routine firefighting calls to off airport jurisdictions. Regular use of ACAA ARFF equipment and personnel may result in subsidizing off-airport jurisdictions with ACAA resources and federal funds. Additionally, the FAA cautions PIT that the routine use of airport firefighting equipment and staff could result in inadequate Index D coverage at PIT. PIT must have the equipment, personnel, and fire suppression agents that meet the requirements of an Index "D" airport.

ACAA's Response: ACAA believes mutual aid arrangements with local fire departments are critical to maximizing ARFF preparedness and training firefighters who rarely see actual fire emergencies on airport property. Annually, ACAA is inspected by the 14 CFR part 139 inspector, and each inspector has been made aware of all mutual aid responses conducted in the period of inspection. To respond to your comment about off-airport work being performed at least weekly in surrounding communities, we conducted an analysis of all emergency responses in 2024. Out of 1,460 emergency responses, only 21 or 1.4% were mutual aid to surrounding communities. Additionally, your comment about PIT not receiving mutual aid or reciprocal assistance from off-airport communities in decades is not entirely accurate. Six adjacent community fire departments come to PIT for its FAA-mandated triennial full-scale exercise in preparation for high-hazard events that might occur on airport property. Adjacent communities also provide on-site support when air shows are conducted, both at PIT and AGC.

The last known off property response of an FAA-funded ARFF vehicle was a train derailment that occurred on July 2, 2014, in Sewickley, which is one of the six adjacent communities with whom ACAA has mutual aid arrangements. PIT is obligated to notify the FAA when there will not be adequate Index D coverage. In the last 25 years, this has never occurred, including during the train derailment in 2014.

We don't believe we have violated any FAA regulations concerning mutual aid or minimum index coverage; however, we will take the following steps to ensure our regulators and firefighters are in complete alignment.

1) ACAA will update the ARFF Standard Operating Guidelines (SOG) at PIT with a new operating procedure that no FAA-funded vehicle within the 15-year FAA replacement guideline will be used for off-airport mutual aid responses without the express approval

of the Fire Chief in cases where there is a disaster emergency, catastrophic situation, or an unusual event.

2) ACAA will work with the Harrisburg Airports District Office and/or Eastern Region Office to approve this new SOG procedure.
3) ACAA will inform the 14 CFR part 139 inspector as part of each annual inspection.

FAA's Conclusion: After thoroughly reviewing ACAA's Corrective Action Plan (CAP), the FAA considers this matter closed. However, the FAA expects ACAA to provide a copy of the updated SOGs upon approval by the Harrisburg Airports District Office and/or Eastern Region Office and reserves the right to reopen the recommendation if necessary.

Airport Marketing, Air Carrier Incentives, and Advertising

FAA's Questioned Costs:

1) Since the Policy prohibits the use of airport revenue for general economic development, the FAA must ensure that ACAA only uses airport revenue for allowed marketing activities. The travel cooperative appears to be shared marketing activities where the ACAA share is only a portion of the expenditures related to the Travel Cooperative. We request that ACAA respond to the following:

   - Visit Pittsburgh's method for allocating costs to the various parties.
   - How would the cost qualify as an airport expense under the Policy on revenue use?
   - Who decides the "value to PIT?"
   - Does Visit Pittsburgh determine the value?
   - How was $200,000 determined as the value of services received by PIT?

Once the FAA obtains this additional information, we will be better able to assess whether the expenditures are consistent with the FAA Policy. PIT is encouraged to include examples of the products delivered as a result of the expenditure.

ACAA's Response: ACAA recognizes that, under FAA policy, marketing expenses paid to Visit Pittsburgh cannot be used for general economic development for area businesses and attractions. As outlined in the Memorandum of Understanding, ACAA is to pay up to $200,000 per year for membership in this travel cooperative; however, the actual amounts paid to Visit Pittsburgh were much less. Since Visit Pittsburgh's fiscal year does not align directly with ACAA's fiscal year, we have provided the invoice details covering the period from September 1, 2022, through August 31, 2025.

Membership Dues	September 1, 2022- August 31, 2023	$7,130
Membership Dues	September 1, 2023- August 31, 2024	$7,300
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Contrary to your comment above, the Visit Pittsburgh website does feature the Pittsburgh International Airport:

Although the page where PIT is featured is not as prominent as we would like, we do believe that an average of $7,320 per year is fair market value for inclusion on their website.

Additionally, Visit Pittsburgh was paid $5,000 in 2023 for services rendered in association with its 2022 Official Visitors Guide. PIT can be seen featured on pages 72 and 75 using the following link: https://issuu.com/visitpittsburgh/docs/pittsburgh-official-visitors-guide-2022

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed. However, we caution ACAA on engaging with these types of organizations, because their mission is general economic development, which the Policy prohibits.

FAA's Recommendation:

2) The FAA Policy allows an airport sponsor to provide limited technical assistance and advice to another entity administering such subsidy programs that are funded with non-airport revenue. Non airport funds may not be commingled with airport revenue, and the airport staff's role must be strictly advisory in nature. Going forward, any State funds for incentives should be administered directly from the State and should not be commingled with airport funds.

ACAA's Response: The Commonwealth of Pennsylvania Department of Community and Economic Development (PaDCED) grant funds have segregated financial project coding, are separately tracked, and are held in an ACAA interest-bearing account separate from the operating account. The procedures in place meet the PaDCED Grant Execution requirement that funds be held in a separate interest-bearing account that is insured by the FDIC in order to maximize yield and minimize uninvested funds. Additionally, any interest earnings exceeding $500 are paid to the Commonwealth of Pennsylvania and submitted simultaneously with the Grantee's Project Audit or Closeout Report. PaDCED grants require all contracts greater than $100,000 to have a final audit of the entire project within 180 days of termination of project activities. These audits are performed by a certified public accountant, and all audits have resulted in unqualified opinions.

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed.

Police and Security Services

FAA Recommendation: 49 USC §§ 47107 (b) & 47133, *FAA's Policy and Procedures Concerning the Use of Airport Revenues* (Revenue Use Policy), and Grant Assurance No. 25, airport-generated revenues from federally assisted airports may only be used for the capital or operating costs of the airport. Accordingly, ACAA needs to ensure the County implements a recordkeeping system to track when County Police officers assigned to the airport conduct off-airport work. Specifically, the FAA expects ACAA to implement a tracking system that ensures that ACAA only pays for airport security related police services. As part of the tracking system, the FAA also expects personnel assigned to PIT on a full-time or full-time equivalent basis will track the time spent off-airport and the total time deployed. The County should periodically report the cost of the off-airport time for each position, and ACAA should deduct these off-airport costs from the County's monthly bills.

ACAA's Response: The Allegheny County Police Department (ACPD) is currently in the process of evaluating the level of policing and incident response to areas that are outside of airport property. As you point out, there is no automated recordkeeping system to track this time; as such, the ACPD is manually reviewing its records. We will inform the FAA of the results of this analysis and the next steps we intend to take. Please note that the agreement with the ACPD is set to expire on October 31, 2025. The ACAA will ensure that recommended operational and financial changes are incorporated into the negotiation of the next agreement.

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed at this time. However, the FAA expects ACAA to provide the necessary updates as promised as well as an executed copy of the new agreement with the ACPD when it becomes available.

We appreciate your prompt responses in addressing these recommendations. As a result, all matters are now considered closed. The final audit report will be published on the financial compliance website. Thank you for your cooperation, and our appreciation extends to you, your team, and other city officials. If you have further questions, please contact financialcompliance@faa.gov.

Sincerely,

Michael W. Helvey

Digitally signed by MICHAEL W HELVEY
Date: 2025.08.01 14:45:57 -04'00'

Michael Helvey
Director, Office of Airport Compliance
and Management Analysis

Federal Aviation Administration
Office of Airports Compliance and Management Analysis
Financial Compliance Review – Final Report

PITTSBURGH INTERNATIONAL AIRPORT
February 26, 2024 – February 29, 2024

Federal Aviation Administration
Office of Airports Compliance and Management Analysis
Final Financial Compliance Review

The Federal Aviation Administration (FAA), Office of Compliance and Management Analysis (ACO), conducted a financial compliance review at the Pittsburgh International Airport (PIT) to evaluate financial compliance with federal statutes and FAA requirements. The FAA conducted this review at PIT and the Allegheny County Airport Authority (ACAA) offices from February 26, 2024, to February 29, 2024.

As the airport sponsor, ACAA manages PIT and is responsible for ensuring compliance with federal statutes, the Airport Improvement Program (AIP) Grant Assurances, and FAA policies for federally obligated airports. Airport sponsors agree to certain obligations when they accept federal grant funds or federal property transfers for airport purposes. The FAA enforces these obligations through its Airport Compliance Program. The ACO conducts a financial compliance review of selected airports each fiscal year.

Unlawful revenue diversion, as defined in Section II, C of the *Policy Concerning the Use of Airport Revenue* (Revenue Use Policy), 64 Fed. Reg. 7697 (Feb 16, 1999), as "the use of airport revenue for purposes other than the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner or operator and directly and substantially related to air transportation or property." The ACO is responsible for ensuring that airports adhere to applicable Grant Assurances and the FAA's Revenue Use Policy.

We reviewed the following financial topics at PIT:

- Form 126 & 127 Reporting
- Leases and Agreements
- Aircraft Rescue Fire Fighting (ARFF)
- Advertising and Incentives
- Financial Transactions and Payments
- Art in Public Places
- Police and Security Services
- Noise Land Program
- Fleet Services

Financial Data Reported to FAA

FAA Form 126 and 127 Operating and Financial Summary

Section 111 of the *FAA Act of 1994, Public Law 103-305* (August 23, 1994), established the requirement for commercial service airports to file financial reports with the FAA. These reports are the Financial Government Payment Report, Form 5100-126, and the Operating Financial Summary, Form 5100-127. Congress enacted the reporting requirements to inform the public about how airports collect and disburse funds and to provide the FAA with a means of evaluating sponsor compliance with revenue use requirements. Form 5100-126 reports the financial transactions between the Airport and other governmental entities and all services and property provided to such units. Form 5100-127 reports Airport financial operating results.

The FAA attempted to reconcile the information reported on both forms with the sponsor's FY 2021 and 2022 Annual Comprehensive Financial Report (ACFR). The FAA found the information presented in the sponsor's Form 5100-127 did not reconcile to the ACFR. The sponsor had not updated the FAA financial reporting database, Certification Activity Tracking System (CATS) financial information to reflect the audited financial reports, resulting in material variances between the CATS reporting and the ACFRs. For example, variances between amounts entered into CATS and the ACFR for FY 2022 were:

	CATS	ACFR	Variance	%
Total Operating Revenue	$146,646,920	$141,218,540	$5,428,380	3.70
Depreciation	50,327,603	52,943,562	-2,615,959	-5.20
Total Non-operating Revenue	69,834,296	74,171,543	-4,337,247	-6.21
Change in Net Assets	8,305,139	9,204,273	-899,134	-10.83

*A*dvisory Circular 150/5100-19D *Guide for Airport Financial Reports Filed by Airport Sponsors* (June 23, 2011) advises that the FAA Authorization Act of 1994 did not require audited information, but the FAA prefers audited data. CATS allows sponsors to update financial data at any time. ACO found that the reported variance warranted the sponsor to update the unaudited amounts to those reported in the ACFR to prevent misleading the public.

Recommendation: The FAA recommends that CATS Forms 5100-126 & 127 be reconciled and updated to the appropriate financial reports in their Fiscal Year Ending (FYE) June 30, 2021, and 2022 ACFRs.

ACAA's Response: ACFR is audited by Plante & Moran PLLC and covers ACAA. This includes the operating results of both the PIT and the Allegheny County Airport (AGC) combined. AGC is a general aviation, non-commercial airport. As a result, ACAA has historically excluded the operating results of AGC from the Certification Activity Tracking System (CATS) reporting database. Since receiving the Draft Financial Compliance Report, we have reached out to the FAA twice to inquire as to the proper treatment of AGC within CATS, but we have not received a response. We will be happy to update the appropriate CATS forms both historically and prospectively if the inclusion of AGC is the appropriate treatment.

FAA's Conclusion: The FAA acknowledges that the ACFR for the ACAA presents the consolidated operating results of both PIT and AGC. As AGC is a general aviation, non-commercial airport, ACAA appropriately excluded its operating results from the CATS Form 5100-127. After reviewing the summary of the trial balances that ACAA provided on June 16, 2025, for the FYE December 31, 2021, and December 31, 2022, with operating results disaggregated by airport (PIT and AGC), the FAA considers this matter closed.

Single Audit Report Finding

2 CFR part §200.511 states the auditee is responsible for follow-up and corrective action of all findings. In addition, the auditee must prepare a corrective action plan in accordance with §200.511. At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516, a corrective action plan to address each audit finding included in the current year's auditor's reports.

We obtained and reviewed ACAA's 2021 and 2022 Single Audit reports for any noncompliance with AIP. ACAA's independent auditor issued "unmodified" opinions with no findings or reportable conditions for AIP on both reports.

Recommendation: The FAA noted no concerns or irregularities with the Single Audit Report at ACAA.

Airport Financial Transactions and Payments

The FAA Revenue Use Policy outlines the rules for how money generated at publicly funded airports must be spent. These guidelines ensure that such revenue is solely used for expenses and improvements directly related to the airport. To assess compliance of ACAA's expenditures with FAA's Revenue Use Policy, we interviewed finance department staff to ensure financial practices align consistently with ACAA's established policies. We selected 69 expenditure transactions and requested supporting documents to determine if these expenditures were allowable, allocable, and reasonable under the Revenue Use Policy. Finally, we randomly selected 29 service agreements with related lobby activities, government relations, legal services, marketing, and public communications to determine if the scope of work in these agreements was related to airport operation. During our evaluation of these transactions, we initially identified three instances of exceptions or potential revenue use issues. Subsequently, the ACAA provided additional information and explanations that enabled us to resolve all of these exceptions.

Recommendation: The FAA noted no concerns or irregularities with the Financial Transactions and Payments at ACAA.

Leases and Agreements

The FAA received over 350 leases and agreements (collectively known as contracts) pertaining to the property and concessions at PIT to determine if the airport sponsor followed acceptable practices for the leasing of airport property. The FAA reviewed approximately 15 percent, or 50, contracts.

During the review of the lease for a volunteer fire station with the Township of Findlay, the FAA noted that PIT entered a 20-year agreement with the Township on January 28, 1982, to lease a 60,000 square foot property for $70 per month, with an option to renew for an additional five (5) years (month-to-month after option). The rental rate is calculated at the rate of six hundred dollars ($600) per acre per year or $.014 per square foot per year and is subject to an annual escalation factor of eight (8) percent. Also in 1982, the ACAA sought and received approval for the 20-year lease and land use arrangement by the FAA, allowing the airport and the township to use airport property as a volunteer fire department. The arrangement also consisted of allowing the township to provide backup firefighting services on an on-call basis in lieu of paying annual rent to the airport.

Although the 1982 lease terms do not meet the requirements under 49 U.S.C. §§ 47107(b) and 47133, and FAA Grant Assurance 25, the FAA released the subject property for the specific purpose of enabling its use as a Fire Substation. In 2017, the Harrisburg Airports District Office (ADO) reinforced its original 1982 approval by providing written guidance to the airport, thereby approving the lease for the volunteer fire station. The letter also granted FAA approval for the arrangement that, instead of the Township making a cash payment for the lease, the Fire Substation would offer certain back-up services to the airport during emergency situations.

Recommendation: Regarding the Findlay Township agreement, based on the FAA's 1982 and 2017 letters, there are no concerns with the Findlay Township agreement, and no further action is required. Except for the Findlay Township Fire Department Lease Agreement, the FAA found that ACAA's leasing practices are consistent with FAA policies.

Aircraft Rescue and Fire Fighting (ARFF)

ARFF is staffed with one fire chief, two deputies, six lieutenants, and forty-two firefighters. The unit typically receives approximately 1,400 emergency and 5,000-6,000 non-emergency calls during the year. The unit also has four FAA funded trucks and handles all hazards emergency response, which includes aircraft, structural, and first responders for paramedic services. Similar to Police Services, the fire rescue section participates in the Statewide Mutual Aid Program (Chapter 74 Local Organizations and Services 7504 C.) and performs off airport work, at least weekly to surrounding communities. Mutual aid agreements provide for reciprocal emergency assistance with adjacent communities. However, we learned during our interviews that PIT has not received reciprocal assistance from the off airport communities in decades because the need has not presented itself.

Recommendation: Except in cases of mutual aid and with the approval of the 14 CFR part 139 inspector, ARFF equipment cannot be used off airport for non-airport purposes. PIT should work with the Harrisburg Airports District Office and/or Eastern Region Office to determine whether the equipment can be approved for off airport use as part of a mutual aid agreement. In our view, mutual aid is generally offered in cases where there is a disaster emergency, a catastrophic situation, or an unusual event, and not in the cases of frequent routine firefighting calls to off airport jurisdictions. By using ACAA ARFF equipment and personnel on an ongoing, consistent basis, off-airport jurisdictions are being subsidized by ACAA resources and federal tax dollars.

Further, the FAA cautions PIT that the routine use of airport firefighting equipment and staff could result in inadequate Index D coverage at PIT. PIT must have the equipment, personnel, and fire suppression agents that meet the requirements of an Index “D” airport.

ACAA's Response: ACAA believes that mutual aid arrangements with local fire departments are critical to maximizing ARFF preparedness and training firefighters who rarely see actual fire emergencies on airport property. Annually, ACAA is inspected by the 14 CFR Part 139 inspector, and each inspector has been made aware of all mutual aid responses conducted in the period of inspection. To respond to your comment about off-airport work being performed at least weekly in surrounding communities, we conducted an analysis of all emergency responses in 2024. Out of 1,460 emergency responses, only 21 or 1.4% were mutual aid to surrounding communities. Additionally, your comment about PIT not receiving mutual aid or reciprocal assistance from off-airport communities in decades is not entirely accurate. Six adjacent community fire departments come to PIT for its FAA-mandated triennial full-scale exercise in preparation for high-hazard events that might occur on airport property. Adjacent communities also provide on-site support when air shows are conducted, both at PIT and AGC.

With respect to the four FAA funded trucks referenced above, we have identified the four vehicles and listed them below:

Vehicle #	**Description**	**Year**	**VIN**
Engine 8	PIERCE - DASH	2005	4PICD01H45A005197
Crash 10	OSHKOSH	2009	10TDKAK18AS166068
Crash 16	OSHKOSH	2011	10TDKAK11BS722913
Crash 3	OSHKOSH	2014	10TADLJF6FA773213

The last known off-property response of an FAA-funded ARFF vehicle was a train derailment that occurred on July 2, 2014, in Sewickley, which is one of the six adjacent communities with whom ACAA has mutual aid arrangements. As you can see below, this was an unusual event, and Crash Truck #16 responded to this incident.

PIT is obligated to notify the FAA when there will not be adequate Index D coverage. In the last 25 years, this has never occurred, including during the train derailment in 2014.

We don't believe we have violated any FAA regulations concerning mutual aid or minimum index coverage; however, we will take the following steps to ensure our regulators and firefighters are in complete alignment.

1) ACAA will update the ARFF Standard Operating Guidelines (SOG) at PIT with a new operating procedure that no FAA-funded vehicle within the 15-year FAA replacement guideline will be used for off-airport mutual aid responses without the express approval of the Fire Chief in cases where there is a disaster emergency, catastrophic situation, or an unusual event.
2) ACAA will work with the Harrisburg Airports District Office and/or Eastern Region Office to approve this new SOG procedure.
3) ACAA will inform the 14 CFR Part 139 inspector as part of each annual inspection.

FAA's Conclusion: After thoroughly reviewing ACAA's Corrective Action Plan (CAP) concerning the recommendation in the draft report, the FAA considers this matter closed. However, the FAA expects ACAA to provide a copy of the updated SOG upon approval by the Harrisburg Airports District Office and/or Eastern Region Office. Please be aware that the FAA reserves the right to reopen the recommendation until it is satisfactorily resolved/corrected.

Airport Marketing, Air Carrier Incentives, and Advertising

The marketing effort at ACAA focuses on revenue development, including campaigning for air service, concessions, parking, and a place where passengers can spend their travel dollars. ACAA does not engage in cooperative advertising with the air carriers and only acts in an advisory position. ACAA does engage with Visit Pittsburgh to advertise and campaign for the airport to attract international visitors, which is discussed later. The Marketing staff stated that they do not participate in and pay for any tourism marketing, which is prohibited by FAA Policy.

ACAA currently has an incentive program to attract new services. The focus is on the West Coast of the United States, a regional program for States that border Pennsylvania, unserved domestic, international, Caribbean, and Latin America routes. Incentives are offered for non-stop, new service, not for markets currently served. Incentives can include marketing reimbursement, terminal fee waivers, gate use waivers, and parking waivers, and can last one or two years. Incentives are funded by the State Department of Community and Economic Development grants and are distributed from ACAA accounts. ACAA currently offers an incentive program to Breeze Airways for its direct flights to Portland, Maine, and Islip, New York, which is ending in May 2024. Starting this year, ACAA is offering a new incentive to Icelandair for two years for flights to Reykjavik. This incentive was offered to all carriers at PIT and provided marketing and start-up costs.

ACAA pays $200,000 per year for membership in a Travel Cooperative with Visit Pittsburgh to support the cooperative's mission to increase air travel, tourism, and inward investment from markets including Germany, the United Kingdom, China, and the West Coast/Bay area. In addition, "the Cooperative's activities include attendance at three major international trade shows (IPW, ITB, and World Travel Market) and employing in-market marketing/PR firms to heighten awareness and interest in Pittsburgh and its airport and, in doing so, promote increased air service, travel/tourism, and inward investment." The purpose of the Cooperative also appears to stimulate economic development in the greater Pittsburgh area. The other parties in the agreement include Visit Butler County, Visit Washington County, the Allegheny Conference on Community Development, and the Pittsburgh Technology Council. Visit Pittsburgh is an organization whose purpose is to promote the business interests of its members and the general economic development of the Pittsburgh area. Further, they are the official tourism promotion agency for Allegheny County. The "use of airport revenue for general economic development, marketing, and promotional activities unrelated to the airport or airport system" is prohibited. The Policy and Procedures Concerning the Use of Airport Revenue (Policy) prohibits the use of airport revenue for general economic development, and the promotion of business interests is general economic development.

The Visit Pittsburgh website does not appear to make any reference to the airport, but rather general economic development for area businesses and attractions. We believe the Memorandum of Understanding (MOU) provided does not adequately support the requirement of allowable marketing expenses; therefore, the FAA has no choice but to question the cost. In addition, it is unclear whether ACAA staff attend the trade shows. If ACAA believes the

Cooperative membership is consistent with PIT's efforts to enhance the direct marketing of its air service, the FAA can review additional supporting documentation to ascertain whether any of the costs qualify as allowable uses. We recognize that quantifying the exact amount of benefit ACAA receives from the Cooperative is difficult to ascertain, however, the FAA questions such fees because the mission Visit Pittsburgh is general economic development, which the Policy prohibits.

FAA's Questioned Costs:

1) Since the Policy prohibits the use of airport revenue for general economic development, the FAA must ensure that ACAA only uses airport revenue for allowed marketing activities. The travel cooperative appears to be shared marketing activities where the ACAA share is only a portion of the expenditures related to the Travel Cooperative. We request that ACAA respond to the following:

    - Visit Pittsburgh's method for allocating costs to the various parties.
    - How would the cost qualify as an airport expense under the Policy on revenue use?
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    - Does Visit Pittsburgh determine the value?
    - How was $200,000 determined as the value of services received by PIT?

Once the FAA obtains this additional information, we will be better able to evaluate whether the expenditures conform to FAA Policy. It will be helpful if PIT includes examples of the products delivered as a result of the expenditure.

ACAA's Response: ACAA understands that marketing expenses paid to Visit Pittsburgh cannot be for general economic development for area businesses and attractions under FAA policy. The arrangement with Visit Pittsburgh, as you accurately identified in the Memorandum of Understanding, is for ACAA to pay up to $200,000 per year for membership in this travel cooperative; however, the actual amounts paid to Visit Pittsburgh were much less. Since Visit Pittsburgh's fiscal year does not align directly with ACAA's fiscal year, we have provided the invoice details covering the period from September 1, 2022, through August 31, 2025.

Membership Dues	September 1, 2022- August 31, 2023	$7,130
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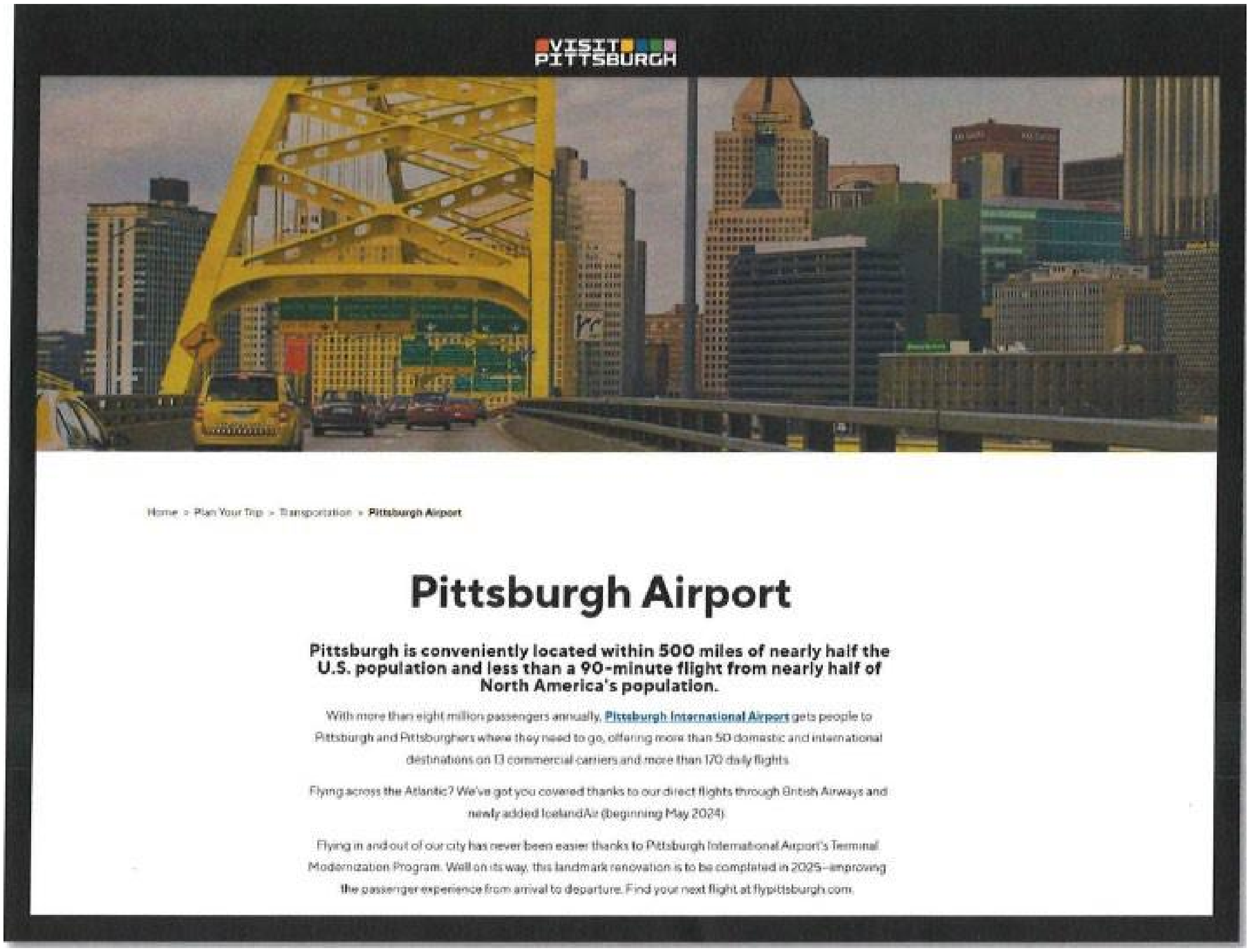

Although the page where PIT is featured is not as prominent as we would like, we do believe that an average of $7,320 per year is fair market value for inclusion on their website.

Additionally, Visit Pittsburgh was paid $5,000 in 2023 for services rendered in association with its 2022 Official Visitors Guide. PIT can be seen featured on pages 72 and 75 using the following link:

https://issuu.com/visitpittsburgh/docs/pittsburgh-official-visitors-guide-2022

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed. However, we caution ACAA on engaging with these types of organizations, because their mission is general economic development, which the Policy prohibits.

Recommendation:

2) The FAA Policy allows an airport sponsor to provide limited technical assistance and advice to another entity administering such subsidy programs that are funded with non-airport revenue. Non airport funds may not be commingled with airport revenue, and the airport staff's role must be strictly advisory in nature. Going forward, any State funds for incentives should be administered directly from the State and should not be commingled with airport funds.

ACAA's Response: The Commonwealth of Pennsylvania Department of Community and Economic Development (PaDCED) grant funds have segregated financial project coding, are separately tracked, and are held in an ACAA interest-bearing account separate from the operating account. The procedures in place meet the PaDCED Grant Execution requirement that funds be held in a separate interest-bearing account that is insured by the FDIC in order to maximize yield and minimize uninvested funds. Additionally, any interest earnings exceeding $500 are paid to the Commonwealth of Pennsylvania and submitted simultaneously with the Grantee's Project Audit or Closeout Report. PaDCED grants require all contracts greater than $100,000 to have a final audit of the entire project within 180 days of termination of project activities. These audits are performed by a certified public accountant, and all audits have resulted in unqualified opinions.

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed.

Art in Public Places

The ACAA Arts Program at PIT seeks to maintain visual arts exhibitions, weekly music performances, and exhibits that provide a sense of place (e.g., falling water, regional locations) throughout the landside and airside terminals. PIT presents 15-20 exhibits annually, and contracts are managed through the ACAA legal department. The visual arts exhibits are temporary, rotated on a quarterly basis, and consist of both fixed and movable pieces. All pieces are selected by the Art Advisory Committee in collaboration with ACAA management. ACAA then pays the local artists small amounts to display the pieces selected. ACAA owns very few pieces and has not recently purchased any, nor has it had any disposals. ACAA is not involved with art sales of the displayed pieces and refers prospective buyers to the local artist. All art is insured by ACAA's master building insurance policy.

Recommendation: The FAA noted no concerns or irregularities with the Art Program at ACAA.

Police and Security Services

Police Services for ACAA are provided by an intergovernmental contract with Allegheny County (County). The County provides security, patrolling, and arrest powers at PIT on a 24/7 basis and also responds to the smaller Allegheny County Airport. The main PIT station consists of 6,000 square feet and has five offices, two locker rooms, two holding cells, a detention center, a kitchen, a report room, and various storage spaces. Other facilities include an airside station, concourse offices, and a K-9 area. TSA requires a sufficient number of staff to operate at PIT.

District 1 station has 81 fully trained and licensed officers assigned to PIT with 11 posts located throughout the airport. ACAA mandates that all officers must be within a five-minute response time of any incident. The Officers also issue citations, patrol parking lots, make arrests, and work with other municipalities involving warrants and exchanges of prisoners. ACAA reimburses the County for direct costs, which are defined as wages, salaries, and hourly rates of County Police, and non-direct costs and administrative charges.

ACAA also has Aviation Security and Customer Experience Specialists (ACTS) which ensures visitors and employees have proper badging and handle the security at the gates and doors.

ACAA provides special security details for VIPs, which may include celebrities or dignitaries, on as needed basis. We learned that 2023 was a very busy year at PIT for VIPs. Officers provide security assistance even off airport property, and VIPs are escorted to their final destination.

County Police officers assigned to PIT conduct off airport work. The officers do not track their time for off airport calls and cite the need for this service to municipal mutual aid agreements in accordance with Pennsylvania State Law. The mutual aid agreement with adjacent political subdivisions provides reciprocal emergency assistance (Chapter 74 Local Organizations and Services 7504 C.). In our view, mutual aid is generally offered during unusual events or catastrophic disasters and not in the cases of routine day to day police work. We learned during our interviews that Officers who are assigned and billed to ACAA are routinely conducting off airport work with no reimbursement given to ACAA.

Recommendation: 49 USC §§ 47107 (b) & 47133, *Revenue Use Policy, and Grant Assurance No. 25* provide "the revenues generated by an airport that is the subject of federal assistance may not be expended for any purpose other than the capital or operating costs of:

(1) The airport;

(2) The local airport system; and

(3) Any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property.

As such, ACAA needs to ensure the County implements a recordkeeping system to track when County Police officers assigned to the airport conduct off-airport work. Specifically, the FAA expects ACAA to implement a tracking system that ensures that ACAA only pays for airport security related police services. As part of the tracking system, the FAA also expects personnel assigned to PIT on a full-time or full-time equivalent basis (the number of total hours worked divided by the maximum number of compensable hours in a full-time schedule) will track the time spent off-airport and the total time deployed. Periodically, the County will report the cost of the off-airport time for each position. The aggregate of all off airport costs will then be deducted from ACAA's payments of the County's monthly bills.

ACAA's Response: The Allegheny County Police Department (ACPD) is currently in the process of evaluating the level of policing and incident response to areas that are outside of airport property. As you point out, there is no automated recordkeeping system to track this time; as such, the ACPD is manually reviewing its records. We will inform the FAA of the results of this analysis and the next steps we intend to take. Please note that the agreement with the ACPD is set to expire on October 31, 2025. The ACAA will ensure that recommended operational and financial changes are incorporated into the negotiation of the next agreement.

FAA's Conclusion: The FAA has reviewed your response and considers the matter closed at this time. However, the FAA expects ACAA to provide the necessary updates as promised, as well as an executed copy of the new agreement with the ACPD when it becomes available.

Noise Land Program

In the 1990s, PIT was expanding rapidly and became a hub for US Airways. Noise contours were quite expansive due to the larger operation. By 2000, PIT ended its noise acquisition program as operations began to slow. By 2006, PIT had a tremendous drop in operations, which was one fourth of the previous years. As a result, the noise contours have shrunk, and the western side of the airport has a low market value. Currently, PIT is in maintenance mode with no expanding or contracting of noise land, with properties being maintained as noise buffers. Any disposals would involve the FAA and go through the formal land release process. Proceeds from the sale of noise land would be applied to future AIP projects. There is currently no sound insulation program for residential properties. PIT currently has its Noise Land Inventory and Noise Land Reuse Plan on file with the Harrisburg ADO.

Recommendation: The FAA noted no irregularities with the Noise Land Program at ACAA.

Fleet Services

ACAA has over 400 pieces of equipment, which include 200-300 trucks and vehicles, ARFF, and snow removal equipment. Between four and six mechanics handle all maintenance, except outside contractors are used to work on the heavy trucks, such as ARFF vehicles. Disposals are handled by auction, and any proceeds are credited to the next Airport Improvement Program grant or an airport account. On average, once a year, ARFF trucks and snow removal equipment are dispatched to other locations throughout PA as part of mutual aid requests.

Recommendation: The FAA generally found no issues concerning Fleet Services; however, if not already in place, ACAA should work with the FAA Harrisburg Airports District Office and/or Eastern Region Office to determine whether ARFF or other FAA funded equipment can be approved for off airport use as part of mutual aid agreements.