



100 - Airport Improvement Program (AIP)

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General (8/16/12)

The Airport Improvement Program (AIP) is a federal grant-in-aid program that represents a major source of funding for airport development and planning. Originally established in 1982 with the passage of the Airport and Airway Improvement Act, the Office of the Law Revision Counsel re-codified the AIP in 1994 as Chapter 471 of Title 49 of the United States Code (U.S.C). Several amendments have occurred since this time to address annual authorizations and other program changes. AIP funds originate from the Airport and Airway Trust fund, which draws support from user fees, fuel taxes and other revenue sources.

The FAA refers to recipients of AIP grants as "Sponsors". A Sponsor's eligibility to receive funds under the AIP program varies per the type of airport and the type of proposed project. In general, a sponsor may be a public agency, a private owner, or a State entity that is associated with a public-use airport. Sponsors must be legally, financially, and otherwise able to carry out the assurances and obligations contained in the project application and grant agreement.

Limitations of Use

Users of this guide shall note the obligation for any required action addressed within this guidance originates within applicable Federal directives such as United States Code (USC), Public Law (PL), Code of Federal Regulations (CFR) and official FAA policies. The supplemental information provided in this guidance does not establish additional requirements for participation in the AIP.



110 - Overview

Eligibility (6/28/13)

The AIP is a permissive program. The expenditure of public funds is proper only if authorized by Congress. Proper expenditure of public funds does not rely on Congress establishing prohibitions of us (*US Supreme Court*).

What this means is that in order to be eligible under the AIP, the statute must allow the expenditure. Evaluation of AIP eligibility is more a case of “Where in the statute does it allow a given project development” rather than “Where does it state that the AIP cannot participate in a project cost?”

In general, eligible projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. Sponsors may use AIP funds for select airfield capital improvements, justified land acquisitions, and acquisition of approved safety equipment. Such improvements must be for areas that are public-use and non-exclusive.

Ineligible improvements include:

- Landscaping
- Artwork
- Parking facilities
- Airport operational costs (i.e. salaries, normal maintenance services, operations equipment, and supplies)
- Exclusive use and near exclusive use areas (i.e. FBO support areas on an apron)

FEDERAL SHARE (6/28/13)

The AIP does not reimburse sponsors the full amount of a project expense. The amount of reimbursement will vary per the type of sponsor. This participation can change with each re-authorization action. As of the date of this guidance, the following AIP participation rates apply:

Primary airport - Large and medium hub:

- The Federal share is **75%** of AIP eligible expenses;
- Exception - noise program implementation is **80%** Federal participation.

Remaining airports

- The Federal share is **90%** of AIP eligible costs.
- Exception – Airports in economically distressed areas as defined annually by FHWA have a **95%** Federal participation.
- Includes small primary, non-primary, relievers, and general aviation airports

PROJECT PRIORITY (8/16/12)

Because the demand for AIP funds exceeds the availability, the FAA bases the distribution of limited AIP funds on current national priorities and objectives. Projects that rate a high priority will receive higher consideration for funding over those projects with lower priority ratings.

Each fiscal year, the FAA apportions AIP funds into major entitlement categories such as enplanements, non-primary and state apportionment funds.

The FAA distributes the remaining funds to a discretionary fund. Set-aside projects (Airport noise and the Military Airport Program) receive first attention from this distribution. The funds that remain after the set-asides are true discretionary funds the FAA distributes based on a national prioritization system.

The FAA distributes discretionary funds to projects that best carry out the purpose of the AIP, with highest priority given to safety, security, reconstruction, capacity and standards.



120 - Checklists for Typical AIP Projects

Checklists (6/28/13)

The checklists provide below present a basic outline of steps necessary of the Sponsor for a typical AIP funded project. As each project may present unique situations, users should not construe these checklists as being comprehensive and inclusive of all steps required for the proper administration of an AIP funded project. In addition, certain steps may not be necessary for all types of project.

Checklists:

- [AIP Development Project](#)
- [Land Acquisition Project](#)

To ensure an efficient distribution of limited AIP funds, the FAA strives to issue all grants based upon defined project costs. Sponsors along with their consultants should strive to establish defined values for project costs prior to May 1st of each fiscal year. Failure to define projects costs by this deadline may jeopardize funding for Sponsor's project for that fiscal year.



130 - Sponsor Eligibility

Who is Eligible to receive AIP funds? (8/16/12)

A Sponsor's eligibility to receive funds under the AIP program varies per the type of sponsor and the type of proposed project activity. In all cases, the sponsor must be legally, financially and otherwise able to assume and carry out the obligations required of an AIP grant agreement. In general, the different types of sponsors are as follows:

Planning agencies - Agencies such as state planning agencies or metropolitan planning agencies may qualify as a sponsor provided the organization is authorized by appropriate State or local laws. These grants are typically planning type grants.

Public Agencies that own the airport - Public agencies such as State, county, local municipalities, or other political subdivisions that maintain ownership of an airport may qualify as an AIP Sponsor. Sponsorship may include agreements for Airport Master Planning, Noise compatibility planning, Noise program implementation, and airport development projects.

Certain Public Agencies that do not own an airport - Public agencies such as State, county, local municipalities or other political subdivisions that do not maintain ownership of an airport may

qualify as an AIP Sponsor. Such sponsorship is typically limited to master planning for new airports, acquisition of existing airports and noise program implementation.

Certain Privately owned airports - Individuals, partnerships or corporations who own and operate an airport intended for public-use may qualify as an AIP sponsor provided they operate as a reliever airport or have at least 2,500 annual passenger boardings. Privately owned airport sponsors are eligible for airport development projects, airport master planning, noise compatibility planning, and noise program implementation.

State Sponsorship - A State may act as a sponsor whether or not it owns the airport. If the State does not maintain ownership, the State sponsorship must satisfy three statutory provisions

1. The sponsor must consent in writing to State Sponsorship
2. There shall be administrative merit and aeronautical benefit to State Sponsorship
3. There must be an agreement acceptable to the FAA that assures compliance with grant provisions



140 - Project Eligibility

What Projects are Eligible? (8/16/12)

Eligible sponsors under the Airport Improvement Program (AIP) may apply for funding of certain projects subject to a FAA determination of project eligibility. Such projects typically fall within the categories of airport planning, airport development, land acquisition, and noise program implementation. All AIP funded projects must meet the following general requirements:

- The project sponsorship requirements are met,
- The project is reasonably consistent with the plans of local planning agencies,
- Sufficient funds are available for the portion of the project not paid for by the United States,
- The project can be completed without undue delay,
- The airport location is included in the current version of the NPIAS,
- The project involves more than \$25,000 in AIP funds,
- The project is depicted on a current airport layout plan approved by the FAA

AIP Statute (8/16/12)

The statute establishes the authority for what improvements a Sponsor may apply AIP funds.

Eligible projects generally include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. If the statute does not specifically allow a particular development improvement, the FAA cannot apply AIP funds to that specific development improvement. Eligible projects are also limited to improvements that are public use areas. Sponsors may only apply funds to improvements to areas that are non-exclusive and public use.

Prohibitions (8/16/12)

There are some noted prohibitions on using AIP funding for certain projects. Projects related to airport operations and most revenue-generating improvements are typically not eligible for airport participation. Prohibitions also exist for art, landscaping, certain public parking facilities, and some aircraft hangars. Recent changes in the AIP authorization (Vision 100) now permit AIP to fund some projects, which have historically been ineligible, at non-primary airports. Please direct specific questions regarding AIP eligibility to the airport planner for the specific airport.

The table below lists typical examples of eligible and non-eligible projects. Please note that this listing does not represent a comprehensive listing of eligible versus ineligible projects.

Table 1 – Project Eligibility

Eligible Projects	Ineligible Projects
Aircraft hangars (Non-Primary airports only)	Artwork
Airfield drainage	Development that exceeds FAA Standards
Airfield lighting	Development for Exclusive Use
Airfield signage	Improvements for commercial enterprises
Apron construction/rehabilitation	Industrial park development
Environmental Studies	Landscaping
Fuel farms (Non-Primary airports)	Maintenance equipment (e.g. Mowers)
General Aviation Terminal Buildings	Marketing plans
Land acquisition	Office equipment
Certain Nav aids (e.g. REILs, PAPIs)	Training
Planning Studies	Airport Operations Costs
Runway construction/rehabilitation	FBO support areas
Safety Area improvements	Airport Vehicles
Taxiway construction/rehabilitation	
Weather observation stations (AWOS)	



150 - AIP Obligations

Grant Obligations (8/16/12)

When Sponsors receive Federal assistance, they also accept certain obligations and conditions associated with that assistance. Sponsor may incur these obligations by contract or by restrictive covenants within property deeds. These generally involve one of the following:

- Agreements issued under Federal grant programs
- Instruments of approved property transfers
- Deeds of conveyance

Airport owners and operators who accept a Federal grant are obligated to maintain and operate their facility in a safe and efficient manner. Acceptance of the grant also invokes certain conditions and assurances for which the sponsor must comply. These conditions and assurances become binding contractual obligations between the sponsor and the United States.

Obligations may span different grant development programs. The FAA has administered three such development programs:

1. Federal Airport Aid Program (FAAP)
2. Airport Development Aid Program (ADAP)
3. Airport Improvement Program (AIP)

Airport owners should be aware that obligations incurred under each program or conveyance document can vary.

The following list identifies some of the common obligations for an airport owner. This list is not inclusive of all such incurred Federal obligations.

- Prohibition on Exclusive Rights
- Utilization of Airport Revenue
- Proper Maintenance and Operation of Airport Facilities
- Protection of Approaches
- Maintaining Good Title of airport property
- Compatible Land Use
- Availability of Fair and Reasonable Terms without unjust discrimination
- Adherence to the approved Airport Layout Plan
- Sale or Disposal of Federally acquired property
- Preserving Rights and Powers
- Maintaining acceptable accounting and record keeping systems
- Compliance with Civil Rights requirements
- Compliance with Disadvantaged Business Enterprise (DBE) requirements

We encourage airport owners to thoroughly review and understand each executed agreement and conveyance document to verify the exact obligations they have accepted. We also encourage Airport owners to establish a central point for record keeping purposes that permit readily available reference to their obligations. Annual reviews of all such agreements will greatly aid Sponsor efforts in complying with their Federal obligations.

RESOURCES

Advisory Circulars

- [AC 150/5190-6](#) - Exclusive Rights at Federally-Obligated Airports
- [AC 150/5190-7](#) - Minimum Standards for Commercial Aeronautical Activities

Grant Obligations

- [Airport Sponsor Assurances](#) (pdf) – April 2012
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf) – March 2005
- [Planning Agency Assurances](#) (pdf) – September 1999



160 - FAA Standards

Advisory Circulars (8/16/12)

The FAA establishes policies, guidelines and standards for the safe and efficient development of the national airspace system. The FAA conveys such standards and guidelines to the public through the FAA Advisory Circular system. Unless incorporated by regulation or binding agreement, standards and guidelines presented in an Advisory Circular are generally non-regulatory in nature.

HOWEVER, as a condition of receiving an AIP grant, Sponsors are bound to adhere to the standards and guidelines established within the Advisory Circulars specifically identified in the attachment to the grant agreement.

By accepting AIP grant (Assurance #34), Sponsors become obligated to comply with the standards established within the applicable Advisory Circular. Failure to comply with such standards is cause for

the FAA to disallow any cost associated with the non-standard item.

Assurance #34

Policies, Standards, and Specifications. It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated March 2011 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

A listing of applicable Advisory Circulars along with the grant assurances are an attachment to all grant agreements. Sponsors may not deviate from an FAA standard unless they obtain express written consent from the FAA that allows the non-standard application.

RESOURCES

Advisory Circulars

- [Advisory Circular Library: 150 Airports Series](#)
- [FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects](#) (.pdf)
- [Quick Cross Reference of FAA Standards](#)



170 - Non-Primary Entitlement Funds

Non-Primary Entitlement (8/16/12)

The passage of the Wendall H. Ford Aviation Investment and Reform Act for 21st Century (AIR-21) introduced a new funding source for general aviation airports, Non-primary entitlement. The subsequent AIP re-authorizations, Vision 100 and the FAA Modernization and Reform Act of 2012 retained Non-Primary entitlement funding with changes.

Non-primary entitlement funds are specifically for general aviation airports listed in the latest published National Plan of Integrated Airports (NPIAS), that show needed airfield development. General aviation airports with an identified need are eligible to receive annually the lesser value of the following:

- 20% of the 5-year cost of their current NPIAS value or,
- \$150,000

A funding condition of Non-Primary Entitlement is that Congress must appropriate \$3.2 billion or more for non-primary entitlement funds to exist in that fiscal year

When can I use the general aviation entitlement? (8/16/12)

Non-primary entitlement is available to use in the fiscal year it becomes available and the following three fiscal years. Sponsors may choose to delay using their entitlement the first, second or third year and use all of the money in the final year in order to fund a larger project.

Unused funds expire after four years unless the sponsor obligates the funds under a grant or transfers the funds to another NPIAS airport.

What projects are eligible for NPE funds? (8/16/12)

In general, Sponsors can use AIP funds on most airfield capital improvements and limited maintenance work. Vision 100 established that the allowable use of non-primary entitlement for limited revenue-generating areas such as terminals, hangars and fuel farms. Eligible maintenance projects include airfield pavement maintenance.

Normal airport operational costs such as salaries, mowing equipment and supplies remain ineligible.

Examples of Eligible vs. Ineligible Projects

Eligible Projects	Ineligible Projects
Runways, Taxiways & Aprons	Mowers
Airfield lighting	Debris sweepers
Airport layout plans Environmental Studies	Landscaping
Access roads located on Airport Property	Airport Vehicles (Trucks, cars)
Removing, lowering, marking and lighting hazards to aviation	Salaries
Drainage Improvements	Office equipment
Weather observation stations (AWOS)	Automobile parking lots
Land acquisition for eligible development	Industrial park infrastructure and buildings
Tree clearing in runway approaches	Business & marketing plans
Maintenance hangars	Training
T-hangars, Terminals	Exclusive Use Improvements
Fuel farms	Supplies



What are my obligations for accepting AIP funds? (8/16/12)

When an airport operator accepts a grant agreement, they incur specific obligations to the federal government for a period of twenty years. A few of these obligations are:

- They will operate and maintain the airport for this period,
- They will not grant exclusive rights to those providing aeronautical services
- They will not unjustly discriminate
- They will not allow any activity that would interfere with its use as an airport.

Is there anything else I should know? (8/16/12)

- The AIP grant pays for Federal share (e.g. 90%) of the total eligible costs included in the project. The sponsor is responsible for the remaining project costs (e.g. 10%).
- There is a provision for development grants that limit amendments to 15% of the original grant amount. The provision allows Sponsors to recover approved cost overruns they may encounter on the project. Sponsors **may not** add work to a project simply to reach the 15% overrun.

- Planning projects **cannot** be amended.
- Sponsor must have competitive bid prices that establish reasonable cost for the project.
- Sponsors must have an acceptable accounting system in place that can facilitate a third party audit and document disposition of grant proceeds.
- Sponsors must have an adequate record keeping system that maintains appropriate supporting project documentation.
- Sponsors receive reimbursement of the Federal share by electronic transfer (eInvoicing).
- Sponsors may not make advance drawdowns for projects costs that have not yet incurred.
- Sponsors must have a local authorized official who is responsible for administering the grant.
- Sponsor must incorporate appropriate Federal provisions into their procurement actions.

RESOURCES

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