



# Federal Aviation Administration

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## Memorandum

Date: MAY 24 2017

To: Regional Airports Division Managers, 610 Branch Managers,  
and ADO Managers  
Attention: PFC Contacts

From: Manager, Financial Analysis and Passenger Facility Charge Branch *Joe Lebert*

Subject: INFORMATION: PFC Update, PFC 70-17

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### **PFC 70-17. Expediting review of costs associated with PFC-funded contract towers.**

The FAA's authorizing statute specifically allows the use of certain categories of Airport Improvement Program (AIP) funds to support construction and equipment for contract towers meeting certain criteria. See FAA Order 5100-38D ("Airport Improvement Program") for further information.

By law, AIP funding for such towers is limited to \$2 million. That statutory limit does not apply to PFC funds. However, there is still a requirement (under the statutory provisions that authorize PFCs) for the FAA to determine whether the proposed cost is reasonable.

In 2006, in response to a court decision, the FAA established a requirement for airports to submit a detailed cost estimate for any PFC project over \$10 million—and that FAA personnel must conduct a detailed, comparative review of such projects before approving the PFC application.

The purpose of this PFC update is to remind FAA personnel that:

- PFCs can be used to support contract towers that meet the criteria for AIP funding;
- However, the statutory limit on AIP funds does not apply to PFC funding; and
- The requirement for detailed cost review applies to tower projects over \$10 million.

The FAA's Airports Financial Assistance Division has compiled information on historical contract towers and will make that data available upon request, primarily to assist Regional Offices in expediting their reviews. The FAA will also make the data available upon request to external stakeholders (particularly airports and their consultants) as they prepare design documents and cost estimates.

In addition, the Air Traffic Organization (Technical Operations and Air Traffic Services divisions) will continue to be prepared to help verify the reasonableness of tower siting, scope, height, cab size and other key design parameters. Please contact the Manager of the FAA's Financial Analysis and PFC Branch (APP-510) at (202) 267-3831 for further information.