



FAA
Airports

Airport Improvement Program History

The Federal Government initiated a grants-in-aid program shortly after the end of World War II to promote the development of a system of civil airports to meet U.S. aviation needs. This early program, the Federal-Aid Airport Program (FAAP), was established with the passage of the Federal Airport Act of 1946 and funded from the general fund of the Department of Treasury. The FAAP grants could be used for basic airport development, including airfield construction, passenger terminals, entrance roads, and land needed for the airport.

Airport and Airway Development Act of 1970: The Airport and Airway Development Act of 1970 (P.L. 91-258, enacted May 21, 1970) established a more comprehensive program. This act provided grant assistance for airport planning under the Planning Grant Program and for airport development under the Airport Development Aid Program (ADAP). The source of funds was a newly established Airport and Airway Trust Fund that derives its revenues from aviation user taxes on items such as airline fares, airfreight, and aviation fuels. The act was amended several times and was extended 1 year before expiring on September 30, 1981.

The Airport and Airway Improvement Act of 1982: The Airport and Airway Improvement Act of 1982 (title V of the Tax Equity and Fiscal Responsibility Act of 1982, P.L. 97-248, enacted September 3, 1982) established the successor grant program, the Airport Improvement Program (AIP). The AIP provides assistance under a single program for airport planning and development with user taxes from the Airport and Airway Trust Fund. This 1982 act also provides funds to conduct noise compatibility planning and to implement noise compatibility programs that are authorized by the Aviation Safety and Noise Abatement Act of 1979 (P.L. 96-193, enacted February 18, 1980).

The Airport and Airway Improvement Act has been amended several times. The first amendment, enacted barely 1 month after the initial statute, was the Continuing Appropriations Act (P.L. 97-276, enacted October 2, 1982). It provided authority to convert unused apportioned funds for use in the award of discretionary grants. The Surface Transportation Assistance Act (P.L. 97-424, enacted January 6, 1983) increased the annual authorizations for the AIP for FY 1983 through FY 1985.

The Airport and Airway Safety and Capacity Expansion Act of 1987: The Airport and Airway Safety and Capacity Expansion Act of 1987 (P.L. 100-223, enacted December 30, 1987) extended AIP grant authority for 5 years. It authorized \$1.7 billion each fiscal year through 1990, \$1.8 billion for FY 1991, and \$1.9 billion for FY 1992. This act also authorized FAA to use the LOI process to finance high priority capacity projects with funds that become available

in future fiscal years. Another provision of the 1987 amendment authorized an SBGP in three states during FY 1990 and FY 1991. The FAA initiated this program with Illinois, Missouri, and North Carolina. The amendment also established a DBE Program to help small business concerns owned and controlled by socially and economically disadvantaged individuals. Under the statutory authority establishing the DBE Program, not less than 10 percent of AIP funds made available yearly for approved construction projects must be awarded to DBE firms and individuals. However, subsequent Supreme Court decisions and the resultant revisions to the DOT's DBE regulations require DBE goals to be "narrowly tailored." Therefore, DBE goals must be based on demonstrable evidence of the relative availability of DBEs ready, willing, and able to participate in DOT-assisted contracts.

The Aviation Safety and Capacity Expansion Act of 1990: The Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508, enacted November 5, 1990) allowed public agencies controlling commercial service airports to charge a \$1, \$2, or \$3 passenger facility charge to enplaning passengers using the airport. The act required that public agencies wanting to impose such PFCs must apply to FAA for such authority and meet regulatory requirements spelled out in the legislation and the implementing regulation title 14 CFR, part 158, issued by FAA in May 1991.

The Airport and Airway Safety, Capacity, Noise Improvement and Intermodal Transportation Act of 1992: The Airport and Airway Safety, Capacity, Noise Improvement and Intermodal Transportation Act of 1992 (P.L. 102-581, enacted October 31, 1992) authorized the extension of the AIP at a funding level of \$2.025 billion through FY 1993. This act included a number of changes in the AIP. The primary changes include the expanded eligibility of development under the MAP, as well as eligibility for the relocation of air traffic control towers and navigational aids (including radar) if they impede other projects funded under the AIP; the eligibility of land, paving, drainage, aircraft deicing equipment, and structures for centralized aircraft deicing areas. Additionally, projects are to comply with the Americans with Disabilities Act of 1990, the Clean Air Act, and the Federal Water Pollution Control Act. The act also increased the number of states that may participate in the SBGP from three to seven and extended that program through FY 1996. In 1993, FAA added Michigan, New Jersey, Texas, and Wisconsin to the program.

The AIP Temporary Extension Act of 1994: The AIP Temporary Extension Act of 1994 (P.L. 103-260, enacted May 26, 1994) extended the authorization of the AIP until June 30, 1994. This act stipulated that the minimum amount to be apportioned to a primary airport based on passenger boardings would be \$500,000. The act also modified the percentage of the AIP funds that must be set aside for reliever airports (reduced from 10 percent to 5 percent), commercial service nonprimary airports (reduced from 2.5 percent to 1.5 percent), and system planning projects (increased from 0.5 percent to 0.75 percent). It also provided a minimum level of discretionary funds after August 1, 1994. If the discretionary funds remaining after all formulas and set-asides were calculated were less than \$325 million, all set-asides and apportionments (except Alaska supplemental funds) must be reduced by equal percentages to provide this minimum level of discretionary funds. Eligibility for terminal development was expanded to allow the use of discretionary funds at reliever airports and nonhub primary airports.

Codification of Certain U.S. Transportation Laws at Title 49 U.S.C.: Codification of Certain U.S. Transportation Laws at title 49 U.S.C. (P.L. 103-272, enacted July 5, 1994) repealed the Airport and Airway Improvement Act of 1982, as amended, and the Aviation Safety and Noise Abatement Act of 1979, as amended, and recodified them without substantive change at title 49 U.S.C., section 47101, *et seq.* Several notable name changes were contained in the recodification language. The term “enplanements” was replaced with the term “passenger boardings.” The codification also uses the term “passenger facility fees” instead of “passenger facility charges.” These terms, when used in a discussion of legislative provisions and program objectives, are interchangeable.

The Federal Aviation Administration Authorization Act of 1994: The Federal Aviation Administration Authorization Act of 1994 (P.L. 103-305, enacted August 23, 1994) extended the AIP until September 30, 1996. This act increased the number of airports that can be designated in the MAP from 12 to 15, but required that FAA identify projects at newly designated airports that would reduce delays at airports with 20,000 hours of delay or more. It also expanded AIP eligibility to include universal access control and explosives detection security devices. This act also imposed a requirement for a number of actions by FAA and airport sponsors related to airport rates and charges and airport revenue diversion.

The Federal Aviation Reauthorization Act of 1996: The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264, enacted October 9, 1996) extended the AIP until September 30, 1998. Various changes were made to the formula computation of primary and cargo entitlements, State Apportionment, and discretionary set-asides. Specifically, under primary airport entitlements, the formula was adjusted by changing the credit for the number of enplaning passengers over 500,000 from \$0.65 to: (1) \$0.65 for the passengers from 500,000 up to 1 million, and (2) \$0.50 for each passenger over 1 million. Cargo entitlements were decreased from 3.5 percent of the AIP to 2.5 percent of the AIP.

State Apportionments were increased from 12 percent of the AIP to 18.5 percent, with the previous set-asides for reliever and nonprimary commercial service airports removed. The eligibility for use of State Apportionments was expanded to include nonprimary commercial service airports. The system planning set-aside was also eliminated.

The noise and MAP set-aside computations were also changed from 12.5 percent and 2.5 percent of the total AIP, respectively, to 31 percent and 4 percent of the discretionary fund. In addition, previously there was a minimum level of \$325 million for the discretionary fund after subtraction of the various apportioned funds and set-asides. This act changed the minimum discretionary fund level to \$148 million plus the total amount required from the discretionary fund to carry out in the fiscal year LOIs issued prior to January 1, 1996.

Three new pilot programs for innovative financing techniques, pavement maintenance, and privatization of airports were added to the program. Other changes included changes to the MAP in the number of airports under the program, criteria for selection, project eligibility, and permission to extend MAP participants for an additional 5-year period.

The SBGP was formally adopted by removing the designation of “pilot” and the number of participating states was increased first to seven states in 1993 and then to nine states in 1998. Following enactment, FAA added Pennsylvania and Tennessee to the program.

The act also aligned the PFC Program and the AIP to permit both to be used for funding projects to comply with Federal mandates and to relocate navigational aids and air traffic control towers. However, these relocations would be eligible only when needed in conjunction with approved airport development using the AIP or PFC funding. Finally, new provisions for revenue diversion enforcement were added to the FAA's authority.

1999 AIP Extensions: During FY 1999, four separate public laws extended the AIP through September 30, 1999:

1. **Initial Extension.** P.L. 105-277, enacted October 21, 1998, extended the AIP for a 6-month period ending March 31, 1999. The AIP contract authority was established at \$1.205 billion, and the obligation limitation was established at \$975 million. This public law created new project eligibility, during FY 1999 only, for assessments of turn of the century (Y2K) CY 2000 processing capabilities for airport technology systems.
2. **Second Extension.** P.L. 106-6, enacted March 31, 1999, extended the AIP for a 2-month period until May 31, 1999, increasing the contract authority by \$402 million and the obligation limitation to \$1.3 billion or an additional \$325 million. In addition, the public law relocated the small hub fund from the discretionary fund to the small airport fund. Further, the law removed a cap of \$300 million that was placed on the discretionary fund.
3. **Third Extension.** P.L. 106-31, enacted May 21, 1999, extended the AIP until August 6, 1999. It increased the AIP contract authority by \$443 million and increased the obligation limitation for FY 1999 by \$360 million to a total of \$1.66 billion. The law further restored discretionary set-aside for the MAP, which was inadvertently permitted to expire.
4. **Final Extension.** P.L. 106-59, enacted September 29, 1999, extended the AIP to September 30, 1999. This law increased the AIP contract authority to \$2.41 billion, an increase of \$360 million. The obligation limitation was increased to \$1.95 billion, an increase of \$290 million.

The Wendell H. Ford Aviation Investment and Reform Act of the 21st Century (AIR-21): P.L. 106-181, enacted November 5, 2000, reauthorized the AIP through FY 2003. AIR-21 instituted many changes to the program, including changes to funding levels, revised criteria for program eligibility, and expanded pilot programs. Some of these changes were as follows:

1. The authorized AIP funding level significantly increased in FY 2001 to a level of \$3.2 billion, growing to \$3.4 billion in FY 2003.
2. Formula changes became effective in FY 2000 without regard to the total AIP level, including:

- a. A minimum passenger entitlement increase from \$500,000 to \$650,000;
 - b. A cargo entitlement increase from 2.5 percent of the AIP to 3 percent; and
 - c. A set-aside increase for noise compatibility planning and projects from 31 percent of discretionary funds to 34 percent.
3. The following changes would be made to the AIP formula if the amounts made available to the AIP through the appropriations process equal or exceed \$3.2 billion in FY 2001 and beyond:
- a. Passenger entitlements determined by formula would double;
 - b. Minimum passenger entitlements would increase to \$1 million; and
 - c. Maximum passenger entitlements would increase from \$22 million to \$26 million.
4. State Apportionment increased from 18.5 percent to 20 percent with each nonprimary airport entitled to an individual apportionment based on the lesser of one-fifth of the airport's 5-year capital needs as identified in the FAA's NPIAS or \$150,000. The remainder is distributed to states based on the proportions of both the land area of each state to the total land area of all states and the population of each state to the population of all states.
5. A new "super reliever" airport set-aside was established. An amount equal to two-thirds of 1 percent is to be made available for grants to airport sponsors of reliever airports based on four criteria:
- a. More than 75,000 annual operations;
 - b. A minimum usable runway length of 5,000 feet;
 - c. A precision instrument landing procedure; and
 - d. A minimum number of based aircraft as determined by the Secretary of Transportation or has been designated by the Secretary of Transportation as a reliever airport. (This set-aside is not provided if the AIP is less than \$3.2 billion.)
6. Two new pilot programs were established—one for low emission vehicles and supporting infrastructure and another for projects implemented through design build contracts. AIR-21 also extended the innovative finance pilot program and made the pavement maintenance pilot program permanent.
7. The maximum allowable PFC increased from \$3 to \$4 or \$4.50. A large or medium hub airport that imposes a PFC at the \$4 or \$4.50 level would be obliged to increase its passenger entitlement turnback from 50 percent to 75 percent.
8. Qualifications for a large or medium hub airport to qualify for the higher PFC (above \$3) changed, requiring sponsors of these airports to show that the projects proposed for funding would make significant contributions by:
- a. Improving safety or security;
 - b. Increasing air carrier competition;
 - c. Reducing current or anticipated congestion; or

d. Reducing aviation noise impacts.

9. The number of states eligible to participate in the SBGP increased from 9 to 10.

The Aviation and Transportation Security Act: The Aviation and Transportation Security Act (ATSA) (P.L. 107-71, enacted November 19, 2001) amended title 49 U.S.C. to make eligible any additional security related activity required by law or the Secretary of Transportation. This new eligibility was broad and could include operational costs that had previously not been eligible under the AIP. The period of eligibility was for FY 2002 only and could include only the additional costs from September 11, 2001, to September 30, 2002.

Section 119(a)(1) of the ATSA provided for use of FY 2001 or FY 2002 entitlements on any nonprimary airport activity, including operational activities where the airfield had been the subject of security restrictions defined by Notice to Airmen FDC 1/0618. This section made eligible for the AIP in FY 2002 payments for “debt service on indebtedness incurred to carry out a project at an airport owned or controlled by the sponsor or at a privately owned or operated airport passenger terminal financed by indebtedness incurred by the sponsor if the Secretary determines that such payments are necessary to prevent a default on the indebtedness.” This provision applied to both publicly owned projects and privately owned or operated passenger terminal buildings, including those on AIP-eligible airports that might be under private ownership. No airport requested any AIP funding under this provision.

Finally, ATSA amended title 49 U.S.C., section 47102(3), to include the replacement of baggage conveyor systems and reconfiguration of terminal baggage areas that are undertaken by an airport owner or operator and that the Secretary of Transportation determines are necessary to install bulk explosive detection systems. The effect of this amendment made this development AIP-eligible (it was already PFC eligible). Unlike other provisions of the ATSA, eligibility for this item was not limited to FY 2002.

Emergency Funding for Costs of New Security Requirements Resulting from Terrorist Attacks of September 11, 2001: The DOD’s Supplemental 2002 Appropriations Act (P.L. 107-117, enacted January 10, 2002) appropriated \$175 million to FAA to reimburse airports for direct costs to comply with new security requirements as a result of terrorist attacks on September 11, 2001. On March 8, 2002, the Secretary of Transportation announced the allocation of these funds to 317 eligible airports. The funds helped defray costs associated with additional law enforcement personnel, airport surveillance, and the revalidation of all airport-issued and approved identification.

The specific allocations were as follows:

1. Nonhub airports – 184 airports received \$35.6 million;
2. Small hub airports – 67 airports received \$28.3 million; and
3. Large and medium hub airports – 66 airports received \$111.1 million.

The Vision 100-Century of Aviation Reauthorization Act: The Vision 100–Century of Aviation Reauthorization Act (Vision 100), P.L. 108-176, enacted December 12, 2003, provided

funding for the AIP from FY 2004 through FY 2007. The new legislation also contained changes to the basic requirements and guidelines under which FAA implemented the AIP, including numerous provisions to assist smaller airports and to streamline the environmental review of airport projects.

Several sections of Vision 100 are summarized below:

1. Section 123 established a pilot program for streamlining approvals under the PFC Program for nonhub airports. Under this pilot program, FAA deemed a PFC approval request approved unless the Agency objects within 30 days. In addition, changes were made to requirements for:
 - a. air carrier consultation;
 - b. public comment and Federal Register notice;
 - c. application content;
 - d. air carrier financial management;
 - e. debt service;
 - f. military charters;
 - g. low emission vehicles; and
 - h. the Air Traffic Modernization Program.
2. Section 141 expanded the AIP eligibility for routine pavement maintenance to nonhub airports. Under AIR-21, pavement maintenance was made eligible for nonprimary airports.
3. Section 142 (3)(B)(ii) limited eligibility for projects to accommodate bulk explosive detection systems to passenger entitlements. However, since FY 2003, the annual FAA appropriation legislation has prohibited use of any AIP funds for this purpose.
4. Section 148 consolidated various considerations for making discretionary grants into one section and added two more considerations. These two new considerations restrict FAA in giving discretionary grants to the projects with the highest numerical priority rating first and to make a determination that a project would be commenced within 6 months or within the same fiscal year, whichever is later.
5. Section 149 contained provisions for nonprimary airports to better use the entitlements granted under AIR-21 by allowing these airports to share their entitlements with other airports in the same state or geographic area; airports may also perform work prior to a grant and be reimbursed later using their nonprimary entitlements. Under this provision, FAA could also provide grants on a multiyear basis similar to larger airports. Airports were also permitted to use these nonprimary entitlements for terminal development work. Finally, this section allows nonprimary airports to use the entitlements for limited revenue producing aeronautical facilities if they demonstrated that all of their airside needs had been adequately financed.
6. Section 150 extended the use of nonprimary airports' entitlements from 3 years to 4 years.

7. Section 152 established a pilot program for the purchase of development rights of privately owned airports by state or local public entities.
8. Section 156 extended title 49 U.S.C., section 47135, Innovative Financing Techniques. During FY 2004 through FY 2008, the extension allowed an additional 20 airport development projects at small and nonhub airports, as well as any nonprimary commercial service or general aviation airport.
9. Section 159 expanded the AIP and the PFC eligibility to include facilities needed to support low emission vehicles and other air quality improvements, including gate electrification and low emission vehicles. It further added a pilot program for the retrofit of conventional fuel burning ground support equipment to lower emission equipment.
10. Section 160 permits AIP grants to be provided to local governments for land use compatibility planning and projects if the local airport does not have an existing and current FAR part 150 NCP.
11. Section 161 increased the Federal share of projects at small hub and smaller airports from 90 percent to 95 percent until 2008.
12. Section 424 added a requirement that a large or medium hub airport must disclose to FAA if it has been unable to provide access in the previous 6 months. Such disclosure must be provided on February 1 or August 1 of the year for any inability occurring in the previous 6 months.

FY 2005 Response to Hurricane Damage: The President signed into law the Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324, enacted October 13, 2004) as part of the FY 2005 Military Construction Appropriations Act. The public law authorized emergency capital funding to compensate airport sponsors for capital costs for replacement or repair of public-use facilities, as well as emergency funding for other Federal agencies. The airport emergency funding had to be directly related to damages caused by Hurricanes Charley, Frances, Ivan, or Jeanne and was distributed at the discretion of the FAA Administrator.

Similarly, on October 7, 2005, the President signed P.L. 109-87, which authorized the Secretary of Transportation to provide grants-in-aid for emergency repairs to airports damaged by Hurricanes Katrina and Rita. The law specified that such emergency aid be funded from FY 2005 and FY 2006 unobligated funds already appropriated to the AIP. The law also waived all Federal matching share requirements.

2008 AIP Extensions: During FY 2008, two separate public laws extended Vision 100 through September 30, 2008:

1. **Initial Extension.** The Airport and Airway Extension Act of 2008 (P.L. 110-190, enacted February 28, 2008) extended the AIP for a 9-month period ending June 30, 2008. The extension required that the entitlements be calculated as though the total amount of the AIP

available for grants was \$3.675 billion and then reduced by 25 percent. The impact of this directive was to invoke the doubled entitlement formulas created during the AIR-21 authorization.

2. **Second Extension.** The Federal Aviation Administration Extension Act of 2008 (P.L. 110-253, enacted June 30, 2008) provided the AIP contract authority for the remainder of the fiscal year through September 30, 2008. The total amount of the AIP contract authority was \$3.675 billion.

The two short-term extensions in FY 2008 resulted in a record level of unused and returned airport entitlement funding totaling \$623 million—up 33 percent from FY 2007. This protected entitlement funding is made available in the subsequent fiscal year from discretionary funds and, therefore, reduces the amount of discretionary funding available for other projects. This illustrates the disruptive nature of staggered AIP allocations on construction scheduling due to financial delays and cause priority aviation projects to be deferred.

Deferral of an increasing number of projects to future years could undoubtedly result in higher construction costs, even if only due to inflation. Furthermore, even if airport sponsors decide to utilize their reduced entitlement funding by phasing projects over 2 years or more, construction costs would increase because contractors would have to repeatedly mobilize their crews.

In the past, Congress always acted to fully fund and authorize the AIP before the conclusion of any given fiscal year. However, providing AIP funding through short-term extensions could significantly delay many projects because the funding arrives too late to take advantage of a full construction season. Therefore, project costs increase due to a contractor's uncertainty of cost escalations that may occur over two construction seasons. In FY 2008, the full funding levels for the AIP were not known until early July 2008, causing many airports to lose their entire construction season for projects funded with the AIP in the fourth quarter of the fiscal year. This was especially true of airports in northern-tier states with very short construction seasons.

Continuous short-term extensions increase airport sponsor and FAA grant management costs because they increase the number of grants issued. In FY 2008, due to the 2-program year, FAA issued 500 additional development grants. Each of these grants has significant ongoing oversight implications that last for years after the grant is initially issued. Additionally, a financial risk of the program increases as FAA and airport sponsors expedite the grant process on a greater number of grants, potentially increasing the number or errors.

2009 AIP Extensions: During FY 2009, two separate public laws extended Vision 100 through September 30, 2009:

1. **Initial Extension.** P.L. 110-330 provided a 6-month AIP authorization through March 31, 2009. This extension allowed the AIP prorated entitlements to be apportioned at the full percentage rate.
2. **Second Extension.** P.L. 111-12 extended the AIP for another 6-month period to the end of the fiscal year.

The FY 2009 obligation limitation of grant funds after nongrant considerations, such as program administration, provided \$3.385 billion in available funds for AIP obligations. The AIP funding provided \$129.8 million for the administrative expenses of the FAA's Office of Airports, the SCASDP, the ACRP, and the Airport Technology Research program. The AIP net funding amount available for new AIP grants totaled \$3.385 billion.¹

2010 AIP Extensions: During FY 2010, six separate public laws extended Vision 100 through September 30, 2010, and provided a total of \$3.515 billion in contract authority:

1. **Initial Extension:** P.L. 111-69, enacted October 1, 2009, extended the authorization through December 31, 2009, and authorized \$1 billion in AIP funding.
2. **Second Extension:** P.L. 111-116, enacted December 16, 2009, extended the authorization through March 31, 2010. P.L. 111-116 authorized an additional \$1 billion and included instructions allowing entitlements to be apportioned and the grant program to begin.
3. **Third Extension:** P.L. 111-153, enacted March 31, 2010, was the third extension to the AIP in FY 2010, extending the authorization through April 30, 2010, and authorizing an additional \$3.3 million in AIP funding.
4. **Fourth Extension:** P.L. 111-161, enacted April 30, 2010, extended AIP for a fourth time through July 3, 2010, and authorized an additional \$6.9 million in AIP funding.
5. **Fifth Extension:** P.L. 111-197, enacted July 2, 2010, extended the AIP for a fifth time through August 1, 2010, and brought the total AIP funding authorized in FY 2010 to \$3.515 billion.
6. **Final Extension:** P.L. 111-216, enacted August 1, 2010, was the sixth and final extension of the authorization in FY 2010, extending the authorization through the end of the fiscal year, September 30, 2010.

2011 AIP Extensions: During FY 2011, six separate public laws extended Vision 100 through September 30, 2011, and provided a total of \$3.515 billion in contract authority.

1. **Initial Extension:** P.L. 111-329, enacted December 22, 2010, extended the authorization through March 31, 2011, and authorized \$1.85 billion in contract authority.
2. **Second Extension:** P.L. 112-7, enacted March 31, 2011, extended the authorization through May 31, 2011, and authorized an additional \$973.8 million.
3. **Third Extension:** P.L. 112-16, enacted May 31, 2011, extended the authorization through June 30, 2011, and authorized an additional \$169.5 million.

¹ This amount is the total AIP amount authorized by legislation less administrative expenses, ACRP expenses, and Airport Technology Research expenses (see table 4 for a breakdown of these expenses and chapters 13 and 15 for further details).

4. **Fourth Extension:** P.L. 112-21, enacted June 29, 2011, extended the authorization through July 22, 2011, and authorized an additional \$204.6 million.
5. **Fifth Extension:** P.L. 112-27, enacted August 5, 2011, extended AIP through September 16, 2011, and authorized an additional \$539.2 million.²
6. **Final Extension:** P.L. 112-30, enacted September 16, 2011, authorized an additional \$134.8 million through the end of the fiscal year, September 30, 2011, and brought the total contract authority in FY 2011 to \$3.515 billion.

FAA Modernization and Reform Act of 2012: The FAA Modernization and Reform Act of 2012 (FMRA), P.L. 112-95, enacted February 14, 2012, amended title 49 of the United States Code to authorize appropriations for the Federal Aviation Administration for fiscal years 2012 through 2015, to streamline programs, create efficiencies, reduce waste, and improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes. Under FMRA, AIP was extended through September 30, 2015 and the annual contract authority for AIP was set at \$3.35 billion through the end of FY 2015.

Some of the changes are highlighted below:

1. FMRA did not renew the temporary increase in the Federal share to 95 percent of the project cost at smaller airports that was established in Vision 100. As a result, the Federal share for projects located at smaller airports will revert back to 90 percent as required by existing statute.
2. Section 132(a) makes changes regarding the eligibility of terminal gate power, heating, and air conditioning facilities and equipment.
3. Section 132(c) of FMRA defines a general aviation airport as a public airport that is located in a state that, as determined by the Secretary, does not have scheduled service or has scheduled service with less than 2,500 passenger boardings each year.
4. Section 135(a) restricts the use of AIP funds for the cost of relocation of airport-owned facilities.
5. Section 135(b) makes program changes regarding the disposal of land acquired with AIP grant funds.
6. Section 136 of FMRA includes changes associated with residential through-the-fence agreements. FMRA requires that and Airport Layout Plan (ALP) must show all existing and proposed access points used to taxi aircraft across the airport's property boundary.
7. Section 137 of FMRA allows airports that have transitioned
8. Section 138(b) of FMRA includes a new provision that allows airports to incorporate energy efficiency measures into eligible airport building projects.
9. Section 138(d) clarifies the types of Sponsor-owned revenue producing projects that are eligible at nonprimary airports.

² The FAA's Office of Airports was furloughed from July 23 – August 4, 2011, which caused the gap between No. 4 and 5 extensions.

10. Section 139 of FMRA updates the statutory language regarding veteran's preference to include Persian Gulf War veterans, Afghanistan-Iraq War veterans, and small business concerns owned and controlled by disabled veterans.
11. Section 141 of FMRA authorizes the FAA to create a limited virtual primary program consistent with the requirement provided in the law.
12. Section 145 of FMRA caps the noise set aside at \$300 million. The noise set aside is still calculated as 35 percent of the Discretionary Program, but is now limited to no more than \$300 million per fiscal year.
13. Section 147 of FMRA increases the statutory limitation on the maximum AIP funding for construction, improvement, or relocation of a contract tower that is part of the FAA Contract Tower program. The total amount of AIP funds that may be applied over the life of the contract tower was raised from \$1.5 million to \$2 million.
14. Section 149 permits a private airport owner to use certain proceeds from the sale of the airport to a public sponsor for non-airport purposes.
15. Section 154 of FMRA adds a recommendation that FAA prioritize the review of construction projects located in cold weather states.
16. Section 152(f) of FMRA restores priority for public airports to receive Federal real property made surplus under the BRAC process.
17. Section 156 of FMRA increased the number of airports that can participate in the airport privatization program from 5 to 10.
18. Section 813 allows sponsors of general aviation airports, as defined by the statute, to use certain revenues derived from or generated by mineral extraction, production, lease, or other means for federal, state, or local transportation infrastructure projects carried out by the airport sponsor or by a governing body within the geographical limits of the airport sponsor's jurisdiction.
19. Section 817 shifts the authority to release land conveyed pursuant to section 16 of the Federal Airport Act of 1946 (FAAP) and section 23 of the Airport and Airway Development Act of 1970 (ADAP) from the U.S. Congress to the Secretary.
20. Section 825 of FMRA requires any congressional earmark that is older than 9 years and is over 90 percent unobligated to be rescinded.

Reducing Flight Delays Act of 2013: The Reducing Flight Delays Act of 2013, P.L. 113-9, enacted May 1, 2013, authorized the Secretary to transfer to any FAA appropriations account (such as the one for air traffic control operations) an amount from funds otherwise made available for discretionary grants-in-aid under the airport improvement program or any other FAA program. This authority applied to fiscal year 2013 only. The Act made any transferred amount available immediately for obligation and expenditure as directly appropriated budget authority and prohibits such transfers unless the Secretary notifies Congress at least five days in advance.

FAA Extension, Safety, and Security Act of 2016: The FAA Extension, Safety, and Security Act of 2016, P.L. 114-190, enacted July 15, 2016, authorized the extension of the AIP through fiscal year 2017, ending September 30, 2017.