



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

Memorandum

Subject: **ACTION:** Program Guidance Letter 14-03
Guidance on Federal Share at Airports Located in Public
Land States

Date:

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The FAA Reform and Modernization Act of 2012 (Pub. L. 112-95) did not extend the temporary increase in federal share from the 2003 FAA Century of Aviation Reauthorization Act (Vision 100) (Pub. L. 108-176). In the course of reinstating the pre-Vision 100 general federal shares nationwide, the Office of Airport Planning and Programming also reviewed the federal share for AIP grants at airports in public land states.

This Program Guidance Letter (PGL) explains how the federal share is calculated in public land states, and replaces Appendix 23 in FAA Order 5100-38C, the Airport Improvement Program Handbook. Federal participation rates are a function of an airport's *current* size and statutory classification

For grants issued after the publication date of this Program Guidance Letter (PGL), the following federal shares table will apply to AIP projects in public land states. The attached PGL provides background on the history of the federal share in public land states and the method for calculating the appropriate federal shares of an AIP grant.

Appendix 23. Federal Shares by Airport Classification in Public-Land States

	State	Large Hub Airports	Medium Hub Airports	Small or Nonhub Commercial Service airports	Non-primary General Aviation and Reliever Airports
1	Alaska (AK)	75	87.76%	93.75%	93.75%
2	Arizona (AZ)	75	91.06%	91.06%	91.06%
3	California (CA)	75	80.59%	90.66%	90.00%
4	Colorado (CO)	75	79.02%	90.00%	90.00%
5	Idaho (ID)	75	83.51%	93.75%	90.00%
6	Montana (MT)	75	79.47%	90.00%	90.00%
7	Nevada (NV)	75	93.75%	93.75%	93.75%
8	New Mexico (NM)	75	84.29%	93.75%	90.00%
9	Oregon (OR)	75	83.33%	93.75%	90.00%
10	South Dakota (SD)	75	78.55%	90.00%	90.00%
11	Utah (UT)	75	90.63%	90.63%	90.63%
12	Washington (WA)	75	77.31%	90.00%	90.00%
13	Wyoming (WY)	75	84.58%	93.75%	90.00%

Program Guidance Letter 14-03:

Guidance on Federal Share at Airports Located in Public Land States

1. BACKGROUND

The United States Government's share of project costs on an AIP grant (also known as federal share or federal match) is defined in 49 United States Code § 47109 (49 USC § 47109). The federal share varies by airport size and is generally 75 percent for large and medium hub airports and 90 percent for all other airports.¹ The share applicable to a generic class of airports is called the "general federal share." Appendix B contains the relevant text in 49 USC § 47109 governing federal share in public land states.

2. PUBLIC LAND STATE FEDERAL SHARES

Since the early days of federal participation in airport infrastructure projects, Congress has provided a higher federal share at airports located in states with more than 5 percent of their geographic acreage comprised of, "unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal)."² For purposes of this PGL, land fitting this definition is called "federal land" and states meeting the statutory criteria are called "public land states."

There are currently 13 public land states whose federal lands account for between 6.6 percent (Washington) and 69.23 percent (Nevada) of the states' total acreage. The federal land percentages in each of the public land states are identified in Table I.

Table I. Federal Lands in Public Land States³

State	Percentage
Alaska	34.03
Arizona	43.37
California	15.74
Colorado	12.06
Idaho	22.69
Montana	12.42
Nevada	69.23
New Mexico	26.44
Oregon	22.23
South Dakota	9.72
Utah	41.83
Washington	6.6
Wyoming	27.58

¹ 49 U.S.C. §§ 47102 (11),(13),(14), and (25) identifies hub designations based on the percentage of annual passenger boardings.

² 49 USC § 47109

³ FHWA data published pursuant to 23 U.S.C. 120(b)(1), effective March 17, 1992, published in the Federal Register at 58 Fed. Reg. 123 [page 158]. See Table Footnote A-3(a) for explanation of source data.

Since 1970, sponsors in these public land states have been eligible for increased federal contributions on airport development projects. Table II (which replaces Appendix 23 in FAA Order 5100-38C) identifies the appropriate federal share by statutory airport classification, in each of the 13 public land states. These shares represent the final application of all 49 USC § 47109 formulas and should be used for all projects, except those that are subject to other express legislative federal share criteria. The maximum public land state federal share allowed under the formulas for any classification of airport is 93.75 percent.

Federal participation rates are a function of an airport's *current* size and statutory classification. An airport whose classification changes because of changes in enplanements is entitled to the adjusted federal share applicable to the new classification beginning in the next fiscal year after the change in classification. Details on the formula calculations are provided in Appendix A of this PGL.

Table II. Current Federal Shares by Airport Classification in Public-Land States

	State	Large Hub Airports	Medium Hub Airports	Small or Nonhub Commercial Service airports	Non-primary General Aviation and Reliever Airports
1	Alaska (AK)	75	87.76%	93.75%	93.75%
2	Arizona (AZ)	75	91.06%	91.06%	91.06%
3	California (CA)	75	80.59%	90.66%	90.00%
4	Colorado (CO)	75	79.02%	90.00%	90.00%
5	Idaho (ID)	75	83.51%	93.75%	90.00%
6	Montana (MT)	75	79.47%	90.00%	90.00%
7	Nevada (NV)	75	93.75%	93.75%	93.75%
8	New Mexico (NM)	75	84.29%	93.75%	90.00%
9	Oregon (OR)	75	83.33%	93.75%	90.00%
10	South Dakota (SD)	75	78.55%	90.00%	90.00%
11	Utah (UT)	75	90.63%	90.63%	90.63%
12	Washington (WA)	75	77.31%	90.00%	90.00%
13	Wyoming (WY)	75	84.58%	93.75%	90.00%

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

A-1. HISTORY OF AIP PUBLIC LAND SHARE FORMULAS

Since 1970, airport projects in these public land states have been eligible for increased federal contributions calculated using a series of complex, legislatively-defined formulas. These grant federal share formulas for public land states have changed over time to keep pace with legislative changes in general federal shares. The federal participation rates at airports in public land states are calculated using the prevailing general federal share for each classification of airports in 49 USC § 47109.

Between 1970 and 1980, Congress adjusted the general federal shares significantly through a series of amendments to the Airport and Airway Development Act of 1970 (ADAP, which was the predecessor grant program to AIP).⁴ As the general federal shares for grants have increased, Congress changed the public land state formulas to ensure that smaller airports in public land states received some consideration for the large inventories of federal lands. The legislative formulas under 49 USC § 47109 part 'b' and 'c' reference the general federal shares on two specific dates: June 30, 1975 and August 3, 1979.⁵ Table A-1 illustrates the changes in the general federal share from 1970 to 1980, highlighting the general federal shares on the two dates of interest.

Table A-1. General Federal Shares of ADAP grants by Airport Classification (By Fiscal Year)

	Part 'b' Ref.						Part 'c' Ref.				
Hub Size	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Large	50	50	50	50	50	50	75	75	75	75	75
Medium	50	50	50	50	50	75	75	75	75	75	75
Small and Non-hub	50	50	50	50	50	75	90	90	90	80	80
GA, Reliever, Etc.	50	50	50	50	50	75	90	90	90	80	80

During the 1980s and 1990s, the general federal share for large and medium hub primary airport grants stabilized at 75 percent, and the general federal share for other airport grants increased and then stabilized at 90 percent.⁶

In 2003, Congress passed the FAA Century of Aviation Reauthorization Act (Vision 100),⁷ which temporarily increased the general federal share of grants at smaller airports⁸ to 95 percent. This increase to 95 percent was greater than the maximum federal share (93.75 percent) that could be calculated under the public land state formulas. Therefore, there was no reason to

⁴ Pub.L. 91-258 (May 21, 1970), Pub.L.93-44 (June 18, 1973), Pub. L. 94-353 (July 12, 1976), Pub. L. 96-415 (November 15, 1979)

⁵ Pub. L. 93-44 (July 18, 1973); Pub L. 94-353 (July 12, 1976)

⁶ Pub.L. 97-248 , § 513(b)(5); (Sept. 3, 1982), Pub.L. 100-223, § 111(a)(2) (Dec. 30, 1987); Pub.L. 102-581, § 110(b) (Oct. 31, 1992).

⁷ Pub.L. 108-176, Sec. 161 (Dec. 12, 2003).

⁸ Small hub primary, nonhub primary and nonprimary commercial service airports, and nonprimary general aviation and reliever airports.

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

calculate the public land state federal grant share while Vision 100 was in effect, since the 95 percent general federal share would always be greater than the maximum public land state percentage. Therefore, between 2003 and 2011, the public land state airports – along with other small airports in the United States – generally received a federal share of 95 percent for AIP grants.

In 2012, Congress passed the FAA Modernization and Reform Act of 2012 (FMRA)⁹ which did not retain the increased general federal share provision of Vision 100. Most airports that had been receiving the higher Vision 100 share of 95 percent reverted to the prior general federal share of 90 percent. Smaller airports in public land states reverted to the shares calculated under the public land state formulas, which allowed a federal share of up to 93.75 percent.

A-2. THE PUBLIC LAND STATE FEDERAL SHARE FORMULAS

49 USC § 47109 includes two sets of instructions for calculating the federal share at airports in public land states. Part ‘b’ provides the general formula for all airports in public land states. Part ‘c’ provides an additional formula that only applies to small and non-hub commercial service airports.

A-2-1. **Part (b) Calculation.** The Part ‘b’ calculation applies to airports of all sizes and involves a multi-part analysis. The calculation involves a “Yes/No” test to determine whether a specific class of airports in a public land state is eligible for an adjusted federal share calculation. If the airport class is eligible, a three-part analysis follows to calculate the appropriate share, as described in the Table A-2. (Column References in Table A-2 refer to Headers in Table A-3)

Table A-2. “Yes/No” Test for Part ‘b’ Calculation

Is the <u>Current General Federal Share</u> (Column C) less than the <u>1975 Share</u> (Column B)?	Then the Federal Share is...
a. No	The Current Federal Share (column C)
b. Yes	The lesser of: (1) The Current Federal Share <i>increased by 25 percent</i> (Column E) (2) The Current Federal Share <i>increased by ½ the Public Land Percentage</i> (Column F) (3) The 1975 Federal Share (Column G)

The numerical values and results of the Part ‘b’ calculation for all airport classes in public land states are contained in **Table A-3**. *Note that the federal shares for small and nonhub*

⁹ Pub. L. 112-95 (Feb. 14, 2012).

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

*commercial service airports in **Table A-3** may change as a result of the part 'c' calculation discussed in the "Grandfather Rule" section to follow.*

Canceled

Table A-3. Public Land State Federal Share under 49 U.S.C. § 47109 (b); the Part 'b' Calculation¹⁰

State/Airport	% Public Land [Note A-3(a)]	Federal Share, % in 1975 [Note A-3(b)]	Current Federal Share (FMRA)	Is Current Share < 1975?	The Lesser of the Three Columns Prevails			47109 Part 'B' Results
					Current Share Increased by 25%	Current Share Increased by 1/2 Public Land % [Note A-3(c)]	Increased to = 1975 Fed Share	
	A	B	C	D (yes/no)	E (calc 1)	F (calc 2)	G (calc 3)	H
Alaska	34.03							
Large Hubs		62.5	75	no				75.00
Medium		93.75	75	yes	93.75	87.76	93.75	87.76
Small and Nonhub CS		93.75	90	yes	112.5	105.31	93.75	93.75
Other (GA, Reliever, Commuter)		93.75	90	yes	112.5	105.31	93.75	93.75
Arizona	43.37							
Large Hubs		60.65	75	no				75
Medium		91.06	75	yes	93.75	91.26	91.06	91.06
Small and Nonhub CS		91.06	90	yes	112.5	109.52	91.06	91.06
Other (GA, Reliever, Commuter)		91.06	90	yes	112.5	109.52	91.06	91.06
California	15.74							
Large Hubs		53.72	75	no				75
Medium		80.59	75	yes	93.75	80.90	80.59	80.59
Nonhub CS		80.59	90	no				90
Other (GA, Reliever, Commuter)		80.59	90	no				90
Colorado	12.06							
Large Hubs		52.68	75	no				75
Medium		79.02	75	yes	93.75	79.52	79.02	79.02
Small and Nonhub CS		79.02	90	no				90
Other (GA, Reliever, Commuter)		79.02	90	no				90
Idaho	22.69							
Large Hubs		55.78	75	no				75
Medium		83.64	75	yes	93.75	83.51	83.64	83.51
Small and Nonhub CS		83.64	90	no				90
Other (GA, Reliever, Commuter)		83.64	90	no				90
Montana	12.42							
Large Hubs		52.98	75	no				75
Medium		79.47	75	yes	93.75	79.66	79.47	79.47
Small and Nonhub CS		79.47	90	no				90
Other (GA, Reliever, Commuter)		79.47	90	no				90

¹⁰ In each row, the highlighted cell identifies the federal share percentage that governs in that instance, based on the statutory formulas.

State/Airport	% Public Land	Federal Share, % in 1975	Current Federal Share (FMRA)	Is Current Share < 1975?	Current Share Increased by 25%	Current Share Increased by 1/2 Public Land %	Increased to = 1975 Fed Share	47109 Part 'B' Results
	A	B	C	D (yes/no)	E (calc 1)	F (calc 2)	G (calc 3)	H
Nevada	69.23							
Large Hubs		62.5	75	no				75
Medium		93.75	75	yes	93.75	100.96	93.75	93.75
Small and Nonhub CS		93.75	90	yes	112.5	121.15	93.75	93.75
Other (GA, Reliever, Commuter)		93.75	90	yes	112.5	121.15	93.75	93.75
New Mexico	26.44							
Large Hubs		56.16	75	no				75
Medium		84.29	75	yes	93.75	84.92	84.29	84.29
Small and Nonhub CS		84.29	90	no				90
Other (GA, Reliever, Commuter)		84.29	90	no				90
Oregon	22.23							
Large Hubs		55.66	75	no				75
Medium		83.33	75	yes	93.75	83.34	83.33	83.33
Small and Nonhub CS		83.33	90	no				90
Other (GA, Reliever, Commuter)		83.33	90	no				90
South Dakota	9.72							
Large Hubs		52.57	75	no				75
Medium		78.55	75	yes	93.75	78.65	78.55	78.55
Small and Nonhub CS		78.55	90	no				90
Other (GA, Reliever, Commuter)		78.55	90	no				90
Utah	41.83							
Large Hubs		60.65	75	no				75
Medium		90.63	75	yes	93.75	90.69	90.63	90.63
Small and Nonhub CS		90.63	90	yes	112.5	108.82	90.63	90.63
Other (GA, Reliever, Commuter)		90.63	90	yes	112.5	108.82	90.63	90.63
Washington	6.6							
Large Hubs		51.52	75	no				75
Medium		77.31	75	yes	93.75	77.48	77.31	77.31
Small and Nonhub CS		77.31	90	no				90
Other (GA, Reliever, Commuter)		77.31	90	no				90
Wyoming	27.58							
Large Hubs		56.33	75	no				75
Medium		84.58	75	yes	93.75	85.34	84.58	84.58
Small and Nonhub CS		84.58	90	no				90
Other (GA, Reliever, Commuter)		84.58	90	no				90

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

TABLE A-3 NOTES

- A-3(a). **(Column A)** The actual percentage of public land in a state was last calculated in 1992 by the Department of Interior (DOI). According to DOI, the agency stopped calculating this statistic because the source data comes from five separate federal agencies, none of which collect and report data consistently. Because the AIP statute directs FAA to use these statistics, and 1992 was the last year these statistics were produced, FAA continues to rely on the 1992 DOI public land inventories to calculate current federal share.¹¹
- A-3(b). **(Column B)** The adjusted federal shares for large hub airports were published in the Federal Register in June, 1972.¹² In 1974, Congress increased the general federal share to 75 percent for all airports enplaning less than 1 percent of passengers in 1974.¹³ While this change affected airports categorized as medium hubs and smaller, the FAA did not publish adjusted rates for the smaller airports until 1979. While the Part 'b' calculation requires a comparison to the rates in place for these smaller airports in 1975, the FAA is using the 1979 published shares as a proxy for the 1975 rates for smaller airports. These rates have been used by the FAA for at least 10 years to perform the Part 'b' calculations.
- A-3(c). **(Column E)** The statutory formula to increase the current federal share by $\frac{1}{2}$ the public land percentage is calculated by multiplicatively, not additively. To be consistent with the Column D directive to increase current federal share by 25 percent, Column E is calculated by increasing the current federal share by the percentage equal to $\frac{1}{2}$ the state's public land percentage. For example, in Alaska, where the federal land accounts for 34.03 percent of the state's acreage, Column E is calculated by increasing the current federal share (75) by 17.015 percent.
[Federal Share = $75 + (0.17 * 75)$]

¹¹ 58 Fed. Reg. 128, 158 (Jan. 4, 1993).

¹² 37 Fed. Reg. 11014, 11023 (June, 1972)

¹³ Airport Development Acceleration Act, enacted on June 18, 1973, amended the Airport and Airway Development Act of 1970 (Pub. L. 91-258). The Act became effective for grants issued during Federal Fiscal Year 1974, which began July 1, 1973.

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

A-2-2. Part (c) Calculation, the “Grandfather Rule”

In Vision 100 (passed in 2003), Congress amended 49 USC § 47109 to include a “grandfathering” provision for small and nonhub commercial service airports in public land states.¹⁴ This provision, which applies in addition to the Part ‘b’ calculation, is codified in 49 USC § 47109(c). The Part ‘c’ formula, often referred to as the “Grandfather Rule,” applies *only* to small and nonhub commercial service airports.

Table VI identifies the calculated federal shares for small and nonhub commercial service airports in public land states. The Part ‘c’ formula calculates the ratio of the 1979 general federal share for small and nonhub commercial service airports (80%) to the 1979 public land state adjusted share (Col. A) and applies that ratio to the current federal share. The resulting adjusted federal share (Col. B) cannot exceed the maximum percentage calculated for small and nonhub commercial service airports under Part ‘b’ (Col. C) or 93.75 percent (Col. D). Blue-shaded table cells represent the determined or calculated share resulting from the Part ‘b’ or Part ‘c’ formulas.

$$\frac{80}{A} = \frac{90}{B} \quad \text{Formula: where B is subject to the maximum of C and D}$$

Table VI. Calculated Federal Shares for Small & Nonhub Commercial Service Airports in Public Land States (Part 'c')

	Adjusted Fed Share % in 1979	Adjusted Federal Share (Current)		Max Part 'b' Calculation	Maximum of 93.75%
Non Public-Land States	80.00	90.00			
Public Land States	A	B		C	D
Alaska	93.75	105.47		93.75	93.75
Arizona	91.06	102.44		91.06	91.06
California	80.59	90.66		NA	90.66
Colorado	80	90.00		NA	90
Idaho	83.64	94.10		NA	93.75
Montana	80	90.00		NA	90
Nevada	93.75	105.47		93.75	93.75
New Mexico	84.29	94.83		NA	93.75
Oregon	83.54	93.98		NA	93.75
South Dakota	80	90.00		NA	90
Utah	90.94	102.31		90.63	90.63
Washington	80	90.00		NA	90
Wyoming	84.58	95.15		NA	93.75

¹⁴ Pub. L. 108-176, Sec. 162 (Dec. 12, 2003).

Appendix A. Methodology for Applying Federal Share Formulas in Public Land States

A-3. EXCEPTIONS TO PUBLIC LAND STATE FORMULA MAXIMUMS.

In public land states, the maximum federal share available under both the part ‘b’ and part ‘c’ calculations is 93.75 percent. Two possible exceptions exist under current law which would allow airports to receive a federal share of 95 percent. In 2003, Congress passed the Vision 100 FAA reauthorization increasing the general federal share to 95 percent at smaller airports.¹⁵ While the FAA Modernization and Reform Act of 2012 (FMRA) did not retain the increased general federal share provision, the AIP grants that were issued under Vision 100 that are still open retain the 95 percent match. FMRA also provided an exemption for smaller airports (other than large and medium hub) located in areas that receive Essential Air Service and are designated as Economically Distressed Areas.¹⁶ These airports are identified at the beginning of each fiscal year by the Office of Airports.

FMRA also provides an exception for an airport in a public-land state that transition from a small hub to a medium hub.¹⁷ These airports may continue to receive AIP grants at a federal share equivalent to the public land state-adjusted small hub entitlement for two fiscal years following the change in status. After the second year, the public lands federal share on new projects is 75 percent or the maximum adjusted federal share that applies to medium-hub airports in that state as calculated under 49 USC § 47109.

¹⁵ Pub. L. 108-176, Sec. 161 (Dec. 12, 2003).

¹⁶ U.S.C. 47109(f). Special Rule for Economically Distressed Communities

¹⁷ 49 USC § 47109(e)

Appendix B. Statutory Language Governing Federal participation on Airport Projects in Public Land States

TEXT OF 49 USC § 47109 (SELECTED SECTIONS)

49 USC § 47109. *United States Government's share of project costs*

- (a) **GENERAL.**—Except as otherwise provided in this section, the United States Government's share of allowable project costs is —
- (1) 75 percent for a project at a primary airport having at least .25 percent of the total number of passenger boardings each year at all commercial service airports;
 - (2) Not more than 90 percent for a project funded by a grant issued to and administered by a State under section 47128, relating to the State block grant program;
 - (3) 90 percent for a project at any other airport
 - (4) 70 percent for a project funded by the Administrator from the discretionary fund under section 47115 at an airport receiving an exemption under section 47134; and
 - (5) For fiscal year 2002, 100 percent for a project described in section 47102(3)(J), 47102(3)(K), or 47102(3)(L).
- (b) **INCREASED GOVERNMENT SHARE.**—If, under subsection (a) of this section, the Government's share of allowable costs of a project in a State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) of more than 5 percent of the total area of all lands in the State, is less than the share applied on June 30, 1975, under section 17(b) of the Airport and Airway Development Act of 1970, the Government's share under subsection (a) of this section shall be increased by the lesser of —
- (1) 25 percent;
 - (2) one-half of the percentage that the area of unappropriated and unreserved public lands and nontaxable Indian lands in the State is of the total area of the State; or
 - (3) the percentage necessary to increase the Government's share to the percentage that applied on June 30, 1975, under section 17(b) of the Act.
- (c) **GRANDFATHER RULE.**—
- (1) **IN GENERAL.**—In the case of any project approved after September 30, 2003, at a small hub airport or nonhub airport that is located in a State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) of more than 5 percent of the total area of all lands in the State, the Government's share of allowable costs of the project shall be increased by the same ratio as the basic share of allowable costs of a project divided into the increased (Public Lands States) share of allowable costs of a project as shown on documents of the Federal Aviation Administration dated August 3, 1979, at airports for which the general share was 80 percent on August 3, 1979. This subsection shall apply only if—
 - (A) The State contained unappropriated and unreserved public lands and nontaxable Indian lands of more than 5 percent of the total area of all lands in the State on August 3, 1979; and
 - (B) The application under subsection (b), does not increase the Government's share of allowable costs of the project.
 - (2) **LIMITATION.**—The Government's share of allowable project costs determined under this subsection shall not exceed the lesser of 93.75 percent or the highest percentage Government share applicable to any project in any State under subsection (b).