The proposed airport aid legislation contains two provisions for incurring obligations under the Airport Development Aid Program. The two provisions are:

I. **Section 523(c)(2) - Carryover Entitlements.**

AIP funds will be used to cover carryover ADAP entitlement funds from Fiscal Years 1980 and 1981 that were not previously obligated and are still available for obligation. Fiscal Year 1980 entitlements are only available for obligation in Fiscal Year 1982 while Fiscal Year 1981 entitlements are available for obligation in both Fiscal Years 1982 and 1983. These ADAP entitlements may be used by themselves or in conjunction with AIP funds for new projects or may be used to increase up to 10 percent the maximum obligation under existing ADAP grants. (Procedures to be followed when these funds are used in conjunction with AIP funds will be provided at a later date). Any obligations must conform with the terms and conditions of the Airport and Airway Development Act of 1970 and FAR Part 152.

The following points should be noted regarding these carryovers:

1. To be eligible for the carryover funds, the sponsor must still be an air carrier airport as defined in the Airport and Airway Development Act of 1970. A sponsor who was apportioned entitlement funds in the FY 1981 ADAP but has since lost air carrier service does not qualify for any carryover funds.

2. This provision does not allow the carryover of entitlement funds that were obligated in a prior year grant and then subsequently recovered. Entitlement funds falling into this category simply lapse under this provision.

3. The provision only applies to sponsor entitlement funds. Consequently, all ADAP state apportionment funds will lapse.
II. Section 512(c) - ADAP Recoveries.

Funds recovered from existing ADAP grants may be used to amend other ADAP grants to increase the maximum obligations up to 10 percent. AIP funds (except those used to cover ADAP carryovers) cannot be used to increase the maximum obligation of the U.S. for ADAP grants. OMB has established a limitation on the amount of recoveries that may be reobligated in any Fiscal Year. For Fiscal Year 1982, the recovery limitation is $9 million.

4.2 U.S. Share and Funding Pots - Bob David (426-3857).

Attached is information of the U.S. share under the AIP and the various funding pots.

Lowell H. Johnson
Attachment
**AIP: U.S. Share and Available Funding Pots**

### Type of Work

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Primary apts. 1/</td>
<td>75 E,D</td>
<td>50 E 9/</td>
<td>75 E,D</td>
<td>80 E,D</td>
<td>N/A</td>
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<tr>
<td>a. enplaning &gt; .25%</td>
<td>90 E,D</td>
<td>50 E 9/</td>
<td>90 E,D</td>
<td>80 E,D</td>
<td>N/A</td>
</tr>
<tr>
<td>b. all others</td>
<td>90 Ds</td>
<td>50 Ds 10/</td>
<td>90 Ds</td>
<td>80 Ds</td>
<td>N/A</td>
</tr>
<tr>
<td>II. Non-primary commercial 2,3/ service and airports which receive ADAP entitlements in FY 82</td>
<td>90 S,D</td>
<td>N/A</td>
<td>90 S,D</td>
<td>80 S,D</td>
<td>N/A</td>
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<tr>
<td>III. Relievers 4/ (both publicly and privately owned)</td>
<td>90 S,D</td>
<td>N/A</td>
<td>90 S,D</td>
<td>80 S,D</td>
<td>N/A</td>
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<tr>
<td>IV. All other public use (includes general aviation and privately owned apts. enplaning &gt; 2,500 passengers)</td>
<td>90 S,D</td>
<td>N/A</td>
<td>90 S,D</td>
<td>80 S,D</td>
<td>N/A</td>
</tr>
<tr>
<td>V. System Plans 5/</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>90 Ds</td>
</tr>
<tr>
<td>VI. Noise Compatibility work 8/ that do not own airports</td>
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<td>N/A</td>
<td>N/A</td>
<td>80 Ds</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Key to Funding Pots**

- **E** - primary airport entitlements
- **S** - state apportionment
- **D** - discretionary
- **Ds** - discretionary set aside

Canceled
1. Sponsors of primary airports may use their entitlements at any eligible airport they own or may transfer them to another sponsor of a public use airport located in the same state or geographical area. (Section 508(b)).

2. Sponsors of non-primary commercial service airports in the Insular Areas may also use state apportionment funds.

3. The Act sets aside a minimum of 5.5 percent of the discretionary funds in any fiscal year for use by non-primary commercial service airports and airports which received ADAP entitlements in FY 1981. The Act also contains a special provision for Airports in Alaska which received ADAP entitlements. The Alaskan provision is not discussed here.

4. The Act requires that a minimum of 10 percent of the funds made available each fiscal year be spent on relievers. Funds obligated for relievers from any of the available funding pots (see accompanying table) are credited to this goal.

5. The Act sets aside a minimum of one percent of the discretionary funds in any fiscal year for integrated airport system planning (this does not include individual airport master plans).

6. U.S. share for airport development and planning in public land states may be higher than those indicated in table.

7. Noise compatibility. The Act requires that a minimum of 8 percent of the total funds made available in any fiscal year be used for noise compatibility planning or the implementation of noise compatibility program. Funds obligated from any of the available funding pots (see accompanying table) on noise related work are credited to this funding goal. In addition, the requirements for funding are different in FY 1982 from FY 1983 through 1987. These differences which affect only implementation not planning are discussed below.


   Beginning in FY 1983 undertaking any item to achieve noise compatibility will be only eligible under the provisions of the Aviation Safety and Noise Abatement Act (ASNA) of 1979. To issue grants for implementation the sponsor must have an approved FAR Part 150 noise compatibility program or be grandfathered under the ASNA Section 104(c)(2) provisions. The airport sponsor must request to be "grandfathered." The proposed work must be specifically identified in the airport sponsors program. Any work that is not included in Part 150 approved plan or "grandfathered" program is not eligible (e.g. the purchase of land for noise compatibility). The U.S. share for all airports is 80 percent.

The Act provides that airport sponsors may acquire land for noise compatibility, construct sound barriers, and acquire noise suppression equipment without having an approved FAR Part 150 program or "grandfathered" program. The U.S. share for these projects would be the same that the airport sponsor would receive for airport development. However, if the sponsor has an approved FAR Part 150 program or "grandfathered" program then the sponsor may receive the 80 percent U.S. share allowed by ASNA if it is more favorable than their U.S. share for airport development (i.e., a sponsor who normally receives a U.S. share of 75 percent could receive 80 percent for these projects). All other types of noise compatibility work must be identified in an approved FAR Part 150 program or "grandfathered" program and the U.S. share would be 80 percent.

8. Under Section 104(c) of the Aviation Safety and Noise Abatement Act (ASNA) of 1979, grants may be made to units of local government in areas surrounding airports that have an approved FAR Part 150 noise compatibility program or "grandfathered" program. The purpose of the grants is to allow the units of Government to implement actions identified in the plan for which they are responsible. To be eligible, the proposed work must be specifically identified in the program.

9. Limited each fiscal year to 60 percent of entitlement apportionment or $200,000 whichever is greater.

10. Limited each fiscal year to no more than $200,000 per airport.
ANNUAL FUND DISTRIBUTION

OTHER REQUIRED DISTRIBUTIONS

- Noise Projects: Minimum 8% (Entitlement + Discretionary + State)
- Reliever Airports: Minimum 10% (Discretionary + State + Transferred Entitlement)