



Federal Aviation Administration

MEMORANDUM

Date: November 20, 2006

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

To: PGL Distribution List
Regional Airports Division Managers
610 Branch Managers

Reply to: Manager, Financial Analysis and PFC Branch, APP-510 (Joe Hebert, x8375)

Subject: Program Guidance Letter 07-03
Revised and Updated Requirements for Letter of Intent (LOI) Requests

This Program Guidance Letter (PGL) amends FAA Order 5100.38C (the "AIP Handbook"), effective June 28, 2005, by replacing Chapter 10, Section 8 ("Letters of Intent") and Appendix 29 ("Finance Template for LOI Applicants") in their entirety. This PGL is effective as of the date of signature. The principal changes include:

- Clarifying and amplifying existing policies and practices;
- Reorganizing and eliminating redundant information;
- New and clarified submission requirements; and
- New and clarified evaluation criteria.

Sponsors that may be considering requesting a Letter of Intent should fully review all aspects of these sections of the AIP Handbook, which are significantly changed from the June 28, 2005 version. We have also reorganized Chapter 10, Section 8 to better delineate between funding availability, eligibility requirements, Sponsor submission requirements, and the evaluation criteria and process.

Appendix 29 now provides a full electronic template and instructions for use by sponsors seeking LOIs.

If there are any questions, please contact Joe Hebert, Manager, PFC and Financial Analysis Branch (APP-510) at (202) 267-8375.

A handwritten signature in black ink, appearing to read "Barry L. Molar".

Barry L. Molar

attachments

Section 8. LETTERS OF INTENT

1070. GENERAL.

The FAA is authorized by 49 USC 47110(e) to issue Letters of Intent to airport sponsors who meet the applicable statutory requirements. An LOI establishes a schedule of possible Discretionary AIP funding for multi-year capacity enhancement projects, subject to annual appropriations and availability of funds. A sponsor who has received an LOI may proceed with the project without waiting for individual AIP grants. The Sponsor is assured that allowable costs related to the approved project remain eligible for reimbursement, subject to the payment schedule set forth in the LOI.

Sponsors considering requesting an LOI should recognize the level of scrutiny that the FAA will apply in evaluating requests, regardless of the number or magnitude of LOI requests in a given year. Therefore, it is imperative that sponsors fully review and understand all aspects of this chapter, including availability of funding, eligibility and other requirements, the importance of early coordination, the LOI request process itself, the submission requirements and the evaluation criteria.

1071. AVAILABILITY OF FUNDING.

At the beginning of each fiscal year, the FAA, in its administration of the AIP, sets aside the amount of Discretionary funds to cover the LOI payment schedules. The total of Discretionary funds in all LOIs subject to future obligation is limited to approximately 50 percent of the forecast Discretionary funds available for that purpose. The sources of Discretionary funds for existing and new LOIs are as follows:

- a. Large and Medium Hub Primary Airports—up to 50 percent of the Capacity / Safety / Security / Noise set aside.
- b. Small Hub Primary Airports—up to 50 percent of the “small hub” portion of the small airport fund.
- c. Nonhub Primary Airports—up to 50 percent of the nonhub portion of the small airport fund.
- d. Noncommercial Service Airports (Reliever Airports Only) – up to 50 percent of the noncommercial portion of the small airport fund.
- e. Up to 50 percent of the undesignated Discretionary (remaining Discretionary) will be available for LOIs. Primary airports of all sizes and relievers may compete for these limited funds.

APP will ensure that, in any given fiscal year, FAA does not approve LOI payment schedules that would exceed the 50 percent level in any category in future fiscal years. It is important to stress to airport sponsors applying for LOIs that their requested payment schedules will have a significant impact on the review process. Any unreasonable payment schedules may cause the FAA to request that the sponsor prepare alternative payment schedules and delay the FAA's LOI review. Payment schedules for recent LOIs can be provided to sponsors to help them assess what FAA finds reasonable. These schedules are also online at http://www.faa.gov/airports_airtraffic/airports/aip/grant_histories/. See Para. 1074(a)(3) and (4) for further information.

f. An LOI may be issued with payments scheduled beyond the statutory expiration of the AIP, as authorized by the FY 1989 Department of Transportation and Related Agencies Appropriations Act (Public Law 100-457).

1072. ELIGIBILITY.

a. Airport. LOIs may be issued to cover work only at primary and reliever airports.

b. Airfield Capacity Enhancement. To be eligible for an LOI, the overall development objective of the proposed project must enhance airfield capacity in terms of increased aircraft operations, increased aircraft seating or cargo capacity (including the accommodation of a different aircraft design group), or reduced airfield operational delays. For purposes of determining what may be funded through an LOI, this would include any other AIP-eligible infrastructure required to support the proposed action. Infrastructure that is not logically and reasonably related to the proposed action may not be funded through an LOI. Any other development to be funded under the requested LOI is also subject to the same review factors and conditions as the proposed action. An example of a directly related project includes an extension of a taxiway to match a runway extension. An example of a project that is not directly related would be the construction of a public roadway serving a terminal building, in an LOI for a new runway or extension.

For Large and Medium Hub airports, Section 47110(e)(2)(C) of Title 49 USC Section 47110(e) ("Letters of Intent") requires a determination that the project will enhance system-wide airport capacity significantly. See Para. 1074(a)(2), "Evaluation Criteria," "Capacity Benefits" for further information.

It is FAA's policy that for Large or Medium hub airports, rehabilitation or reconstruction projects undertaken solely to extend the life of existing pavement does not satisfy this statutory requirement. The FAA may consider an LOI for reconstruction of an existing runway or taxiway at a Large or Medium hub airport only if the project will extend, strengthen or relocate the runway in such a manner as will allow the runway to:

- (1) Accommodate increased aircraft operations, increased aircraft seating or cargo capacity (including the accommodation of a different aircraft design group), or reduced airfield operational delays; or
- (2) Create an additional arrival stream or reduced dependency between arrival streams; or
- (3) Permit an increase in the airport's overall capacity by eliminating intersecting runways, departure and/or approach procedures or missed approach procedures.

Therefore, projects at Large and Medium hub airports are not eligible for LOIs if they are principally to address safety or standards considerations, or reconstruction of infrastructure other than the capacity-enhancing parameters specifically outlined above.

New apron areas may be considered if they are built in conjunction with new passenger terminal capacity that has corresponding airfield capacity, or if relocation of an existing terminal enables the development of additional airfield capacity or efficiency. However, aprons will typically compete less favorably for LOIs than runway or taxiway projects. Apron reconfigurations caused by terminal reconfigurations will generally not be considered to add capacity and will therefore generally not be eligible for LOIs.

These eligibility parameters are based on both the statutory limitations and the limited funds available for LOI commitments each year (see Para. 1071).

c. Interest Expenses. The payment of interest from bonds or other forms of indebtedness under an LOI is not recognized as an allowable cost. Accordingly, in submitting an LOI request, interest costs may not be included in project costs and will not be covered as part of an approved

LOI. Additionally, the FAA will not recognize the cost of interest as an allowable expense in processing a request for payment of grant funds under a grant agreement executed pursuant to an LOI.

However, once capital costs have been incurred by the sponsor for an approved LOI project, amounts disbursed to the sponsor under the LOI constitute reimbursements. The FAA does not monitor how airport sponsors characterize individual grant disbursements for accounting purposes. Therefore, the FAA has no objection if an airport sponsor chooses to apply a grant disbursement as a payment for any lawful airport purpose, including the payment of interest on airport obligations related to the project(s) for which the LOI was awarded.

d. Additional Requirements. LOI requests are also subject to the following provisions:

(1) A project under an LOI must satisfy all statutory and administrative programming requirements for an AIP project. Sponsors must proceed as though they had applied for and been awarded Federal funds and must fulfill all environmental, civil rights, bidding, procurement, and contracting requirements associated with an AIP grant, even though portions of the work may proceed in advance of receiving Federal funds.

(2) Issuance of an LOI is considered a Federal action subject to the requirements of the National Environmental Policy Act (NEPA). Further, 49 USC 47110(e)(2)(B) specifies that the sponsor "will comply with all statutory and administrative requirements that would apply to the project if it were carried out with amounts made available under this subchapter..." Consequently, all environmental actions as well as all other statutory and administrative grant requirements must be complete before the FAA awards an LOI.

(3) Except to the extent that the FAA agrees funds may go to other projects of equal or greater priority, the sponsor should be prepared to commit all Entitlements over the life of the LOI to the project. An exception may be made if Entitlement funds are already committed for other urgent needs. In such a case, the payment schedule in the LOI may have reduced or no Entitlements under the apportionment heading.

(4) The FAA's position is to use the LOI provision to encourage the maximum number of capacity-enhancing projects. Consequently, the FAA seeks to ensure that sponsor resources are used to the maximum extent reasonable, and that Federal financial support should be the smallest amount necessary to allow the project to proceed.

(5) Costs incurred prior to the issuance of an LOI, except project formulation costs, will not be reimbursed. The cost of preparing Benefit/Cost Analyses (BCAs) can be reimbursed as a project formulation cost when and if the project is approved for an AIP grant. The preparation of the BCA may also be part of a master plan project if such master plan effort is timely to the planned LOI project.

1073. LOI REQUEST PROCESS.

The FAA's process for evaluating LOI requests is principally a financial planning process rather than grant administration. However, the agency's LOI decisions can have a lasting effect on the priority of future-year funds. Therefore, although an LOI request is not in and of itself AIP grant application, much of the information required from a sponsor in an LOI request mirrors information typically required for a grant application. Formal grant applications will still be required for each year once an LOI is awarded, based on the LOI payment schedule and subject to the availability of funds.

The LOI request process should respect the following key principles:

a. Timetable. LOI requests are due on March 1, and will be considered for award at the end of the same fiscal year (i.e., approximately six months later). LOI requests received after March 1 will be considered for the following fiscal year. APP-500 may grant a request, if received in advance of the deadline, for a sponsor to submit a partial request, pending completion of environmental review, benefit-cost analysis or other requirements.

The initial grant under an LOI is ordinarily awarded during the following fiscal year, except in cases where disbursements may be contingent upon completion of key milestones (see Para. 1074(a)(4), "Requested LOI disbursement schedule").

b. Early FAA/Sponsor Coordination. Any airport sponsor interested in pursuing an LOI should contact their Airports District Office (ADO) or Regional Office as early as possible, generally at least three months before the LOI request deadline. The ADO or Regional Office should then brief the sponsor on all aspects of LOIs, including the LOI request process, evaluation criteria and submission requirements. The ADO (or Regional Office, in regions without ADOs) will be the primary contact for the sponsor regarding an LOI. It may be desirable to hold a joint meeting so that all parties understand the purpose and scope of the project, FAA authority and policy, and sponsor financial needs, schedules, and responsibilities. This joint meeting should include a discussion of the evaluation criteria outlined in Para. 1074(a), including the relationship between the FAA's Terminal Area Forecast (TAF) and the sponsor's forecast assumptions and level of effort to be used in their planning, environmental processing, financial planning and BCA.

Para. 1073(d) ("Submission Requirements"), subsections (6), (7) and (9) address the requirements for Airport Layout Plan (ALP) approval, Federal environmental processing and the BCA, respectively. Sponsors should carefully consider the timetables for completion of each of these critical elements before deciding in which year to submit the LOI request.

Since all LOIs require a BCA, and given the length of time required to review the BCA, the review of the BCA should be started upon receipt of the BCA rather than waiting until the LOI request is complete.

Regions should notify APP-500 promptly when a sponsor expresses interest in obtaining an LOI. Preliminary information provided to APP-500 should include a general description of the project, the estimated cost, the proposed schedules for construction and reimbursement, and an indication of whether the project is a good candidate for an LOI.

All normal pre-application review and evaluation actions should be completed as if the project were being programmed for a grant. Similarly, the sponsor should be briefed on the importance of complying with all Federal procedures including bidding, civil rights, and contract award.

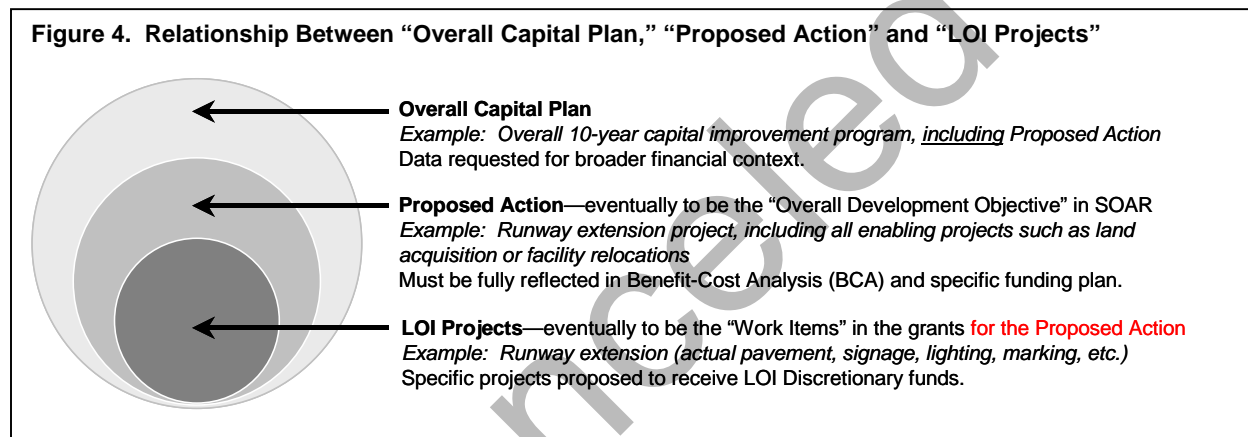
c. Key Definitions. Typically, the proposed action for which an LOI is requested is not the only capital project for a given airport. The FAA's financial analysis will focus principally on the projects for which the LOI is requested, but it is also beneficial to consider major funding requests in the context of the airport's broader financial environment. Therefore, it is important to clearly define three overlapping sets of capital project data:

(1) "Proposed Action"—the proposed primary project or program that is the subject of the LOI request. For example, if the Proposed Action involves a runway extension, a new or relocated runway, or a major airfield reconfiguration consisting of multiple related projects, then the "Proposed Action" might include facility relocations that are necessary to achieve the overall objective and generate the benefits that will be calculated in the BCA. The full cost of the "Proposed Action" must be reflected in the BCA and the associated funding plan. If an LOI is awarded, the full

scope and costs of the “Proposed Action” must be reflected in the FAA’s System of Airports Reporting (SOAR) as a single ODO.

(2) “LOI Projects”—the individual project elements that are a portion of the proposed action that the LOI is specifically requested to help fund. These projects must have clearly established AIP eligibility, and must be scheduled for implementation in advance of the requested LOI disbursement schedule. If an LOI is awarded, then these elements must be reflected in SOAR as the “Work Items.”

(3) “Overall Capital Plans”—to the extent that the airport sponsor has other capital projects identified that are not directly related to the “Proposed Action,” these should be clearly identified and reflected in the overall financial plans. Overall Capital Plans are not limited to those for which Federal funding may be sought. Typically, identified projects other than the “Proposed Action” would be reflected in the “Base Case” as part of the BCA. However, this information is requested purely to provide broader context, and the FAA’s evaluation will be focused primarily on the Proposed Action. See Para. 1074(a)(6) for further information.



d. Submission Requirements. All requests for an LOI must include the following required information, and should generally be organized as set forth below. In addition, sponsors are strongly advised to review Para. 1074(a), “Evaluation Criteria,” before preparing an LOI request. The FAA may require a higher level of supporting documentation and/or apply a higher level of scrutiny, based on level of Discretionary funding requested, level of Federal participation or any other criteria. FAA may also retain the services of an independent consultant to assist in a more detailed review of the LOI request, BCA, and/or cost estimates, as noted:

(1) Executive Summary including an overview of the existing airport’s facilities and operating environment, along with an overview of the proposed capital project or program to be supported by the requested LOI;

(2) Description of the existing facilities, focusing on the capacity constraints of those facilities relative to existing or projected demand;

(3) Description of the sponsor’s activity forecast—preferably an FAA approved forecast—including both summary and detailed information on enplanements and operations with details of fleet mix, peak hour airfield mix by class, and a clear discussion of how the forecasts were derived with their key assumptions. See additional discussion under Para. 1074(a)(7).

(4) Description of the Proposed Action, focusing on how it would provide additional capacity as defined in Para. 1072(b). For Large and Medium hub airports, this section must also explain how the Proposed Action will enhance system-wide airport capacity, as outlined in Para. 1074(a)(2).

(5) Description of the capital cost estimates, delineating the level of planning or design data on which the estimates are based, the source of quantities and unit costs, and the levels of contingency assigned. In some circumstances, such as with complicated, high-cost projects elements, sponsors should secure the services of an independent consultant to conduct a formal cost estimate review, including unbiased quantity calculations, estimates of unit costs and determination of appropriate contingency levels based on the level of design information available. Sponsors may then need to present a reconciled cost estimate along with an explanation of the review and reconciliation process.

(6) Status of (and schedule for) the Airport Layout Plan (ALP) approval. If the ALP has not been approved by March 1, then the schedule should clearly demonstrate that the FAA may be able to approve the ALP by September 30, including sufficient time for full airspace review and all required coordination.

(7) Status of (and schedule for) completion of the Federal environmental decision and all other required Federal and state permits. If an Environmental Impact Statement (EIS) is required, the schedule should demonstrate that the Final EIS will be published no later than August 1. If the schedule suggests a date later than August 1 for the Final EIS, the Sponsor should consider deferring the LOI request to the following year.

(8) Description of the financial plan, explaining the full range of funding sources, the status of each (in terms of approvals and/or implementation) and the role of the requested LOI funding. Using the Finance Template provided in Appendix 29 of Order 5100.38 (the "AIP Handbook"), the applicant must clearly outline all sources and amounts of financing for the proposed project as well as for all other anticipated capital projects during the life of the LOI request. The Finance Template also provides an opportunity for sponsors to discuss alternative LOI disbursement schedules and how those alternatives might impact the overall financial plan.

Information regarding other capital costs beyond the Proposed Action is requested solely for financial context and to enable the FAA to identify any questions regarding the funding sources for the Proposed Action.

(9) If not submitted previously, a comprehensive presentation of the required Benefit/Cost Analysis (BCA), prepared in accordance with the current guidance available at http://www.faa.gov/airports_airtraffic/airports/aip/bc_analysis/. This information should include all data necessary to explain the assumptions regarding existing and proposed facilities and operational parameters. APP-510 may approve a time extension for portions of the final BCA under extraordinary circumstances.

e. Level of Effort. The development of detailed operational simulations designed to quantify the incremental costs and benefits of a wide range of alternatives can be both expensive and time-consuming. In certain cases that require complex modeling, studies have required more than a year to complete with costs in the millions of dollars. Efforts of this magnitude are neither practical nor economically justified for projects with costs of less than \$50 million, although they may well be justified for projects expected to cost several hundred million dollars or more.

There is no exact formula for determining the appropriate level of effort, which should consider the following issues:

- (1) Magnitude of the project. Projects that involve major resource expenditures will generally require more extensive analytical efforts than will smaller, less expensive projects;
- (2) Complexity of the project. Projects that have complex interactions with other airport and landside infrastructure may require a more extensive evaluation of total benefits and costs;
- (3) Number of reasonable planning solutions. Projects involving only a limited number of reasonable technical options may require less work than those with multiple possible solutions;
- (5) Variability of benefits and costs. Minimal effort should be spent refining estimates of benefits and costs that do not vary significantly among options (i.e., base case versus alternatives) or which represent a small share of the overall project benefits or cost;
- (6) Sensitivity of benefits and/or costs. Projects with important benefit and cost streams that vary greatly depending on uncertain assumptions (e.g., traffic growth) require more extensive refinements of assumptions; and
- (7) Availability of data. Projects with important benefits or costs that are inherently difficult to quantify (e.g., time savings associated with reduced congestion) will require more analytical effort than those with more straightforward benefits and costs (e.g., time savings associated with shorter taxiing distances).

1074. EVALUATION CRITERIA AND DECISION PROCESS.

a. Evaluation Criteria. The FAA will consider the following factors in reviewing requests for LOIs:

- (1) Underlying project eligibility and fulfillment of all statutory, legal and regulatory requirements.
- (2) Capacity benefits. All sponsors seeking LOIs must demonstrate the capacity benefits of the Proposed Action.

In addition, the FAA's authorizing legislation states that before awarding an LOI for a project at a Large or Medium hub airport, the FAA shall determine that the project "will enhance system-wide airport capacity significantly." Because a Large or Medium hub airport is by definition an airport that supports at least 0.25% of U.S. enplanements, these airports by definition represent a significant portion of system-wide airport capacity.¹

The requirement for a significant system-wide capacity enhancement should not be construed to refer solely to throughput capacity for major airline hubs. Sponsors may rely upon any one or more of several factors that FAA may then consider in making this determination. Examples include, but are not limited to, physical airport improvements that result in or support one or more of the following:

- Capacity increase in annual operations, either in Visual Flight Rules (VFR) or Instrument Flight Rules (IFR) conditions or both.
- Increase in airport service volume by the addition of a new runway, elimination of runway intersections or other airfield operational constraints;

¹ In 2004, the 68 airports classified as either Large or Medium hubs supported more than 89 percent of all U.S. passenger enplanements.

- Increase in hourly “call rates” (i.e., local tower acceptance rates in terms of hourly arrivals and departures);
- Delay reduction relative to existing or forecast levels, either at the individual airport or among multiple airports serving the same geographic area.
- Projected delay savings as a percentage of existing delays at the airport, or as a percentage of all national delays;
- Delay reduction that can be shown to enhance airline schedule reliability, even if the project does not lead to substantial increases in operations;
- Creation of an additional arrival stream or reduced dependency between arrival streams;
- Regional distribution of demand from one or more capacity-constrained or significantly delayed airports;
- Elimination of a demonstrable capacity constraint for an airport serving a region or metropolitan area where population or economic growth has exceeded growth in available departing seats or cargo capacity; or
- Increase in the maximum stage-length that can be served from the airport.

Reduction of required minimums will not generally be considered sufficient evidence, on its own, to represent a significant system-wide airport capacity enhancement.

The foregoing criteria are presented solely as ways in which a proposed project may meet the threshold system-wide capacity enhancement test for Large and Medium hub airports. The detailed Benefit/Cost Analysis (BCA) is still required as a further criterion for FAA to evaluate the LOI request.

For large hub airports, sponsors will need to demonstrate that the capacity benefits are real, measurable and significant. One of FAA's performance targets is to increase annual service volume nationally by on average one percent per year. Sponsors should consider discussing how a proposed LOI project will contribute to achieving this target.

Proposed new supplemental or replacement airports are not designated as either Large or Medium hub airports until they achieve the operational levels that define those designations, and therefore they do not automatically have to satisfy the statutory requirement for a significant contribution to system-wide airport capacity. However, see Para. 1074(a)(10) ("Special considerations for new or replacement airports").

(3) Magnitude of requested LOI. In developing their capital financial plans, sponsors of Large and Medium hub airports are advised to review historical LOI award levels for the type of project they are seeking to fund. This information is available online at http://www.faa.gov/airports_airtraffic/airports/aip/grant_histories/. Sponsors should recognize that as costs have increased over time, typical LOI award amounts have increased at a slower pace due to funding constraints and prior commitments, and the percentage of Federal participation has generally decreased. FAA may consider higher funding amounts in extraordinary cases where total costs exceed \$1 billion. In such cases, the Federal participation level will generally be lower as a percentage of total costs, and disbursement schedules are likely to be for longer time periods.

Small and Non-hub primary airports and reliever airports may not have the same strength or diversity of funding sources as Large and Medium hub airports. Therefore, the FAA has historically determined reasonable Federal investment percentages to be higher for such sponsors. Such sponsors are advised to review historical LOI award levels for comparable airports and projects. Sponsors seeking the highest levels of Federal participation may be required to provide additional documentation of forecast demand levels, sensitivity analyses, and/or more heavily backloaded disbursement schedules.

The FAA will also consider the Sponsor's requested rate of Federal participation relative to comparable projects, as well as contributions from non-Federal funding sources, airport revenue diversion or other compliance issues, and grandfathered payments to other governmental offices.

All airport sponsors should discuss the magnitude of any potential LOI request with the appropriate ADO and Regional representatives prior to formal submission of the request.

The FAA will consider each LOI request on its own merits. In addition, however, due to the lasting impact of LOI decisions on future-year funding priorities, the FAA will also consider the LOI request relative to other LOI requests in the same year, and relative to the overall availability of funds. Therefore, FAA may reject an eligible LOI request even if there are no other competing requests in the same fiscal year.

(4) Requested LOI disbursement schedule. The FAA will not consider an annual disbursement schedule that matches the annual drawdown projections for the proposed projects. Moreover, sponsors are advised to review historical LOI disbursement schedules. This information is available online at http://www.faa.gov/airports_airtraffic/airports/aip/grant_histories/.

In cases where significant final design, land acquisition, permitting or other requirements must still be completed, the FAA may establish a disbursement schedule that defers the first year's disbursement until certain milestones have been achieved.

ADO and Regional representatives must also consider the impact of the proposed disbursement schedule on their projected Airports Capital Improvement Plan (ACIP) funding levels. As with the magnitude of the LOI request, all airport sponsors should discuss the proposed disbursement schedule with the appropriate ADO and Regional representatives prior to formal submission of the request.

In considering the requested disbursement schedule, the FAA will seek to accommodate reasonable requests, preserve near-term flexibility and avoid making aggregate commitments in future years that might impede consideration of unforeseen requests.

(5) Completeness of Sponsor's financial plan. The FAA will consider the degree to which all other funding sources have been approved and/or implemented. The FAA will also consider the relationship between the sponsor's annual drawdown projections, interim funding sources and the proposed LOI reimbursement schedule—i.e., the sponsor's demonstrated ability to support carrying costs while awaiting LOI reimbursement.

(6) Feasibility of Sponsor's financial plan for the Proposed Action. The FAA will assess sponsor commitments that may impact the sponsor's ability to commit specific sources of funds, including other higher priority projects that may require use of Entitlement funds. However, the FAA's evaluation will generally focus primarily on the Proposed Action, because the purpose of the LOI program is to enhance airfield capacity. Such projects are generally funded differently from terminal and other infrastructure projects, and may proceed on significantly different timetables. Moreover, the associated costs are generally recovered differently from airport tenants.

Under extraordinary circumstances, the FAA may evaluate the broader capital program, particularly if the full capacity benefits of the Proposed Action are dependent upon other capital investments at the airport.

The FAA may retain the services of an independent consultant to assist in any part of these analyses. The FAA may also consider analyses and conclusions prepared by other industry experts, including municipal bond rating agencies, bond insurers, institutional investors and the airlines themselves, particularly in cases where the airlines have already approved the issuance of bonds in support of the Proposed Action.

The FAA will not generally evaluate the impact of increased airport rates and charges, and particularly landing fee projections, on the sponsor's ability to attract or retain airline service, which is driven by many factors including underlying market strength, the competitive environment, revenue potential and other airline operating expenses beyond airport rates and charges.

The FAA will not generally consider current or projected Cost Per Enplanement ("CPE") or landing fee projections as a means of comparing one airport to another. CPE is highly dependent upon a number of factors, including the ownership and operation of passenger terminals, the nature of each airport's use and lease agreement, and the structure of each airport's rates and charges. For example, one airport may own and operate all passenger terminals and lease space to the airlines, while another simply offers ground leases for airlines to develop and operate their own terminals. In such cases, the costs of debt service, maintenance and operations for those terminals would be internal airline costs and would not be reflected in the CPE.

(7) Strength, accuracy and thoroughness of the benefit/cost analysis. The BCA must be prepared in accordance with the FAA's guidance, and demonstrate that (a) the underlying assumptions are reasonable and correct, and (b) the project would be cost-beneficial over a reasonable range of probable outcomes. This includes the following subcriteria:

- Reasonableness of the forecasts. The FAA will review the assumptions, methodology, and results of the activity forecasts used to support financial planning and analysis. Such forecasts should be consistent with those developed and used for planning and environmental analysis purposes. For Large, Medium and Small-hub airports, locally developed forecasts will generally be considered consistent with FAA's Terminal Area Forecasts (TAF) if they are within 10 percent over the first five years and 15 percent over the first ten years.² If the sponsor chooses to rely upon other forecasts or capacity analyses, the sponsor must fully explain and justify the assumptions, relationships and analyses. For example, it is not sufficient for a sponsor to simply reference the FAA's Future Airport Capacity Team ("FACT") report as justification. The sponsor would be required to explain how the Proposed Action relates to the forecast and capacity analysis.

The basic forecasting methodologies for planning, environmental and financial purposes should be generally consistent with one another. However, for purposes of financial analysis, sponsors are encouraged to consider evaluating the effects of more conservative growth assumptions, to minimize the potential for overestimating future airport activity levels and capacity benefits, as well as other funding sources including PFCs and Entitlements. This may be

² See "Revision to Guidance on Review and Approval of Aviation Forecasts," dated December 23, 2004, available at http://www.faa.gov/airports_airtraffic/airports/planning_capacity/.

accomplished through sensitivity analyses designed to quantify the overall effect of more protracted growth rates or alternative assumptions regarding demand. This approach would enable a sponsor to use the same forecast as in the environmental review process.

While adoption of FAA forecasts (e.g., the Terminal Area Forecasts) may be acceptable, it is recommended that sponsors discuss any proposed forecast and its use with their ADO or Regional Office in advance. (See Para. 1073(b), "Early FAA/Sponsor Coordination.")

- Completeness and reasonableness of the capital cost estimates. The FAA will evaluate the completeness and reasonableness of the capital cost estimates, generally by seeking opportunities to compare the proposed project with other recent, comparable projects. In some cases the FAA may also spot-check underlying unit costs, and/or conduct sensitivity analyses³ to assess the impact of significant changes in the capital costs. The cost estimates must include all professional services, land acquisition, environmental mitigation and all hard and soft construction costs, as well as contingency and escalation. Project scope must include all necessary NAVAIDS, tower facilities, and associated security, lighting and communications systems, regardless of anticipated funding sources.

The FAA may retain the services of an independent consultant to assist in any part of these analyses.

(8) Sponsor's ability to implement project in a timely manner. The FAA may consider the sponsor's prior experience in the implementation of major AIP-funded projects and/or the administration of AIP grants.

(9) Existing commitments, competing requests and anticipated requests. The FAA is responsible for ensuring compliance with established statutory set-aside requirements. Therefore, the FAA must consider existing and anticipated funding requests as part of the LOI evaluation process in each fiscal year.

(10) Special considerations for new or replacement airports. In cases where an LOI is requested in support of a new or replacement airport, the FAA may require and consider additional information about any aspect of the proposed development, including phasing of the new airport, the facility's functional and operational position relative to other existing or proposed airport facilities, population and demographic patterns, air service (including passenger and cargo) and underlying economic activity.

b. Evaluation Process

The Airports District Office (ADO) and/or Regional Office will prepare an overview, assessment and preliminary recommendation for Headquarters consideration, within 30 days of receiving an LOI request unless an extension is requested of (and approved by) APP-510 in advance. This assessment should not generally duplicate information contained in the Sponsor's LOI request, but should clarify or correct any information that the Sponsor may not have presented clearly or

³ The term "sensitivity analysis" refers to an analysis of the net impact of potential changes in key independent variables. For example, sensitivity analyses typically conducted on capital cost estimates may involve calculating the overall cost impact of an additional half-percentage point of annual cost escalation—e.g., the difference between 3.0% versus 3.5%—or the effect of a one-year delay in the overall construction schedule.

accurately.

The assessment should identify any issues with the Sponsor's submission, and provide any relevant observations associated with the Evaluation Criteria outlined above. With respect to criterion #4 (requested LOI disbursement schedule), the ADO and/or Region should provide a preliminary recommendation regarding any modifications based on project schedule and cashflow requirements, factors affecting Entitlements or other considerations. With respect to criterion #9 (existing LOI commitments, competing requests and anticipated requests), the Region should provide any relevant input from the Regional perspective.

FAA will establish a national-level committee each year to review LOI requests to ensure that all statutory requirements have been met, and to advise the Associate Administrator for Airports (ARP-1) and the Director of the Office of Airport Planning and Programming (APP-1) on the selection of LOI proposals. The committee will be composed of representatives of the Associate Administrator for Airports (ARP). The committee is chaired by APP-500 and includes ARP representatives from APP-510, APP-520, and an Airports regional division manager (or designee) with no LOI candidate in the current year. The committee may also include representation by the Office of Aviation Policy and Plans (APO), the Air Traffic Organization and/or other FAA offices, as determined by the committee chair. The committee may recommend that APP-500 request additional information from the sponsor, and/or additional assessment from the ADO or Regional Office.

After ARP-1 selects the sponsors that will receive LOIs, APP-500 will complete the headquarters actions necessary to complete the approval process and initiate the OST/Congressional notification process. The Congressional notification will state the FAA's intention to grant funds, not to exceed the estimated total Federal share of allowable project costs, and any amounts that are approved for allocation in the current year. See Figure 5 (following) for a diagram of the evaluation process.

1075. ADMINISTRATION OF LETTERS OF INTENT.

FAA will issue the LOI to the sponsor when the Congressional notification process is complete. The same official who normally signs a grant offer for the FAA will be the official who signs the LOI. The LOI should include the following:

- a. LOI number and airport name (the number should be based on the region's three letter code, the fiscal year of issuance, and a sequential number, e.g., AGL-88-02, the second LOI issued by AGL in FY 1988);
- b. A brief, but complete, project description;
- c. The maximum amount of Federal funds which will be made available for the project;
- d. A schedule of reimbursements by fiscal year and type of funds, (apportionment and/or Discretionary);
- e. A statement that the sponsor must comply with all statutory and administrative requirements;
- f. A statement that the LOI is not considered to be an obligation of the United States, shall not be deemed an administrative commitment for funding, but shall be regarded as an intention to obligate from future budget authority as such funds become available; and
- g. A statement that the LOI, with sufficient justification, may be amended to adjust the maximum Federal obligation, the payment schedule, or both. When Entitlement funds (including cargo and primary) are more than the amount expected in the LOI schedule for a given year, one or more of the following may occur, at the FAA's discretion in consultation with the Sponsor:

- (1) the Discretionary funding in the same year is reduced by a corresponding amount; or
- (2) the Sponsor applies only the amount listed in the schedule. The remaining Entitlement funds may be used for other high priority projects during that fiscal year or carried over to following fiscal years; or
- (3) a subsequent year's Entitlement funds committed to the LOI is reduced and may instead be applied toward other projects.

Conversely, if Entitlement funds (including cargo and primary) are less than the amount scheduled in a year, the sponsor must apply the total amount awarded for that particular year toward that year's schedule, and commit an amount equal to the shortfall towards a subsequent year.

Discretionary funds will not be increased to compensate for lower or nonexistent Entitlement funds. Therefore, the accurate projection of Entitlement funds is crucial to both the Sponsor and the FAA.

All actions that would normally follow the notification of allocation, except those related to grant offer, acceptance and payments, must be completed as if a grant had been issued. If a sponsor proceeds without satisfying all of the "statutory and administrative requirements" associated with an actual grant, the commitment to reimburse the sponsor under the LOI may be voided. Sponsors should fully understand that failure to comply with all Federal requirements could lead to a requirement to repay disbursed amounts and jeopardize later reimbursements.

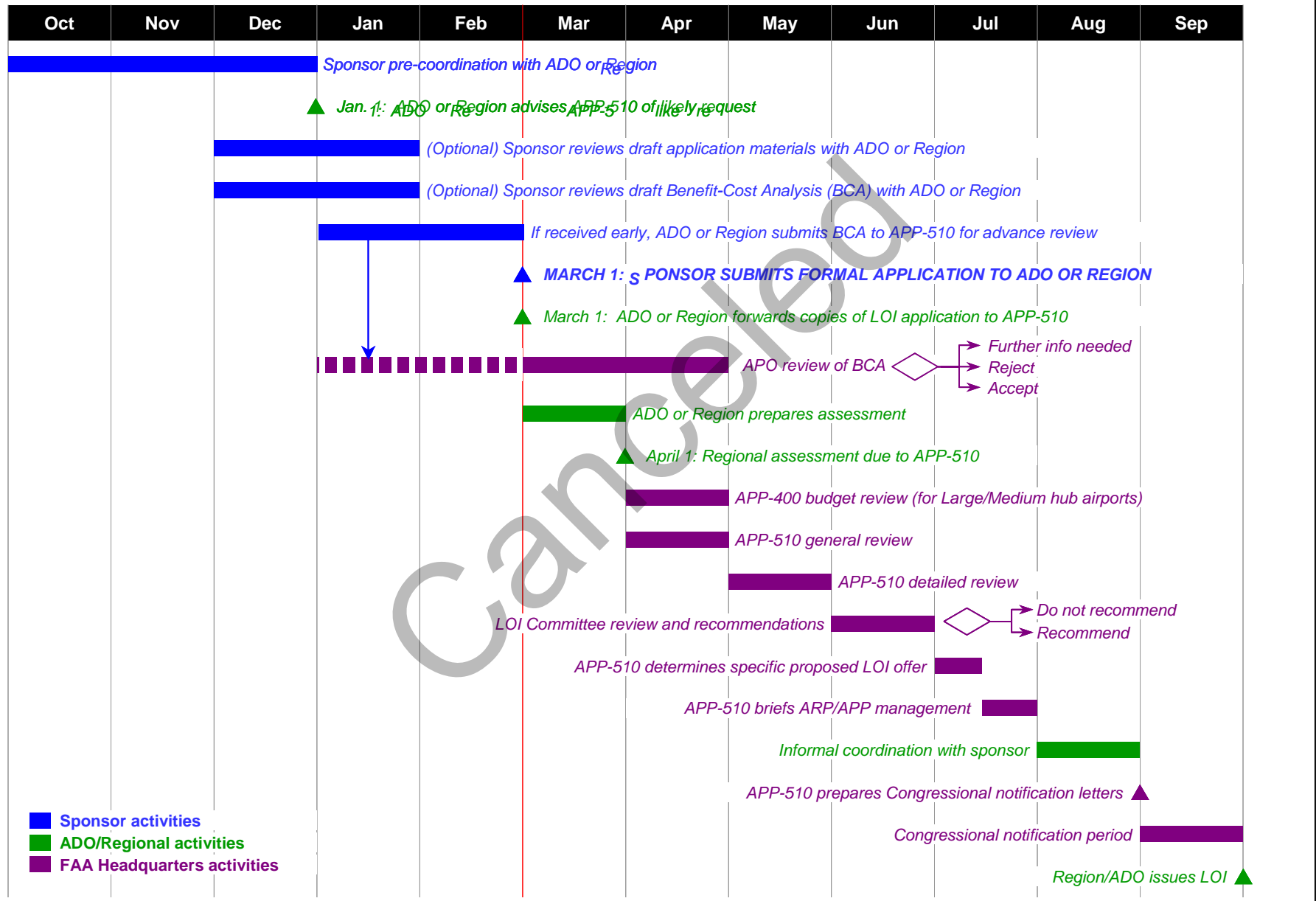
When the authority to obligate funds for a project under an LOI is received, the sponsor should be notified to submit a grant application and all additional documentation needed at that time. The SF-424 must provide the LOI project description. Additional documentation may include periodic construction progress reports, inspection reports, or other evidence of satisfactory progress. The grant application may be for costs already incurred or for prospective costs. If the application includes costs not yet incurred however, the FAA should ensure that the costs are imminent, rather than anticipated at some unspecified date in the future.

There will be an ongoing need to maintain up-to-date records of outstanding commitments under the LOI provisions. In addition, projects constructed under LOIs are more likely to be complex and to require longer completion times than those initiated with current year allocations and grants. Consequently, there may be a need to periodically review the amount of funds originally agreed to in an LOI and adjust the estimate for funding needed in the out years. In any case, APP-500 must approve any changes in the amounts or status of such future funding agreements. Such changes are not normally necessary unless extraordinary circumstances lead to substantial changes in project costs.

1076. AMENDMENTS TO LETTERS OF INTENT.

There will be ongoing FAA field involvement as each project phase is completed, as subsequent phases come to bid, and as successive grants are issued under the LOI. Under extraordinary circumstances, an LOI may be amended in future years to adjust the total maximum Federal obligation, the schedule of payments, or both. Extraordinary circumstances that may lead to an amendment include, but are not limited to, a change in project cost related to unforeseen Federal

**Figure 5
Letter of Intent (LOI) Process and General Timetable**



or state regulatory requirements, changes in project timing or scope, or changes in future obligating authority.

In cases where significant changes in project scope or costs are apparent, the Region or ADO administering the project may be authorized to issue an amended LOI, after APP-500 approval, revising the project description, increasing or decreasing the Government's maximum obligation, or revising the payment schedule. See Appendix 24 for a sample LOI amendment.

The sponsor has a responsibility to estimate and manage costs as accurately as possible. In cases where the sponsor faces unexpected increases in costs driven solely by economic conditions, sponsors should not view a possible LOI amendment as the first solution to be considered, particularly since the FAA's overall participation rate will generally represent a small percentage of overall funding.

The sponsor should either consider cost reduction or deferral measures, and/or pursue the full range of funding sources available. Under extraordinary circumstances, FAA may consider an amendment, but such amendments will be the exception rather than the rule and the disbursement schedule would likely be protracted beyond the term of the original LOI. Moreover, any such amendment may not reflect the same level of Federal participation in the increased costs as in the overall project.

In cases where an amendment would exceed either \$10 million or 20 percent of the original LOI Discretionary funding, APP-500 may require updated information from the sponsor before approving the amendment. If such an amendment is approved, APP-500 will initiate an OST/Congressional notification process as if a new LOI were being awarded.

Substantial revision or abandonment of a project initiated under an LOI is not anticipated. In such an event, however, consult APP-500 to determine the appropriate course of action. Although the limitation on grant amendments (currently 15 percent) does not apply to LOIs, caution should be exercised in considering project changes that would substantially increase the cost.

1077. ADDITIONAL LETTER OF INTENT.

Should a sponsor seek to obtain another LOI for projects not covered by the first LOI, the sponsor's new proposal should be evaluated in the same way as the original.

1078. - 1089. RESERVED

FINANCE TEMPLATE FOR LOI APPLICANTS

The Federal Aviation Administration has established a finance template for the purpose of standardizing the submission of an airport's financial plans under the Letter of Intent (LOI) application. The FAA will utilize this information to conduct a comprehensive financial analysis of selected applicants' funding requests to ensure the most effective utilization of available Federal funds and to ensure that the Sponsor has the necessary financial resources to complete the Proposed Action. Airport sponsors are required to submit their financial plans in a format comparable to this template. Airport sponsors are strongly encouraged to use the actual Excel template which can be found at http://www.faa.gov/airports_airtraffic/airports/aip/loi/media/5100_38_appendix29_attachments_20061115.xls. For assistance, please contact APP-510 at (202) 267-8775.

Regardless of whether sponsors use the existing Excel template or create their own, all information must be provided and organized as shown in Attachments A and B to this Appendix 29. The template requires data entry in five main sections:

- Airport Sponsor Information
- Capital Costs, Annual Cashflow Requirements and Funding Sources – Proposed Action
- Capital Costs, Annual Cashflow Requirements and Funding Sources – Other Capital Plans
- Alternative LOI Disbursement Schedules
- Project-Level Data Entry

The template is designed to allow sponsors to summarize data from prior years, and to present prospective data for a period as long as 14 years. It is not required to provide 14 years of projections; however, sponsors are encouraged to provide the most complete and accurate projection possible of the airport's capital needs and funding plans. This should not be limited to the "Proposed Action" as defined in Paragraph 1073(c) ("Application Process," "Key Definitions").

Airport sponsor information (lines 1-6). Insert required information in Column B of the spreadsheet, overwriting the word "[insert]" in each case.

Capital Costs and Annual Cashflow Requirements – Proposed Action (lines 7-16).

- Line 7 ("Professional Services") should include all planning, environmental and engineering services, including surveying, environmental testing and other services except those specifically related to land acquisition.
- Line 8 ("Land Acquisition") should include all associated costs, including appraisal, negotiation and legal support, and actual costs of acquisition, environmental remediation and relocation.
- Lines 9-12 ("Runways") should include costs specifically associated with each runway. Most LOI applications will relate only to a single runway, but up to four lines are provided to accommodate large multi-runway programs. Costs should include everything from site preparation, rough grading, drainage and paving to final lighting, marking and signage, as well as all associated environmental mitigation costs. Taxiway costs should be included only for parallel, exit and crossover taxiways.

- Line 13 (“Other Airside”) should include all other airside costs not directly attributable to a specific runway, including taxiways other than parallel, exits and crossovers, hold pads, drainage and deicing structures, aircraft aprons, access roads, lighting, marking, signage and fencing for both security and wildlife hazard management purposes. Again, any associated environmental mitigation costs must be included as well.
- Line 14 (“Terminal”) should include all passenger terminal and concourse structures, including all associated systems and fixed equipment such as boarding bridges, lighting, preconditioned air and ground power, as well as all associated environmental mitigation costs. Aircraft parking aprons should be included under “Other Airside.”
- Line 15 (“Landside”) should include all on-airport access and circulation roadways, vehicular parking and holding areas, signage and lighting, as well as all associated environmental mitigation costs.
- Line 16 (“Infrastructure”) should include any systems such as drainage, utility generation or distribution, security or other systems that are not limited to a specific area such as airside, landside or terminal, as well as all associated environmental mitigation costs.

Capital Funding Sources – Proposed Action (lines 17-44)

Federal and State Grants

- Line 17 (“Entitlements - Grants Awarded”) should include only grants that have actually been officially awarded as of the date of submission of the LOI application. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 18 (“Entitlements - Future Grants”) should include any grants anticipated but not yet officially awarded. This should also include Entitlements that would be committed as part of the proposed LOI.
- Line 19 (“Discretionary - LOI Request”) should reflect the full LOI Discretionary funding being requested. If other Discretionary grants have been requested or even awarded, they should not be reflected here. Do not include Entitlements that would be committed as part of the LOI—this should be strictly the Discretionary component.
- Line 20 (“Discretionary - Other – Awarded”) should include only grants that have actually been officially awarded. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 21 (“Discretionary - Other - Future Grants”) should include any other Discretionary grants anticipated, for projects unrelated to the proposed project for which the LOI is sought. No separate grants will be considered for projects covered within an LOI.
- Line 22 (“Discretionary - Noise – Awarded”) should include only grants that have actually been officially awarded. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 23 (“Discretionary - Noise - Future Grants”) should include any grants requested or anticipated but not yet officially awarded.

- Line 24 (“State Apportionment - Grants Awarded”) should include only grants that have actually been officially awarded.
- Line 25 (“State Apportionment - Future Grants”) should include any grants requested or anticipated but not yet officially awarded.
- Line 26 (“Other Federal (non-AIP) - Grants Awarded”) should include only grants that have actually been officially awarded, from other Federal agencies such as other agencies within the U.S. Department of Transportation, Environmental Protection Agency, etc.
- Line 27 (“Other Federal (non-AIP) - Future Grants”) should include any grants requested or anticipated but not yet officially awarded.
- Line 28 (“State - Grants Awarded”) should include only grants that have actually been officially awarded, with funding coming from internal state sources (as opposed to AIP funds apportioned to the state).
- Line 29 (“State - Future Grants”) should include any grants requested or anticipated but not yet officially awarded.

Passenger Facility Charge (PFCs) Resources

Note: Wherever the phrase “PFC resources” is used, it means the net proceeds from either pay-as-you-go collections or the proceeds of PFC-backed bonds.

- Line 30 (“PFCs - \$3.00 Application Approved”) should include PFC resources collected at the \$3.00 level, only for applications where a Record of Decision or Final Agency Decision has been issued. The purpose of requesting this information is solely to ensure a complete and accurate overview of the Sponsor’s entire capital funding plan. The FAA will not generally seek to encourage a sponsor to redirect PFC resources already committed to other projects.
- Line 31 (“PFCs - \$3.00 Application Submitted”) should include PFC resources based on applications submitted but not yet approved.
- Line 32 (“PFCs - \$3.00 Future Applications”) should include PFC resources based on any future applications, even if the application is already under preparation but not yet submitted.
- Line 33 (“PFCs - \$4.50 Application Approved”) should include PFC resources collected at the \$4.50 level, only for applications where a Record of Decision or Final Agency Decision has been issued.
- Line 34 (“PFCs - \$4.50 Application Submitted”) should include PFC resources based on applications submitted but not yet approved.
- Line 35 (“PFCs - \$4.50 Future Applications”) should include PFC resources based on any future applications, even if the application is already under preparation but not yet submitted.
- Line 36 (“PFCs - Future Level”) may be used if a sponsor wishes to base part of their financial plan on potential future increases in the maximum PFC level beyond the maximum limit currently established by law. Clearly indicate the assumed collection level, and the date on which such increase is assumed to take effect.

However, for Large and Medium hub airports, if a sponsor assumes an increase in the maximum PFC level beyond \$4.50, the Finance Template should clearly reflect their assumptions regarding the availability of continued Entitlement funds. In addition, the narrative explanation of the financial plan should outline the sponsor's contingency plan in the event that the assumed increase in the PFC does not materialize in the assumed timeframe.

Debt Financing

Throughout the following section, the FAA's interest lies not in specific bond issuance or individual credit facilities. Rather, the FAA's interest is limited to what levels of debt the sponsor has legal authority to incur.

If debt instruments are expected to be used for interim funding ("carrying") costs, that must be clearly reflected in the appropriate places in lines 37-44. As outlined in Para. 1074(a)(5), FAA will evaluate the completeness of the sponsor's financial plan based in part on the sponsor's demonstrated ability to carry the capital costs prior to LOI reimbursement.

- Line 37 ("Revenue Bonds - MII Approved") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the requirements of the airline use and lease agreement. The FAA may require copies of the actual signed majority-in-interest (MII) certificates, or evidence that an MII is not required (e.g., relevant sections from the master airline use and lease agreement and/or master bond indenture). Supporting documentation must distinguish between the par value of the bonds (if cited) versus the net proceeds to be derived from the issuance.

Letter agreements, side agreements, letters of commitment and/or memoranda of understanding are not sufficient justification to include any associated amounts in this category.

- Line 38 ("Revenue Bonds - MII pending") should include any other amounts expected to be bond-funded but for which MII has not yet been secured.
- Line 39 ("General Obligation - Authority in Place") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the laws of the governing body.

The FAA may require documentation of legal authority to issue the bonds. Non-binding resolutions or the results of a public referendum, letters of support from elected leaders or non-governmental organizations are not sufficient justification to include any associated amounts in this category.

- Line 40 ("General Obligation - Authority Pending") should include any other amounts expected to be bond-funded but for which legal authority to issue bonds has not yet been secured.
- Line 41 ("Other Debt - Authority in Place") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the laws of the issuing entity. This may include commercial paper, bond anticipation notes, Special Facility Revenue Bonds or other forms of short- or long-term debt. The FAA may require documentation of legal authority to issue the bonds.

- Line 42 (“Other Debt - Authority Pending”) should include any other amounts expected to be debt-funded but for which legal authority to incur the debt has not yet been secured.

Airport or Third-Party Funds

- Line 43 (“Airport Funds”) should include any funds derived directly from airport operations, including discretionary capital funds or operating revenues committed to capital expenditures.
- Line 44 (“Tenant or Third-Party Funds”) should include any funds committed by airlines, other tenants, or other interested parties in support of capital improvements at the airport. The FAA may require documentation of such commitments.

The structure and instructions for the third section (“Other Capital Plans”) is identical to lines 7-44.

Alternative LOI Disbursement Schedules

From time to time, in balancing existing commitments against new and anticipated requests, the FAA may find that it is possible in certain years to accelerate disbursements relative to requested disbursement schedules. In other years, FAA may not be able to meet all of the competing requests.

Therefore, the template includes a worksheet for sponsors to submit alternative LOI disbursement schedules. It is not required to do so, but it may help facilitate the analytical and decision process.

The template provides lines for up to four alternatives, above and beyond the official request which is to be reflected on the first worksheet.

For each alternative, sponsors should explain the impacts on costs and/or other funding sources, particularly in terms of either reducing or increasing capital costs or interim funding (“carrying”) costs. For example, if the schedule for implementing a proposed LOI project is constrained by financial limitations, and a more accelerated disbursement schedule could therefore accelerate the project, then there should be a corresponding reduction in cost escalation.

Project-Level Data Entry

The reason for this sheet is that the Benefit-Cost Analysis (BCA) should ordinarily reflect the full cost of the Proposed Action. From time to time, however, there may be justification for excluding part of the cost from the BCA, most notably if a given project element will be undertaken with or without the Proposed Action, or in cases where some cost has already been incurred.

The “Project-Level Data Entry” sheet provides a structured means for sponsors to present such justifications.

In addition, the sheet is designed to allow sponsors to clearly differentiate between the “Proposed Action,” “LOI Projects” and “Other Capital Plans,” as described in Paragraph 1073(c) (“Application Process,” “Key Definitions”).

To use this sheet, fill in the various project components beginning in Row 20, and indicate for each component whether it is to be considered as part of the “Proposed Action.” If the sponsor wishes to exclude the associated cost from the BCA, so indicate and provide justification for the exclusion.

The intent is that the level of detail be no greater than usable units. For example, if a facility must be relocated in order to accommodate a taxiway extension, it would be reasonable to include a line for "Northeast Cargo Facility Relocation." It is neither necessary nor desirable in this context to break that component down into individual sub-phases or trades, such as "Site Preparation," "Excavation and Foundations," "Structural Shell," etc.

Cancelled

Appendix 29. LOI Application Financial Template

Sponsors requesting Letters of Intent (LOIs) are required to submit the information shown, in substantially the same format as this template. Sponsors are strongly encouraged to use this template, as it may help to expedite the review and approval process. Regardless, Sponsors should review the instructions contained in Appendix 29 carefully, because those instructions contain specific parameters for what to include on certain key lines of this template.

Airport Sponsor Information

1. [insert airport name]
2. [insert three-letter identifier]
3. [insert city and state]
4. [insert hub category - Large, Medium, Small or Nonhub]
5. [insert airport owner/operator -- e.g., "City of East Rutherford"]
6. [insert submission date]

Capital Costs and Annual Cashflow Requirements - Proposed Action

	Totals	as %	Prior Years	FFY-2006	FFY-2007	FFY-2008	FFY-2009	FFY-2010	FFY-2011	FFY-2012	FFY-2013	FFY-2014	FFY-2015	FFY-2016
7. Professional Services	\$0	n/a												
8. Land Acquisition	0	n/a												
9. Runway [insert runway designation]	0	n/a												
10. Runway [insert runway designation]	0	n/a												
11. Runway [insert runway designation]	0	n/a												
12. Runway [insert runway designation]	0	n/a												
13. Other Airside	0	n/a												
14. Terminal	0	n/a												
15. Landside	0	n/a												
16. Infrastructure	0	n/a												
Summary	\$0	n/a												
Cumulative Needs														

Canceled

Capital Funding Sources - Proposed Action

	Totals	as %	Prior Years	FFY-2006	FFY-2007	FFY-2008	FFY-2009	FFY-2010	FFY-2011	FFY-2012	FFY-2013	FFY-2014	FFY-2015	FFY-2016
Federal and State Grants														
17. Entitlements - Grants Awarded	\$0	n/a												
18. Entitlements - Future Grants	0	n/a												
19. Discretionary - LOI Request	0	n/a												
20. Discretionary - Other - Awarded	0	n/a												
21. Discretionary - Other - Future Grants	0	n/a												
22. Discretionary - Noise - Awarded	0	n/a												
23. Discretionary - Noise - Future Grants	0	n/a												
24. State Apportionment - Grants Awarded	0	n/a												
25. State Apportionment - Future Grants	0	n/a												
26. Other Federal (non-AIP) - Grants Awarded	0	n/a												
27. Other Federal (non-AIP) - Future Grants	0	n/a												
28. State - Grants Awarded	0	n/a												
29. State - Future Grants	0	n/a												
Subtotal - Federal/State Grants	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Passenger Facility Charges														
30. PFCs - \$3.00 Application Approved	\$0	n/a												
31. PFCs - \$3.00 Application Submitted	0	n/a												
32. PFCs - \$3.00 Future Application(s)	0	n/a												
33. PFCs - \$4.50 Application Approved	0	n/a												
34. PFCs - \$4.50 Application Submitted	0	n/a												
35. PFCs - \$4.50 Future Application(s)	0	n/a												
36. PFCs - Future Level <u>assumed level</u>	0	n/a												
Subtotal - PFCs	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt														
37. Revenue Bonds - MII Approved	\$0	n/a												
38. Revenue Bonds - MII pending	0	n/a												
39. General Obligation - Authority in Place	0	n/a												
40. General Obligation - Authority Pending	0	n/a												
41. Other Debt - Authority in Place	0	n/a												
42. Other Debt - Authority Pending	0	n/a												
Subtotal - Debt	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43. Airport Funds	\$0	n/a												
44. Tenant or Third-Party Funds	\$0	n/a												
Total - All Funding Sources	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Sources			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unmet Funding Needs														
	Totals		Prior Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cancelled

Capital Costs and Annual Cashflow Requirements - Other Capital Plans

	Totals	as %	Prior Years	FFY-2006	FFY-2007	FFY-2008	FFY-2009	FFY-2010	FFY-2011	FFY-2012	FFY-2013	FFY-2014	FFY-2015	FFY-2016
45. Professional Services	\$0	n/a												
46. Land Acquisition	0	n/a												
47. Runways	0	n/a												
48. Other Airside	0	n/a												
49. Terminal	0	n/a												
50. Landside	0	n/a												
51. Infrastructure	0	n/a												
Summary	\$0	n/a												
Cumulative Needs														

Canceled

Capital Funding Sources - Other Capital Plans n/a

	Totals	as %	Prior Years	FFY-2006	FFY-2007	FFY-2008	FFY-2009	FFY-2010	FFY-2011	FFY-2012	FFY-2013	FFY-2014	FFY-2015	FFY-2016
Federal and State Grants														
52. Entitlements - Grants Awarded	\$0	n/a												
53. Entitlements - Future Grants	0	n/a												
54. Discretionary - LOI Request	0	n/a												
55. Discretionary - Other - Awarded	0	n/a												
56. Discretionary - Other - Future Grants	0	n/a												
57. Discretionary - Noise - Awarded	0	n/a												
58. Discretionary - Noise - Future Grants	0	n/a												
59. State Apportionment - Grants Awarded	0	n/a												
60. State Apportionment - Future Grants	0	n/a												
61. Other Federal (non-AIP) - Grants Awarded	0	n/a												
62. Other Federal (non-AIP) - Future Grants	0	n/a												
63. State - Grants Awarded	0	n/a												
64. State - Future Grants	0	n/a												
Subtotal - Federal/State Grants	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Passenger Facility Charges														
65. PFCs - \$3.00 Application Approved	\$0	n/a												
66. PFCs - \$3.00 Application Submitted	0	n/a												
67. PFCs - \$3.00 Future Application(s)	0	n/a												
68. PFCs - \$4.50 Application Approved	0	n/a												
69. PFCs - \$4.50 Application Submitted	0	n/a												
70. PFCs - \$4.50 Future Application(s)	0	n/a												
71. PFCs - Future Level [assumed level]	0	n/a												
Subtotal - PFCs	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt														
72. Revenue Bonds - MII Approved	\$0	n/a												
73. Revenue Bonds - MII pending	0	n/a												
74. General Obligation - Authority in Place	0	n/a												
75. General Obligation - Authority Pending	0	n/a												
76. Other Debt - Authority in Place	0	n/a												
77. Other Debt - Authority Pending	0	n/a												
Subtotal - Debt	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78. Airport Funds	\$0	n/a												
79. Tenant or Third-Party Funds	0	n/a												
Total - All Funding Sources	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Sources			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Unmet Funding Needs	Totals	Prior Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cancelled

**Appendix 29. LOI Application Financial Template
Data Entry Sheet #2**

Airport Sponsor Information

[insert airport name]
 [insert three-letter identifier]
 [insert city and state]
 [insert hub category - Large, Medium, Small or Nonhub]
 [insert airport owner/operator -- e.g., "City of East Rutherford"]
 [insert submission date]

Alternative Disbursement Proposal(s)

OFFICIAL REQUEST	Totals	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Discretionary - LOI disbursement schedule	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

ALTERNATIVE A

Discretionary - LOI disbursement schedule	\$0														
Change (if any) in LOI Discretionary funding	0														
Impact on costs and/or other funding sources															

ALTERNATIVE B

Discretionary - LOI disbursement schedule	\$0														
Change (if any) in LOI Discretionary funding	0														
Impact on costs and/or other funding sources															

ALTERNATIVE C

Discretionary - LOI disbursement schedule	\$0														
Change (if any) in LOI Discretionary funding	0														
Impact on costs and/or other funding sources															

ALTERNATIVE D

Discretionary - LOI disbursement schedule	\$0														
Change (if any) in LOI Discretionary funding	0														
Impact on costs and/or other funding sources															

Canceled

**Appendix 29. LOI Application Financial Template
Data Entry Sheet #3**

Airport Sponsor Information

[insert airport name]
 [insert three-letter identifier]
 [insert city and state]
 [insert hub category - Large, Medium, Small or Nonhub]
 [insert airport owner/operator -- e.g., "City of East Rutherford"]
 [insert submission date]

Individual Project Components

	Cost	Part of Proposed Action? Y/N	Include in BCA? Y/N Justification for Requested Exclusion	LOI Project	Proposed Action	Overall Capital Plan	Professional Services	Land Acquisition	Runways	Other Airside	Terminal	Landside	Infrastructure
<i>Example: Taxiway F Rehabilitation</i>	\$1,800,000	N	N Will occur with or without Night Vision Program	\$0	\$0	\$1,800,000							
<i>Example: EIS - Night Vision Program</i>	\$4,600,000	Y	N Costs incurred regardless of outcome, and already funded	\$0	\$4,600,000	\$4,600,000							
[insert project by project]				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
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				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
				\$0	\$0	\$0							
Summary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cancelled