

Airports Conference

Hershey, PA

March 22, 2016

Steven Urlass, Division Manager
Eastern Region
Airports Division



•Federal Aviation
•Administration



Agenda

- **Airport Improvement Program (AIP) Review**
- **Passenger Facility Charge (PFC) Program Review**
- **FAA Airports Focus Areas**
- **Airport Compliance**
- **Part 139 Airport Certification and Safety**
- **Contacts**



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Airport Improvement Program

→ FY 2015 AIP Review: National & Regional Data

→ FY 2016 AIP Outlook including Legislative Update



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FY 15 AIP Summary

→ **\$3.35 Billion** authorized and appropriated.

→ **Nationally: Issued 1,765 new grants totaling \$3.2 B**

→ **Regionally: Issued 225 new grants totaling \$336.2 M**

→ **Of the \$3.2 billion obligated nationally....**

→ Approximately \$1.67B is Discretionary

→ Approximately \$1.53B is Entitlements

→ **Of the \$336.2 million obligated regionally....**

→ Approximately \$181.8M is Discretionary

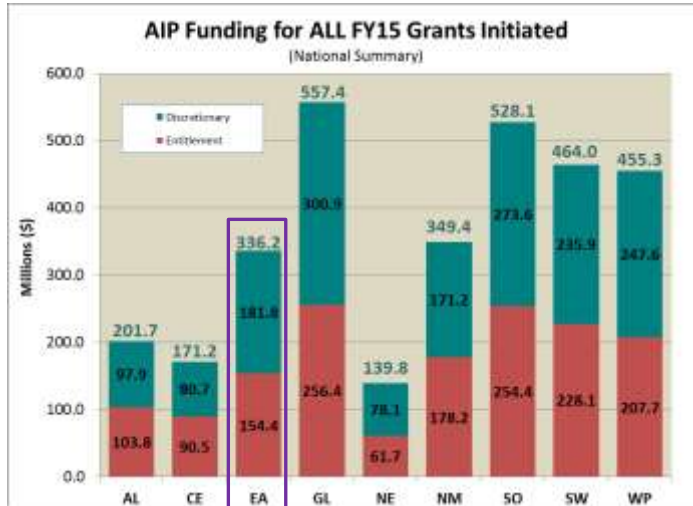
→ Approximately \$154.4M is Entitlements



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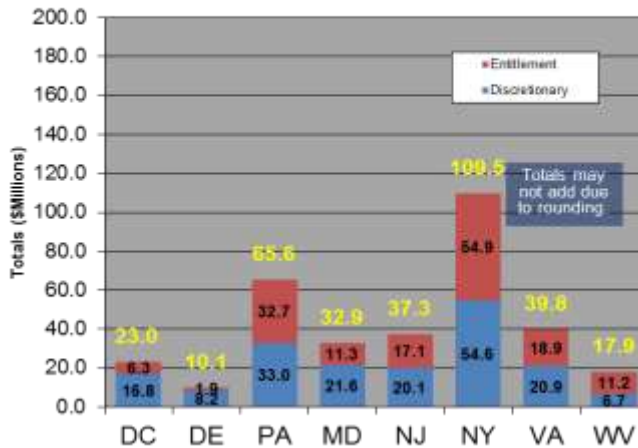
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FY15 AIP: \$3.2B in New Grants (National Summary)

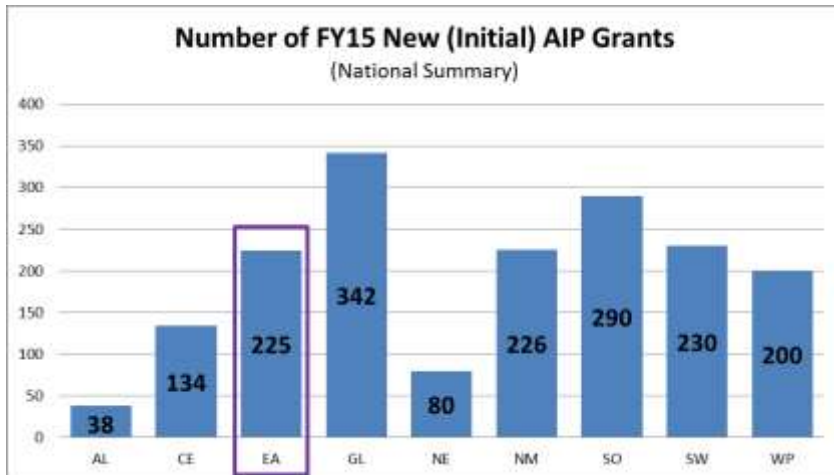


FY15 AIP: \$336.2M in New Grants (Regional Summary)

AIP Funding for ALL Grants Initiated in FY15



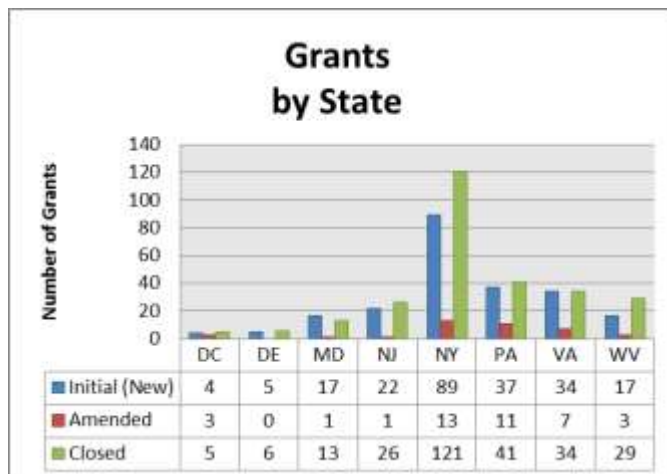
FY 2015 AIP - 1,765 New Grants Initiated



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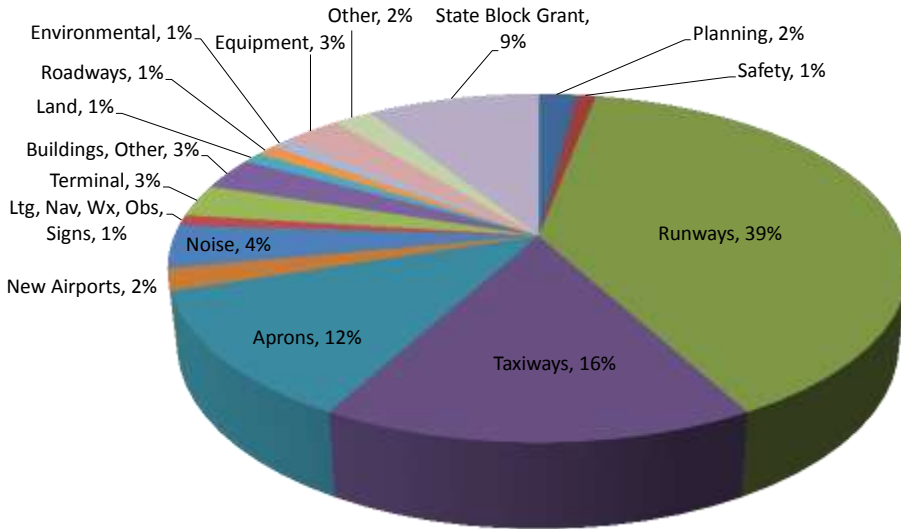
Eastern Region Grants FY 2015



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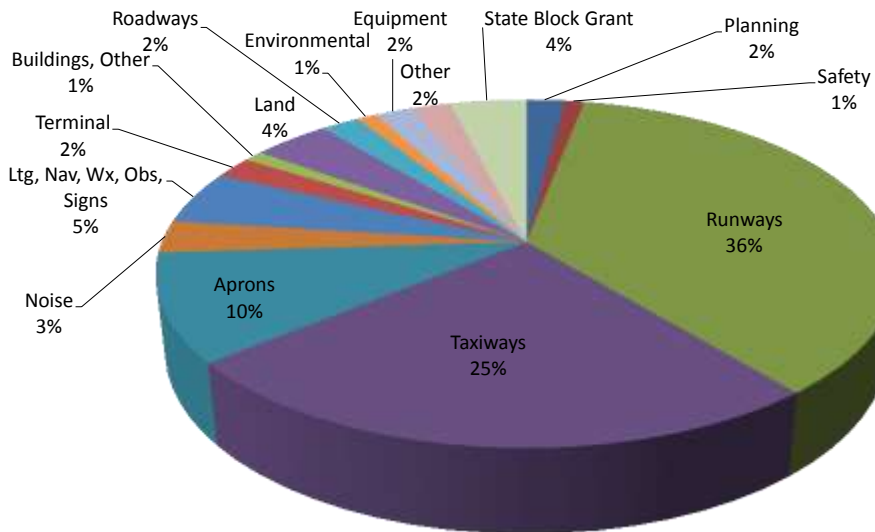
National Funding By Work Code FY 2015



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Eastern Region Funding by Work Code FY 15



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Carry Over History

	Eastern Region	Nationally
FY 2009	\$63 M	\$569 M
FY2010	\$74 M	\$585 M
FY 2011	\$60 M	\$622 M
FY2012	\$ 60 M	\$703M
FY 2013	\$73 M	\$726 M
FY 2014	\$56 M	\$717M
FY 2015	\$61 M	\$681M



Expired Entitlement Funds History

	Eastern Region	Nationally
FY 2009	\$1.9 M	\$8.7M
FY2010	\$3.1 M	\$14.2M
FY 2011	\$6.9 M	\$17.3M
FY2012	\$2.6 M	\$6.8 M
FY 2013	\$2.1 M	\$12.9 M
FY2014	\$1.9 M	\$16.2M
FY2015	\$2.0 M	\$14.0 M



FY 2016 Potential Expiring Entitlement Funds

Due to expire if not programmed this FY

	Eastern Region	Nationally
FY2016	\$12.2M	\$125.6 M

- **S,M & L Hub Primary Airports**
 - Passenger & Cargo Entitlement Funds have a 3 year life span
 - FY 2014 funds must be used by end of FY 2016
- **Non-Hub Primary Airports**
 - Passenger & Cargo Entitlement Funds have a 4 year life span
 - FY 2013 funds must be used by end of FY 2016
- **Nonprimary Airports**
 - Nonprimary & Cargo Entitlement Funds have a 4 year life span
 - FY 2013 funds must be used by end of FY 2016



Legislative Update

- ➔ **Consolidated Appropriations Act of 2016**
 - ➔ Through September 30, 2016
 - ➔ Keeps rest of FAA funded through Fiscal Year 2016
- ➔ **Authorization expired on Sept 30, 2015**
 - ➔ Short-Term Extension (Part A) - 6 months until March 31, 2016
 - ➔ Provides AIP contract authority for \$1.67B (50% of \$3.35 B total)
 - ➔ Approx 50% entitlement and limited discretionary available
 - ➔ Preparing for next, possibly multiple, extension(s)
- ➔ **Next FAA Reauthorization Bill**
 - ➔ Prior FAA Bill had 23 extensions
 - ➔ House and Senate Bills Now Introduced
 - ➔ Looking at structure of AT Organization
 - ➔ Possible PFC Increase



2 CFR Part 200 (formerly 49 CFR Part 18.36 + others)

→ Establishes uniform administrative rules for Federal grants



→ For more info:

<https://cfo.gov/cofar/>

Attend Finance Session on 3/23 at 8:30 am



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FY 2016 Program Efforts

- Submit Close Outs – FY 2012 and \$0 Balances
- Submit SOWs/Plans & Specs Timely to ADO for Review
- Assure Buy American Requirements are Met
- Advertise for Bids Early - consult your ADO
- Submit Construction Safety and Phasing Plans Early
- Submit Grant Application
 - With ALL required documentation
 - Ahead of Federal Register deadline
 - Last Fiscal Year was July 3
 - Expect earlier in FY 2016



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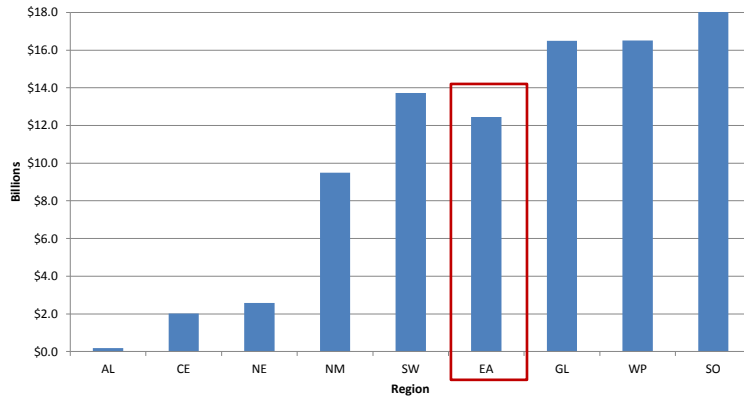
Passenger Facility Charge (PFC)

- National and Regional Program Data
- PFC Order Rewrite
- PFC Audit



National PFC Statistics

Approved for Collections = \$92.8 B

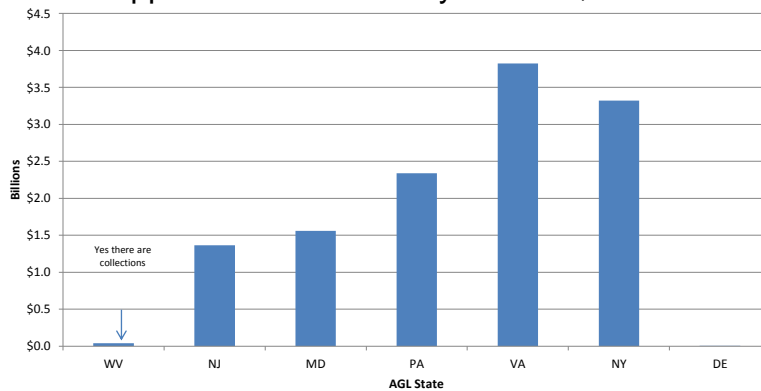


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Eastern Region PFC Statistics

Approved Collections by State = \$12.4B



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Eastern Region PFC Statistics

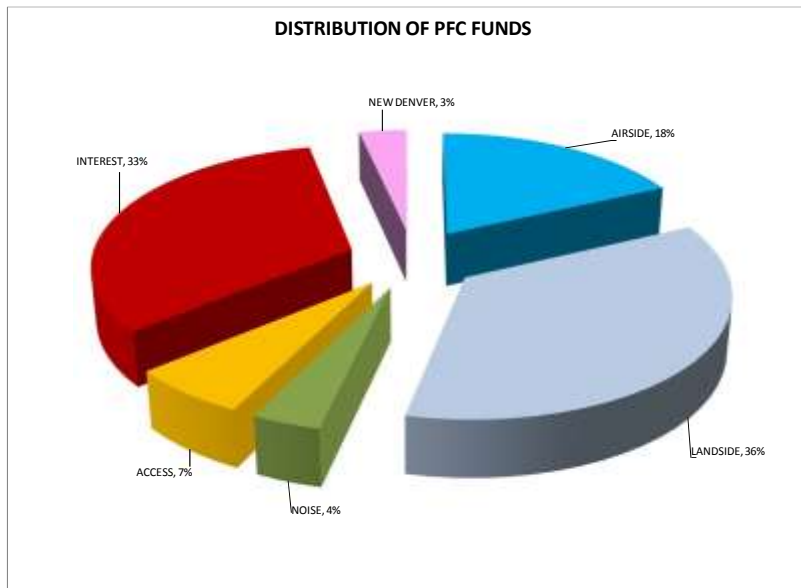
- During FY 2015 alone, another \$2.26B were approved for collections nationally
- Nationally: 358 Airports collecting \$92.8B
- Regionally: 51 Airports collecting \$12.4B
 - Large Hubs = 7
 - Medium Hubs = 2
 - Small Hubs = 8
 - Non-Hub = 23
 - Commercial Service = 9
 - GA = 2



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DISTRIBUTION OF PFC FUNDS



\$2.3 BILLION FOR NEW DENVER INCLUDES OVER \$1 BILLION IN INTEREST COSTS

SOURCE: FAA, PFC BRANCH
February 29, 2016

PFC Order Update

- The PFC Order 5500.1 has not been updated since it was originally issued on August 09, 2001
- A complete rewrite was initiated in 2014 to achieve a more understandable “plain language” and an easier to use document
- FAA is incorporating changes related to the extensive PFC program Review completed in 2014, which included stakeholder input. We are incorporating stakeholder ideas that do not require legislation or regulation. Examples include:
 - Develop a process to ensure a single problematic project doesn’t slow down an entire PFC decision.
 - Modify the level of detail needed for FAA review of detailed cost estimates.



PFC Order Update (continued)

- Draft Order expected for public review and comment on the FAA website by June 2016.
- Final steps before issuing the final Order include reconciling and responding to public comments and a final legal review.
- Final Order expected by September 30, 2016.



OIG PFC Program Audit

- U.S. DOT Office of Inspector General (DOT-OIG) commenced audit of PFC Program
- Entrance Meeting Held on 10/27/2015
- **OIG visited:**
 - Two airports (SFO & PIT)
 - Two air carriers (Virgin America and American)
 - Auditors on record for both airports and carriers
 - FAA ADO and Regional Offices, including HAR ADO
- **Audit May Take Up to Year for Results to be Finalized**
- **OIG May Expand Scope as Audit Progresses**
- **Audit was an OIG Initiative – not by Congressional Request**



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FAA Airports Focus Areas

- Protecting Approach and Departure Surfaces
- New Handbook, SMS, AGIS, and eALP
- Standard Operating Procedures (SOPs)
- Risk Management
- Runway Incursion Mitigation (RIM)
- Consultant Selection Procedure (A/C 150/5100-14E)
- Requests for Land Releases
- Inactive Obligations
- Grant Close-outs
- OMB Drawdown Metric



Protecting Approach and Departure Surfaces

- **ADO Distributed APP/AAS/ACO Policy Memo to Sponsors**
- **Reminder on what Federally obligated airports are expected to do to keep approach and departure surfaces clear – grant assurances**
 - **Ultimately Airport Sponsors' responsibility**
 - **ARP/ADO plays important role**
- **Develop Obstacle Action Plan (OAP)**
- **Topic in Annual CIP Meetings**
 - **Establish deadline for sponsor submission**
 - **Add high priority obstruction removal projects to ACIP**
 - **Protracted delays in clearing is negative factor in consideration of other grant requests**



AIP Handbook, SMS, AGIS, eALP

- Continue to Implement New AIP Handbook
- ARP Order on Safety Management System (SMS)
 - Medium Hubs on June 2015
 - Small Hubs on June 2016
- Ongoing AGIS Input
- eALP Development in Progress



Standard Operating Procedures

- Developed for ARP High-Value Activities
 - Ensure consistency nationwide for existing process
 - Increase quality control
 - Create efficiencies by standardizing
- There are 8 SOP's Available on FAA Airports website, including Sample Letters and Forms
- Newest Published on September 30, 2015 are:
 - AIP Grant Applications
 - Construction Project Change Orders
 - Runway Safety Area Determinations (Effective January 1, 2016)
- <http://www.faa.gov/airports/resources/sops/>
- There will be more SOPs to come...



<http://www.faa.gov/airports/resources/sops/>

Final SOPs

SOP No.	Title	Effective Date
1.00	FAA Evaluation of Sponsor's Construction Safety and Phasing Plans Funded by the AIP or PFC Programs (PDF)	Oct. 1, 2013
2.00	Standard Procedure for FAA Review and Approval of Airport Layout Plans (ALPs) (PDF)	Oct. 1, 2013
3.00	Standard Operating Procedure for FAA Review of Exhibit 'A' Airport Property Inventory Maps (PDF)	Oct. 1, 2013
4.00	Standard Operating Procedure for Safety Risk Management (SRM) Under the FAA Office of Airports Safety Management System (SMS) (PDF)	Sept. 1, 2014
5.00	Standard Operating Procedure for CATEX Determinations (PDF) (updated 12-11-2014)	Oct. 1, 2014
6.00	Standard Operating Procedure for FAA Review and Approval of an Airport Improvement Program (AIP) Grant Application (PDF) (added 9-21-2015)	Oct. 1, 2015
7.00	Standard Operating Procedure for Airport Improvement Program Construction Project Change Orders (PDF) (added 9-24-2015)	Oct. 1, 2015
8.00	Standard Operating Procedure for Runway Safety Area Determination (PDF) (added 9-22-2015)	Jan. 1, 2016



<http://www.faa.gov/airports/resources/sops/>

SOP Tools

Tool	Related SOP
Construction Safety Phasing Plan Checklist (MS Word)	1.00
Implementation Plan for FAA Review of Construction Plans and Specifications for AIP Funded Projects (PDF)	1.00
ALP Approval Letters Template (MS Word)	2.00
ALP Review Checklist (MS Word)	2.00
Exhibit A Checklist (MS Word)	3.00
Documented CATEX Form (MS Word)	5.00
AIP Grant Application Checklist	6.00
Runway Safety Area Inventory for Non-Certificated Airports (MS Word)	8.00
RSA Determination Form (MS Word)	8.00

The SOP checklists and tools are fillable.



Risk Management

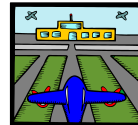
AIP Grant Oversight Risk Model Policy (formerly PGL13-01)

- Implemented after National Program Audit
- Assessment examines several areas of Sponsor's practices/policies related to grants' oversight/management
- The lower the risk, the less documentation required
- Three Phases to processing Risk Assessments
 - Phase 1: Collecting sponsor data – ongoing
 - Phase 2: Program Manager completes internal review of sponsor data and office files
 - Phase 3: Data is entered into a National Database
- Will be re-evaluated every three years



Runway Incursion Mitigation (RIM)

- New Program to Focus on Airport Geometry
- Minimize Runway Incursions
- Looking at Airports with Complex Geometry
 - Category 1 – locations designated as hot spots
 - Category 2 – non-standard taxiways not designated as hot spots
- Three airports in Eastern Region on Initial List
 - Philadelphia International, Reagan National, and Teterboro
- Working with Airport Sponsor and FAA LOBs to recommend improvements
- RIM projects are AIP eligible



Consultant Selection Procedures

A/C 150/5100-14E: Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects

- **Cost Analysis (IFE) Required for all A/E Contracts by either**
 - Sponsor staff experienced with type of project
 - State Aviation personnel
 - Consultant experienced with similar projects (cannot be on pre-selection shortlist)
- **For Contracts less than \$100,000, sponsors can compare with previous contracts for similar services, or complete detailed fee/cost analysis**
- **Clarified multiple consultant selection process - Cannot assign project responsibility at a later date**
- **Defined Full and Open Competition per 2 CFR Part 200**



Requests for Land Releases

- **Within Dedicated Airport Property, FAA Approval is Required for all land releases including:**
 - Land sales
 - Change in land use (aeronautical to non-aeronautical)
 - Long term nonaeronautical leases
 - Interim/Concurrent Use
- **Must be on approved ALP, Exhibit "A", Meet NEPA**
- **All Revenues Must Stay on Airport; Use Depends on AIP vs Non-AIP Land**
- **FMV for all Sales/Nonaeronautical Leases**
- **May Require Federal Register Notice**
- **Guidance**
 - Airport Compliance Order 5190.6B, Table 22.1
 - Or contact ADO PM for Land Release portion of Sponsor Guide
- **For more info, attend Safety Session "Land Release and Change of Use" Presentation Tuesday at 2:15**



Inactive Obligations Guidance

- An inactive obligation is a funding obligation that has not had any activity for a twelve month period or longer
- We continue to monitor ALL Inactive Grants on a Quarterly Basis
- We will ask for reason for inactivity
- Inability to keep active on an open grant may impact your ability to receive future grants
- Refer to AIP Handbook Chapter 5 for more info



Grant Close-Outs

Regional Close-Out Summary Grants 4 years old and older

	<u>Prior to FY 2012</u>	<u>FY 2012</u>	<u>Totals</u>
Open 2016 Start	42	102	144
*Closed 2016	19	33	52
Still Open in 2016	23	69	92

*as of 3/10/2016



OMB Drawdown Metric

Grant Year	FY2016	FY2015	FY2014	FY2013	FY2012	FY2010
OMB Target 2/29/2016	92.5%	64.5%	31.3%	14.8%	6.9%	2.3%
BEC	n/a	74.9%	5.6%	4.5%	0.7%	0.3%
HAR	n/a	88.2%	32.6%	11.1%	6.1%	0.2%
NYC	n/a	71.0%	13.5%	7.2%	3.7%	2.8%
WAS	n/a	74.8%	26.7%	7.6%	7.8%	0.1%
AEA	n/a	77.5%	23.4%	8.2%	5.7%	1.3%
National	n/a	75.3%	26.7%	11.1%	6.9%	2.5%

Feb 2016 Tolerance	3.0%
	Within the OMB Goal
	Within the tolerance
	Outside of the Goal



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Airport Compliance

Overview

- **Single Audits**
- **Airport Financial Reports.**
- **State and Local Taxes on Aviation Fuel**



Single Audit

Reminder to Complete:

- ➔ **Reminder letter sent to airport sponsors last Fall to complete an audit.**
- ➔ **A sponsor must complete an audit when ALL federal grants (including AIP, Federal Highway, F&E, etc.) expenditures are \$750,000 or more in a fiscal year.**
- ➔ **Public Airport Sponsors are required to be audited/reviewed by a single independent auditor on all their federal programs.**
- ➔ **Airport revenues are reviewed in accordance with OMB Circular A-133 Compliance Supplement.**
- ➔ **Copies of the Audit should be sent to the RO and ADO's.**
- ➔ **Please do not mistake the PFC Audit with the Single Audit.**



Airport Financial Reports

Who is Required to File:

- Airports that are obligated and enplaned 2,500 or more passengers.
- Form 5100-126 the Financial Governmental Payment Report and Form 5100-127 the Operating and Financial Summary.

Filing Date

- The Forms 5100-126 and 5100-127 must be filed within 120 days after the end of airport's fiscal year.
- **NOTE: The FAA may grant a 60 day extension, but cannot grant extensions beyond 60 days.**

Common Mistakes by Sponsor:

- Saving not Filing/Submitting.
- Confused between Financial Report and Single Audit.

Reference:

- Website to file report: <http://cats.airports.faa.gov/>
- Advisory Circular 150/5100-19D



State and Local Taxes on Aviation Fuel

Summary:

- ➔ Effective December 8, 2014, the FAA amended its *Policy and Procedures Concerning the Use of Airport Revenue* [64 FR 7696] by providing an interpretation of the Federal requirements for the use of revenue derived from State and local taxes on aviation fuel.
- ➔ November 2015 the FAA issued letters to the Governor of each State requesting that State and local governments submit an Action Plan to the FAA by December 8, 2015 outlining a strategic plan to come into compliance.
- ➔ State and local tax revenue on aviation fuel imposed at airports that have received Federal assistance must be used for purposes consistent with other airport revenue regardless of whether the State or local government imposing the tax is the sponsor and/or owner of the airport.
- ➔ December 8, 2017, all State and local government aviation fuel taxes must come into compliance with the Amendment.



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Part 139 Airport Certification and Safety

Overview

- Part 139 Training
- Signage and Marking Plan
- Preventive Maintenance
- Runway Incursion Prevention
- NOTAM Manager



Part 139 Training

- Part 139 Regulation.
- ACM.
- AC's.
- Cert Alert.
- FAA Orders.
- Manufacturer Manual.
- NFPA Standards.



Maintain an up-to-date Signage and Marking Plan



Preventive Maintenance



Runway Incursion Prevention

Vehicle/Pedestrian Deviation

Fiscal Year	Region	Incident Type Category	Number of Runway Incursions
2014	AEA	VPD	31
2015	AEA	VPD	21
March 2016	AEA	VPD	10



NOTAM Manager

Reminder to register with NOTAM Manager.

<http://notamdemo.aim.nas.faa.gov/dnotam/#1>



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