

Chapter 4. Federal Grant Obligations and Responsibilities

4.1. Introduction. This chapter provides a brief description of the three FAA grant programs for airports, the duration of federal obligations, the useful life of grant funded projects, and the legislatively mandated sponsor compliance requirements. It is the responsibility of the FAA airports district offices (ADOs) and regional airports divisions to ensure that the sponsors understand and comply with their grant assurances.

4.2. Sponsor Federal Obligations Under Various Grant Agreements. Under the various federal grant programs, the sponsor of a project agrees to assume certain federal obligations pertaining to the operation and use of the airport. These federal obligations are embodied in the application for federal assistance as sponsor assurances. The federal obligations become a part of the grant offer, binding the grant recipient when it accepts federal funds for airport development.

a. Since 1946, the FAA has administered three grant programs for development of airports:

(1). The Federal Aid to Airports Program (FAAP) pursuant to the Federal Airport Act of 1946, as amended, until repealed in 1970.

(2). The Airport Development Aid Program (ADAP) pursuant to the Airport and Airway Development Act of 1970 (1970 Airport Act), as amended, until repealed in 1982.

(3). The Airport Improvement Program (AIP) pursuant to the Airport and Airway Improvement Act of 1982 (AAIA), as amended. (See Title 49 U.S.C. § 47101, et seq.)

b. Assurances Pertaining to Grant Agreements. Each of these FAA administered federal airport financial assistance programs required airport sponsors to agree to certain assurances under the authorizing legislation of the grant programs. Certain assurances remain consistent from one grant program to the next. Other assurances were added by legislative mandate as the grant programs developed. Some assurances were superseded over time. In addition, the FAA has statutory authority to prescribe additional assurances or requirements for sponsors. (See 49 U.S.C. § 47107(g).) Also, some grant agreements contain special covenants or conditions intended to address an airport-specific situation.

Federal Airport Act *May 13, 1946*

P.L. 377, 79th Congress
60 Stat. 170
49 U.S.C. 1101

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970¹

[Act of May 31, 1970, 84 Stat. 219; as amended by the Act of November 27, 1971, 85 Stat. 491; Act of June 18, 1973, 87 Stat. 88; and Act of July 18, 1976, 90 Stat. 871]

TITLE I—AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

Part I—Short Title, Etc.

SECTION 1. SHORT TITLE. (49 U.S.C. 1701 Note)

This title may be cited as the "Airport and Airway Development Act of 1970".

SEC. 2. DECLARATION OF POLICY. (49 U.S.C. 1701)

The Congress hereby finds and declares—
That the Nation's airport and airway system is inadequate to meet the current and projected growth in aviation.

That substantial expansion and improvement of the airport and airway system is required to meet the demands of interstate commerce, the postal service, and the national defense.

That the annual obligational authority during the period July 1, 1970, through September 30, 1980, for the acquisition, establishment, and improvement of air navigational facilities under the Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.), should be no less than \$250,000,000.



The useful life of a federally funded airport development project extends only for the period during which it is serviceable and usable with ordinary day-to-day maintenance. Reconstruction, rehabilitation, or major repair of a federally funded airport project without additional federal aid does not automatically extend the duration of its useful life as it applies to grant agreements. Land, however, has no limit to its useful life. As such, obligations associated with land do not expire. (Photo: National Oceanic and Atmospheric Administration (NOAA))

c. Special Project Conditions. This Order generally does not address special conditions under which the FAA funded a particular project. An example of a special condition might be that funds would be withheld if land for a safety area were not acquired within a prescribed time period. Special conditions and assurances are enforced in the same manner as standard assurances.

4.3. The Duration of Federal Grant Obligations. Federal obligations relating to the use, operation, and maintenance of the airport remain in effect throughout the useful life of the facilities developed under the project, but not to exceed 20 years. In cases where land was acquired with federal assistance under AIP, the federal land obligations remain in perpetuity. In cases where land was acquired with FAAP or ADAP grants, FAA should review the language of such grants when it is necessary to determine the status of the sponsor's obligations since most FAAP land grants and some ADAP grant documents do not impose a perpetual obligation. For disposal of a specific parcel, the sponsor's obligation to reinvest the proceeds may depend on the grant history for that particular parcel. (More information about this process is contained in this Order in chapter 22, *Releases from Federal Obligations.*) Before concluding that a sponsor's

grant obligations have expired, the FAA should review all land grants at the airport to ensure that no land grant contains a perpetual obligation. All AIP land grants and most surplus property deeds of conveyance include the obligation to operate the airport property as an airport in perpetuity.

Additionally, there are three assurances for which the obligation continues without limit as long as the airport is used as a public use airport: Grant Assurance 23, *Exclusive Rights*; Grant Assurance 25, *Airport Revenues*; and Grant Assurance 30, *Civil Rights*.

Private sponsors have the added requirement that the useful life of federally assisted projects shall be no less than 10 years from the date of acceptance of federal aid. (Public sponsors do not have this minimum useful life requirement.) The actual grant agreement should be consulted to verify the federal obligations sponsors agreed to and to ensure the sponsor is being held to those assurances. This Order does not replace reading the obligating documents.

4.4. The Useful Life of Grant Funded Projects. The useful life of a federally funded airport development project extends for the period of time during which it is serviceable and usable with ordinary day-to-day maintenance.

Reconstruction, rehabilitation, or major repair of a federally funded airport project without additional federal aid does not automatically extend the duration of its useful life as it applies to grant agreements. Generally, improvements are presumed to last at least 20 years because they are built to FAA standards. If new grants are issued for reconstruction, rehabilitation, or major repair, a new useful life period begins.

An airport sponsor cannot shorten its obligations by allowing projects to deteriorate. FAA regional airports divisions make the determination of when the useful life has expired on a federally funded project that needs reconstruction, rehabilitation, or major repair in order to continue serving the purpose for which it was developed. See paragraph 4.6.h of this chapter for detailed guidance on the duration of grant obligations.

In cases where land was acquired with federal assistance, the federal obligations relating to the use, operation, and maintenance of the airport generally remain in perpetuity.

4.5. Airport Sponsor Compliance. Legislatively mandated sponsor assurances have varied over time due to statutory amendments and project specific circumstances. Therefore, in assessing an airport sponsor's compliance status, the FAA must review each grant agreement entered into by the airport sponsor and the FAA in order to determine the airport sponsor's federal obligations accurately and to assess the sponsor's compliance with the applicable assurances.

4.6. Federal Obligations under the Basic Grant Assurance Requirements. This section discusses the different assurance lists and airport grant programs. Airport sponsors accept these

assurances as a condition of receiving grant funds under the AIP for projects that involve airport development, noise mitigation, and airport planning.

When the airport sponsor accepts the grant, the assurances become binding contractual federal obligations between the sponsor and the FAA. It is the responsibility of the ADOs and regional airports divisions to ensure sponsors understand and comply with their assurances.

a. Standard Sponsor Assurances. FAA uses three separate sets of standard sponsor assurances:

(1). Airport Sponsors (owners/operators).

(2). Planning Agency Sponsors.

(3). Nonairport Sponsors Undertaking Noise Compatibility Program Projects (referred to as nonairport sponsor assurances).

b. Types of Grant Programs or Projects. There are five types of airport grant programs or projects that include assurances from one of the three sets of standard assurances:

(1). Airport development programs undertaken by an airport sponsor.

(2). Noise compatibility programs undertaken by an airport sponsor.

(3). Planning projects undertaken by an airport sponsor.

(4). Planning projects undertaken by planning agency sponsors.

(5). Noise compatibility programs undertaken by nonairport sponsors.

c. Groupings. Grant agreements list the assurances in three separate groups:

(1). Group “A” *General*, sets forth the basic requirement



The FAA may also award grants to nonairport sponsoring government entities for noise compatibility programs. These could include adjacent communities to the airport that are impacted by aircraft landing or taking off, but which are not sponsors of that airport. The assurances for these grants bind the recipients to specific federal obligations. While these assurances are similar to the airport sponsor assurances, there are differences; they follow a different numbering scheme and exclude airport-specific requirements. (Photo: FAA)

binding the sponsor to all federal grant assurances.

(2). Group “B” *Duration and Applicability*, establishes the length of time that assurances remain in effect and identifies which assurances apply to the various programs or projects.

(3). Group “C” *Sponsor Certification*, lists all of the standard assurances that the sponsor must adhere to under the grant agreement.

d. Group A. The *General* assurance states the basic requirement for the sponsor to abide by all applicable assurances as a condition of accepting a federal grant for airport development, noise compatibility, and airport planning. The general assurance requires the sponsor to include these assurances as part of its grant application. When the sponsor accepts the grant offer, FAA incorporates these assurances into the grant agreement. When the sponsor accepts, the agreement binds both the federal government and the sponsor to its terms.

e. Group B. The *Duration and Applicability* assurance identifies those assurances that apply to different types of grant programs and specifies the length of time the assurances remain in force.

f. Group C. As of September 2009, there were 39 numbered assurances in the *Sponsor Certification* group for airport sponsors. All of these assurances apply to airport development programs and noise compatibility programs undertaken by an airport sponsor, but only 11 of them apply to planning projects undertaken by an airport sponsor.

g. Grant Assurance Applicability.

(1). **Airport Sponsor Airport Development and Noise Compatibility.** Requirements for airport development and noise compatibility programs undertaken by airport sponsors are the same. All 39 standard grant assurances for airport sponsors apply.

(2). **Airport Sponsor Planning.** Requirements for airport sponsor planning projects are different from airport sponsor development or noise compatibility programs. Several of the numbered assurances for airport sponsors apply to airport planning projects: Grant Assurance 1, *General Federal Requirements*; Grant Assurance 2, *Responsibility and Authority of the Sponsor*; Grant Assurance 3, *Sponsor Fund Availability*; Grant Assurance 5, *Preserving Rights and Powers*; Grant Assurance 6, *Consistency with Local Plans*, Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements*; Grant Assurance 18, *Planning Projects*; Grant Assurance 30, *Civil Rights*; Grant Assurance 32, *Engineering and Design Services*; Grant Assurance 33, *Foreign Market Restrictions*; and Grant Assurance 34, *Policies, Standards, and Specifications*. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the planning project. In addition, Grant Assurance 25, *Airport Revenues*, will apply where the planning grant applies to a specific airport.

(3). Nonairport Sponsor Noise Programs. The FAA may also award grants to nonairport sponsoring government entities for noise compatibility programs. These would include adjacent communities impacted by aircraft noise, but which are not sponsors of that airport. The assurances for these grants bind the sponsors to specific federal obligations. While these assurances are similar to the airport sponsor assurances, there are some differences. Specifically, these assurances follow a different numbering scheme and exclude



Grant Assurance 4, Good Title, requires the airport sponsor to assure that good title exists or that the sponsor will acquire good title for any property where federal funds will be used. For airport development programs, the sponsor must assure that the sponsor, another public agency, or the federal government holds good title to the airfield or airport site. If not, the sponsor must give its assurance that it will acquire good title satisfactory to the Secretary. (Photo: FAA)

airport-specific requirements. For example, airport sponsor Grant Assurance 19, *Operation and Maintenance*, includes a section on operating the airport to serve aeronautical users. This applies only to airport sponsors and is not part of the assurance for nonairport sponsors. For nonairport sponsors, the comparable assurance on operation and maintenance includes only the last section of Grant Assurance 19, *Operation and Maintenance*, which requires the grant recipient to operate and maintain noise compatibility items or noise program implementation items obtained with federal funds. Even though the assurances for airport sponsors and nonairport sponsors have different numbering and vary slightly, the subjects addressed are consistent.

(4). Planning Agency Sponsors. A planning agency sponsor is a governmental entity that has planning responsibilities for an area that includes an airport, but is not the airport sponsor. A separate set of standard assurances applies to planning agency sponsors. Several of the applicable assurances mirror the assurance topics for airport sponsor planning projects, but the language is slightly different.

A planning agency sponsor is a governmental entity that has planning responsibilities for an area that includes an airport, but is not the airport sponsor.

h. Grant Assurance Duration.

(1). General. Most of the assurances remain in effect for the useful life of the facilities developed, equipment acquired, or project items installed in the facilities, not to exceed 20 years. Some assurances have no limit on the duration of terms; they remain in effect as long as the airport remains an airport. This is true for Grant Assurance 23, *Exclusive Rights*; Grant Assurance 25, *Airport Revenues*; and Grant Assurance 30, *Civil Rights*. In addition, under AIP grants, the duration of the terms, conditions, and assurances do not expire with respect to real property acquired with federal funds (land and appurtenances, when applicable) as covered by Grant Assurance 4, *Good Title*; Grant Assurance 31, *Disposal of Land*; and Grant Assurance 35, *Relocation and Real Property Acquisition*.

(2). Intended Purpose. The FAA Office of Chief Counsel has indicated the FAA may determine the useful life of an airport or airport facility has expired if it is no longer used or needed for the purpose for which it was developed.



Although not specifically mentioned in the standard grant assurances, the accepted useful life for personal property acquisitions, such as aircraft rescue and fire fighting (ARFF) or snow removal equipment is generally less than 20 years. The federal obligations associated with new ARFF equipment purchased with AIP funds is ten (10) years unless stated otherwise. The normal useful life of a piece of snow removal equipment is about ten (10) years. (Photos: FAA)



(3). Equipment. Although not specifically mentioned in the standard grant assurances, the accepted useful life for personal property acquisitions, such as aircraft rescue and fire fighting (ARFF) or snow removal equipment is generally less than 20 years. The duration of this federal obligation for equipment was generally one (1) year in cases where surplus used personal property was accepted from the U.S. Government; however, the federal obligations associated with new ARFF equipment purchased with AIP funds is ten (10) years unless stated otherwise. The normal useful life of a piece of snow removal equipment is about ten (10) years. (See Program Guidance Letter 08-04, *AIP Eligibility for Snow Removal Equipment (SRE)*, dated April 24, 2008, which is available online. See also chapter 23 of this Order, *Reversions of Airport Property*, for information related to the release of personal property federal obligations.)

(4). Private Airport Sponsors. The requirements for airport development and noise compatibility programs undertaken by an airport sponsor apply to both public agency sponsors and private sponsors. However, for private sponsors there is an added requirement that the minimum applicable duration will not be less than ten (10) years, regardless of the useful life.

i. Agency Responsibilities. The Airport Compliance Division (ACO-100) deals primarily with the set of standard assurances for airport sponsors. The FAA Office of Airport Planning and Programming (APP) handles issues involving standard grant assurances for planning agencies and nonairport sponsors. The ADOs and regional airports divisions ensure that the sponsor understands and complies with the applicable assurances.

4.7. through 4.10. reserved.

Table 4.1 Grant Assurance Applicability

Grant Assurance	Airport Sponsor			Nonsponsor	
	Development	Noise	Planning	Noise	Planning
#1 General Federal Requirements	X	X	X	X	X
2 Responsibility and Authority of the Sponsor	X	X	X	X	X
3 Sponsor Fund Availability	X	X	X	X	X
4 Good Title	X	X		X	
5 Preserving Rights and Powers	X	X	X	X	X
6 Consistency with Local Plans	X	X	X	X	X
7 Consideration of Local Interest	X	X		X	
8 Consultation with Users	X	X			
#9 Public Hearings	X	X			
#10 Air and Water Quality Standards	X	X			
#11 Pavement Preventive Maintenance	X	X			
#12 Terminal Development Prerequisites	X	X			
#13 Accounting System, Audit and Record Keeping	X	X	X	X	X
#14 Minimum Wage Rates	X	X		X	
#15 Veteran's Preference	X	X		X	
#16 Conformity to Plans and Specifications	X	X		X	
#17 Construction Inspection and Approval	X	X		X	
#18 Planning Projects	X	X	X		X
#19 Operations and Maintenance	X	X		X	
#20 Hazard Removal and Mitigation	X	X		X	
#21 Compatible Land Use	X	X		X	
#22 Economic Nondiscrimination	X	X			
#23 Exclusive Rights	X	X			
#24 Fee and Rental Structure	X	X			
#25 Airport Revenues	X	X			
#26 Reports and Inspections	X	X		X	X
#27 Use by Federal Government Aircraft	X	X			
#28 Land for Federal Facilities	X	X			
#29 Airport Layout Plan	X	X			
#30 Civil Rights	X	X	X	X	X
#31 Disposal of Land	X	X		X	
#32 Engineering and Design Services	X	X	X	X	X
#33 Foreign Market Restrictions	X	X	X	X	X
#34 Policies, Standards, and Specifications	X	X	X		X
#35 Relocation and Real Property Acquisition	X	X		X	
#36 Access by Intercity Buses	X	X			
#37 Disadvantaged Business Enterprises (DBE)	X	X		X	X
#38 Hangar Construction	X	X			
#39 Competitive Access	X	X			

* Standard grant assurances for nonairport sponsors of noise compatibility programs and for planning agency sponsors of planning programs are numbered differently and vary slightly in language.

Table 4.2 Standard Grant Assurance Applied to Airport Programs and Projects

Type of Assurance	Type of Program
Airport Sponsor	Airport Development
Airport Sponsor	Noise Compatibility
Airport Sponsor	Planning Projects
Planning Agency	Planning Projects
Nonairport Sponsor	Noise Compatibility

Table 4.3 Grant Assurance Duration

Project Type and Entity	Duration
Public Sponsor Airport Development	
Exclusive Rights, 23	No limit
Airport Revenue, 25	No limit
Real Property, 4, 31, 35	No limit
Other Assurances, 1-3, 5-22, 26-29, 32-34, 36-39	Useful life not to exceed 20 years
Public Sponsor Aircraft Noise	Same as for airport development
Public Sponsor Planning	Life of project
Grant Assurances 1-3, 5-6, 13, 18, 30, 32-34	
Private Sponsor Airport Development	Same as for public sponsor airport development except useful life may be no less than 10 years.
Private Sponsor Noise	Same as for public sponsor
Private Sponsor Planning	Same as for public sponsor
Non Airport Sponsor Noise – General	Useful life not to exceed 20 years
Non Airport Sponsor Noise – Land	No limit
Non Airport Sponsor - Planning	Life of project
Planning Agency – Planning	Life of project
Civil Rights Assurance for any project	Specified in the assurance

**Table 4.4 Typical Grant History for a Specific Airport
McClelland-Palomar Airport, San Diego, California (CRQ)
1983-2005**

Grant Number	FY	Description	Entitlement	Discretionary	Total
001-1983	1983	Rehabilitate Taxiway	0.00	352,258.00	352,258.00
		Groove Runway	0.00	204,010.00	204,010.00
002-1988	1988	Rehabilitate Taxiway Lighting	125,000.00	0.00	125,000.00
		Install Runway Lighting	175,000.00	0.00	175,000.00
		Install Apron Lighting	100,000.00	0.00	100,000.00
003-1988	1988	Conduct Noise Compatibility Plan Study	0.00	133,220.00	133,220.00
004-1991	1991	Improve Access Road	128,000.00	0.00	128,000.00
		Install Perimeter Fencing	37,641.00	0.00	37,641.00
005-1992	1992	Rehabilitate Apron	500,000.00	75,000.00	575,000.00
		Construct Apron	500,000.00	75,000.00	575,000.00
006-1992	1992	Noise Mitigation Measures	0.00	390,124.00	390,124.00
007-1993	1993	Conduct Airport Master Plan Study	0.00	126,000.00	126,000.00
008-1994	1994	Acquire Security Equipment	70,000.00	0.00	70,000.00
		Expand Apron	33,443.00	0.00	33,443.00
		Acquire Aircraft Rescue & Fire Fighting Safety Equipment	126,000.00	0.00	126,000.00
009-1995	1995	Acquire Security Equipment	205,934.00	0.00	205,934.00
		Install Guidance Signs	236,099.00	0.00	236,099.00
		Install Apron Lighting	178,246.00	0.00	178,246.00
		Extend Runway	100,000.00	0.00	100,000.00
		Extend Taxiway	100,000.00	0.00	100,000.00
010-1997	1997	Extend Runway	605,451.00	0.00	605,451.00
		Improve Runway Safety Area	200,000.00	150,818.00	350,818.00
		Extend Taxiway	200,000.00	0.00	200,000.00
011-1999	1999	Rehabilitate Taxiway	0.00	806,000.00	806,000.00
		Groove Runway	363,664.00	0.00	363,664.00
		Construct Taxiway	0.00	144,000.00	144,000.00
012-1999	1999	Groove Runway	18,259.00	0.00	18,259.00
013-2000	2000	Construct Taxiway	650,000.00	0.00	650,000.00
014-2001	2001	Conduct Noise Compatibility Plan Study	0.00	200,000.00	200,000.00
015-2001	2001	Construct Taxiway	805,754.00	43,529.00	849,283.00
017-2002	2002	Construct Taxiway	298,552.00	0.00	298,552.00
018-2003	2003	Construct Apron	800,000.00	0.00	800,000.00
		Acquire Land for Development	1,098,552.00	284,783.00	1,383,335.00
019-2004	2004	Conduct Noise Compatibility Plan Study	55,071.00	0.00	55,071.00
		Rehabilitate Taxiway	209,000.00	0.00	209,000.00
		Acquire Land for Development	1,123,238.00	0.00	1,123,238.00
020-2005	2005	Acquire Aircraft Rescue & Fire Fighting Vehicle	0.00	495,000.00	495,000.00
		Improve Runway Safety Area	0.00	630,000.00	630,000.00
TOTAL GRANTS					\$13,152,646.00

Federal Aid to Airports Program (FAAP)

Year	Announced Allocation	Number of Airports	Year	Announced Allocation	Number of Airports
1947-48	66.6	908	1960	57.1	288
1949	35.1	455	1961	58.8	314
1950	29.8	314	1962	70.1	327
1951	24.8	186	1963	74.3	419
1952	15.0	226	1964	76.0	452
1953	10.0	169	1965	72.6	413
1954	(No program)	(No program)	1966	84.5	445
1955	20.4	164	1967	72.5	341
1956 ¹	58.3	524	1968	70.2	386
1957	51.9	368	1969	74.7	397
1958	55.0	334	1970	34.1	177
1959	63.6	358			

Airport Development Aid Program (ADAP) and Planning Grant Program (PGP)

Year	ADAP: Net Obligations	ADAP: No. of Projects	PGP: Net Obligations	PGP: Grants Issued
1971	170.0	231	3.6	42
1972	280.0	464	9.0	180
1973	206.6	450	9.6	275
1974	299.7	646	8.2	277
1975	339.9	643	9.6	286
1976 & Tran. Qtr.	416.3	525	6.0	122
1977	506.3	757	11.8	205
1978	539.8	761	14.0	242
1979	624.2	858	15.0	241
1980	639.0	817	10.0	165
1981	438.5	622	(No program)	(No program)