



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

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# Memorandum

Subject: Program Guidance Letter 97-3

Date: DEC 12 1996

From: Acting Manager, Airports Financial  
Assistance Division, APP-500

Reply to  
Attn. of:

To: PGL Distribution List

97-3.1 Policies and procedures for monitoring unexpended grant obligations and deobligating unneeded funds - Cameron Bryan (202) 267-8816.

The following policies and procedures will help ensure timely disposition of unexpended grant obligations and provide regional specialists with the tools necessary to successfully manage AIP projects.

Unexpended grant obligations can be controlled through project tracking. The FAA policies and procedures for project tracking are found in FAA Order 5100.38A, "Airport Improvement Program Handbook," dated October 24, 1989, chapter 12, section 3, paragraph 1221 and chapter 13, paragraph 1301. In addition, it is recommended that a grant offer be based upon a successful project procurement, as specified in 49 CFR Part 18.36, and issued after sponsor determination that there has been a responsive bidder. It is imperative that the specialists responsible for project tracking and/or funds control adhere to these policies and procedures in order to avoid the accumulation of idle grant funds.

Adherence to these project tracking policies and procedures will increase the awareness of unneeded grant funds remaining in a project account at project closeout. All projects should be closed out in a timely manner and unneeded grant funds should be deobligated as soon as possible to ensure that no monies remain unaccounted for and that progress towards reprogramming those funds can occur expeditiously.

Also, with the increase in the number of sponsors using the letter of credit (LOC) method to draw down project funds, it is necessary for specialists responsible for project tracking and/or funds control to be able to have access to this automated system or have a contact person that can obtain access to the system. This accessibility will allow for the specialist to monitor LOC projects financially. Regions should contact the servicing accounting office for advice on this matter.

97-3.2 Pilot Projects for Pavement Maintenance - Mark Beisse (202) 267-8826.

Section 142(a) of the Federal Aviation Reauthorization Act of 1996 adds a new section 47132 to Title 49, United States Code, providing for pavement maintenance pilot projects at nonprimary airports. The provision authorizes selection of not more than 10 such pilot projects to preserve and extend the useful life of runways, taxiways, and aprons.

The effect of the provision is to establish AIP pilot project eligibility for routine pavement maintenance, which is normally ineligible. Paragraph 501 of the AIP Handbook defines this ineligible pavement maintenance as --

. . . any regular or recurring work necessary, on a continuing basis, to preserve existing airport facilities in good condition, any work involved in the care or cleaning of existing airport facilities, and any incidental or minor repair work on existing airport facilities.

Airfield paving that is already eligible airport development and outside the scope of these pilot projects includes repair or reconstruction generally considered permanent, with a 20 year life expectancy. The presently eligible projects are not performed on a periodic basis to restore defects in the pavement surface, such as regular crack sealing.

For purposes of this PGL on pilot projects, eligible routine pavement maintenance is defined as cleaning, filling and sealing of longitudinal or transverse cracks on a periodic

basis. It also includes pavement patching and cleaning of drainage systems. Additional eligibility issues may be considered under the pilot program after reviewing sponsor proposals.

Pilot projects should exclude costs associated with regular sweeping to remove mud, dirt, sand, aggregate, debris, foreign objects, water, snow, ice, and other loose contaminants. This is essentially an airport operational responsibility, not airport development.

Each airport benefiting from a grant under the pilot projects, or the sponsor of the pilot project, must implement a pavement maintenance management program. PGL 95-2.1 contains guidance on such programs required by grant assurances. Such pavement maintenance management programs may be simple, as described in Advisory Circular (AC) 150/5380-6, Guidelines and Procedures for Maintenance of Airport Pavements, or more elaborate as set out in AC 150/5380-7, Pavement Management Systems.

The pilot project sponsor may be either the airport itself or a State. We have previously encouraged States to undertake sponsorship of airport projects where there are economies of scale, administrative merit or aeronautical benefit. We intend to give preference to multiple airport proposals.

Block grant States may apply and be selected for the pilot projects. However, a project-level review of the pilot pavement maintenance projects, which is not accomplished in the normal procedures for block grants, would be necessary.

Reports by sponsors to the FAA on maintenance performed is part of the guidance in PGL 95-2.1; likewise, sponsors of these pavement maintenance projects will be required to inspect and report on the effects of these pilot projects on preserving pavement life. The purpose of these reports is to provide empirical data on the benefits of such maintenance. The reports should be compiled prior to undertaking maintenance and at suitable intervals after the work has been completed. The costs of the inspection, maintenance records, and reports are allowable under these

pilot project grants. AAS-200 will evaluate the reports to determine whether the eligibility should be made permanent. The General Accounting Office has also expressed interest in our review as part of their audit of pavement projects.

We plan to select the pilot projects based on the following uniform criteria:

- o Diversity of locations, climate, and soils is necessary to ensure that issues are completely reviewed during the demonstration period. Prospective sponsors must be able to describe climatic and soil conditions in their application. The locations do not need to have had prior Federal airport financial assistance.
- o 49 U.S.C. 47132(a) requires that at least two projects must be located within eligible States having no medium or large hubs in the calendar year preceding the proposed project. For fiscal year 1997, these States are: Alabama, American Samoa, Arkansas, Delaware, Idaho, Iowa, Kansas, Maine, Mississippi, Montana, New Hampshire, North Dakota, Northern Mariana Islands, Rhode Island, South Carolina, South Dakota, Vermont, Virgin Islands, West Virginia, and Wyoming.
- o Baseline surveys must be available upon which to evaluate the effectiveness of maintenance practices. Periodic updates should be planned. All requirements for a normal AIP project will also need to be met.
- o Proposals must be consistent with Federal airport design and development standards. Airports benefiting from a project will be obligated to grant assurances either directly or through the State sponsorship provision.
- o The cost of such projects should be based on FAA review of the required work. We estimate that the average at airports which are the primary focus of the program will be substantially less than \$25,000. Individual airport pilot project grants, therefore, are likely only at larger reliever or nonprimary commercial service airports. We expect that an adequate scope of

work for State sponsored pilot projects could be accomplished within a total project cost of \$100,000. Projects in which costs exceed this limit would be considered based on justification provided by the sponsor, although we may negotiate with proponents to reduce proposals prior to final selections.

- o Projects using apportionment funds will be given priority. No other funding has been identified at this time.
- o Anticipated physical and financial completion of the projects must be by September 30, 1999.

Please initiate discussions with potential pilot sponsors for these pilot projects. We intend that the requirements and procedures for the pilot projects be as much like other projects as possible.

Please forward multiple airport candidates recommended by the region based on the strength of the sponsor's enunciated program as soon as they are evaluated. If insufficient projects are submitted by January 15, 1997, we will request that you forward individual airport candidates. You may submit the information describing the pilot candidates to us by electronic mail, facsimile copy or regular mail. Do not disclose your recommendation or request written information from potential sponsors, including project applications, pending notification by APP-500 that a sponsor is a strong candidate for selection.

*Robert B. Chapman*

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