



FAA
Airports

Airport Investment Partnership Program

FAA Reauthorization Act of 2018 amendments to 49 U.S. Code § 47134 replacing the Airport Privatization Pilot Program

Section 160 of the FAA Reauthorization Act of 2018 (Pub. L. No. 115-254 (October 4, 2018)) amended 49 U.S.C. § 47134 to eliminate the limit on the number of airport privatization applications the FAA could approve and to make other revisions to FAA review of airport privatization applications. The changes made by Section 160 to the FAA approval process for airport privatization are:

1. The limit of 10 airports that FAA could approve for privatization is deleted. With this change, FAA approval of airport privatization is no longer a pilot program, and Congress has renamed the program the Airport Investment Partnership Program.
2. If an exemption is granted to an airport sponsor from the requirement to use airport revenues for non-airport purposes under § 47134(b)(1), then the FAA must grant an exemption to the sponsor from repaying federal grant funds under § 47134(b)(2).
3. If an exemption is granted to an airport sponsor from the requirement to use airport revenues for non-airport purposes under § 47134(b)(1), the FAA must grant an exemption to the private purchaser or lessee to allow the purchaser or lessee to earn compensation from operation of the airport under § 47134(b)(3).
4. The FAA may accept applications from a sponsor for privatization of multiple airports if all of the airports are under the control of the sponsor and all are located in the same state.
5. Partial privatization: A public airport sponsor may have an interest in the private entity that purchases or leases the airport.

This new section authorizes joint public and private ownership of the company that operates the airport, and applies to operation of an entire airport. There are currently no examples of this kind of airport organization in the United States. Before issuing further guidance, the FAA is reviewing examples of partial privatization in Europe and other parts of the world and also reviewing any constraints that might affect the availability of this option in the U.S.

Note that this section does not apply to private development and operation of individual facilities on an airport, such as a terminal. Privatization projects of that nature have already been developed in the United States without agency review or approval under § 47134. Those projects provide a return on investment to the private developer/operator, and have not required an exemption under § 47134(b)(3).

6. FAA may fund a grant of up to \$750,000 for predevelopment planning costs related to preparation of a privatization application or proposed application.