

BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Chairman, Subcommittee On Aviation  
Committee On Public Works And Transportation  
House Of Representatives**

LYDIA

EDITORS

~~BY~~

**Federal Aviation Administration's System  
For Prioritizing Airport Grants**

The Department of Transportation's Federal Aviation Administration makes grants for airport development and planning to airport sponsors.

This report responds to concerns that the Subcommittee raised about the agency's system for prioritizing these grants.



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WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
DIVISION

B-214677

The Honorable Norman Y. Mineta  
Chairman, Subcommittee on Aviation  
Committee on Public Works and Transportation  
House of Representatives

Dear Mr. Chairman:

As requested in your April 12, 1983, letter, we reviewed the Federal Aviation Administration's (FAA's) system for prioritizing discretionary airport grant projects. As subsequently agreed with your office, we also reviewed the airports named in 1982 and 1983 congressional appropriation reports to determine if naming airports for priority consideration caused FAA to fund low-priority projects. We analyzed airport planning and development projects in four FAA regions during fiscal years 1982 and 1983 to determine (1) if FAA funded the projects in conformance with its priority system and (2) the basis for funding projects that ranked low under the system. The results of our review were discussed with your office in late November 1983.

We found that FAA's priority system conforms to statutory guidance on airport planning and development priorities. Our analysis of 519 projects in four FAA regions disclosed that FAA was generally selecting projects for discretionary funding in conformance with the priority system. The projects that did not conform to the priority system represented only about 3 percent of the total discretionary funds obligated in the period reviewed. We also found that the congressional naming of airports for priority consideration in appropriation reports did not result in low-priority projects being funded.

GRANT PROGRAM LEGISLATION  
AND FUNDING

In September 1982 the Congress passed the Airport and Airway Improvement Act of 1982 (Public Law 97-248, title V) to maintain a safe and efficient nationwide airport system. The act established a new airport improvement program, which authorized the Secretary of Transportation to make grants for airport development and planning to airport sponsors (state and local governments and owners or operators of public-use airports). Funding authorized under the act totaled about \$4.8 billion for fiscal years 1982 through 1987. In the Surface Transportation

Assistance Act of 1982, the Congress increased the authorized funding for airport planning and development by \$475 million for fiscal years 1983 through 1985.

The Congress appropriated \$1.2 billion for airport planning and development in fiscal years 1982 and 1983 which included \$150 million appropriated in the Emergency Jobs Bill of 1983 for use in fiscal year 1983. The Jobs Bill appropriation was part of the increased program spending levels authorized in the Surface Transportation Assistance Act.

The Airport and Airway Improvement Act established three basic categories of funding for airport planning and development: enplanement, state apportionment, and discretionary. Enplanement funds are apportioned to primary (large) commercial service airports on the basis of the number of passengers enplaned at these airports. State-apportioned funds refer to funds allotted states and insular areas on the basis of factors such as a state's relative population ranking and amount of geographical area. Discretionary funds are those that remain after apportionments are made to primary airports, states, and insular areas.

In fiscal years 1982 and 1983, FAA obligated about \$1.2 billion for all airport planning and development projects. This amount included enplanement and state-apportioned fund obligations of about \$639.4 million and discretionary fund obligations of about \$562 million. The four regions we reviewed obligated \$257.3 million in discretionary funds to 519 projects in fiscal years 1982 and 1983. This represented about 46 percent of the national total of \$562 million in discretionary fund obligations and about 46 percent of the national total of 1,119 projects receiving discretionary funds. The table on the next page summarizes selected aspects of the airport improvement program funding and discretionary project activity for fiscal year 1982, October 1982,<sup>1</sup> and the remainder of fiscal year 1983.

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<sup>1</sup>October 1982 was separated from the remainder of fiscal year 1983 because the FAA was directed by the Conference Committee on the First Continuing Appropriations Resolution for 1983 to obligate carry-over fiscal year 1982 funding authority during that month.

Airport Planning and Development Funding

	<u>FY 1982</u>	<u>Oct. 1982</u>	<u>Remainder of FY 1983<sup>a</sup></u>	<u>2-year totals</u>
	----- (millions) -----			
<u>National total</u>				
Funds available	\$450	\$(44.3) <sup>b</sup>	\$750	\$1,200
Funds obligated:				
Enplanement/state				
apportioned	\$248.5	\$ -	\$390.9	\$ 639.4
Discretionary	<u>157.2</u>	<u>41.3</u>	<u>363.5</u>	<u>562.0</u>
Total	<u>\$405.7</u>	<u>\$ 41.3</u>	<u>\$754.4</u>	<u>\$1,201.4<sup>c</sup></u>
Projects receiving discretionary funds	<u>317</u>	<u>50</u>	<u>752<sup>d</sup></u>	<u>1,119<sup>d</sup></u>
<u>4 regions total</u>				
Discretionary funds obligated	\$ 91	\$ 24.2	\$142.1	\$ 257.3
Projects receiving discretionary funds	176	31	312	519

<sup>a</sup>Does not include reobligation of recoveries from projects funded prior to FY 1982. The amounts include \$150 million in Emergency Jobs Bill Fund.

<sup>b</sup>The Conference Committee on the First Continuing Appropriations Resolution for FY 1983 directed that funding remaining from FY 1982 be obligated during October 1982--the cumulative authorized spending level through FY 1983 in the Airport and Airway Improvement Act was not increased.

<sup>c</sup>Difference between obligations and amount available primarily due to rounding.

<sup>d</sup>project totals for FY 1983 include some duplicate counts of projects that received both Jobs Bill and Airport and Airway Improvement Act discretionary funds.

The Airport and Airway Improvement Act provides general guidance for the use of airport planning and development funds. The act establishes safety as the highest priority in airport development. In addition, the act requires that planning and development projects at commercial service and reliever airports<sup>2</sup> receive funding priority. The act also establishes funding minimums for certain types of airports and projects to assure that they receive a share of funding available for airport planning and development. Specifically, the act requires that

- reliever airports receive at least 10 percent of available funds;
- noise abatement projects receive at least 8 percent of available funds;
- commercial service airports, which are not primary airports, and certain noncommercial public airports<sup>3</sup> receive at least 5.5 percent of available funds; and
- airport planning agencies receive at least 1 percent of available funds for integrated airport system planning.

The Conference Committee Report emphasized the importance of developing priorities to ensure funding the projects of most importance to the airport system, in addition to the requirements in the act. The Committee Report stated, in part, that:

"It will not be possible to fund all projects seeking . . . grants and it will be necessary for the Secretary to establish priorities to determine which projects should be funded. The Conferees expect the Secretary to establish these priorities solely on the basis of the criteria set forth in the authorizing legislation."

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<sup>2</sup>A commercial service airport is a public airport that enplanes at least 2,500 passengers annually and receives scheduled passenger aircraft. A reliever airport is one designed to relieve congestion at a commercial service airport by accommodating general aviation aircraft.

<sup>3</sup>A primary airport is a commercial service airport that has 0.01 percent or more of the total passengers enplaned annually at all commercial service airports. A public airport is any airport that is used for public purposes, under control of a public agency, and with a landing area that is publicly owned.

When appropriating funds for airport planning and development, the Congress often requires that particular airports be given priority consideration for funding by naming them in appropriation legislation. The Congress named 66 airports in various appropriation reports for fiscal years 1982 and 1983. This practice is not directly linked to the program priorities in the Airport and Airway Improvement Act.

In 1982 FAA developed a national priority system for use in administering the new airport improvement program. The system establishes priority on the basis of the type and size of airport and the purpose and type of planning or development to be undertaken. Under this system, regional and district offices prioritize individual projects considered ready and eligible for federal funding. (The term project refers to the total proposed or funded work at a particular airport.) Further details on how the priority system works are in appendix I, and an explanation of our objectives, scope, and methodology is in appendix II.

FAA'S PRIORITY SYSTEM RANKS PROJECTS BY  
THEIR IMPORTANCE TO THE AIRPORT SYSTEM

FAA's priority system conforms to the priority criteria in the Airport and Airway Improvement Act. For example, the act requires the system to provide highest priority to safety-related projects such as crash-fire rescue equipment and congressionally mandated airport development such as runway grooving and friction treatment. Also, the act requires the system to give priority to commercial service and reliever airports. Conforming to the criteria in the act enables FAA to give priority to the planning and development considered most important to the airport system.

Even though the regions and districts ranked projects in accordance with the priority system, several other factors could influence project selection. According to regional and district officials, some of these factors were as follows:

- The minimum funding requirements specified in the Airport and Airway Improvement Act for certain airport categories and projects.
- The desire to allocate discretionary funds equitably among states in their regions.
- The judgments made on the relative importance of projects on the basis of local circumstances. For example, FAA field personnel might decide to fund a few low-priority

work items such as a fence to complete a project, or they might decide that a low-priority airport was needed to provide community access to health care facilities.

--The practice of completing projects started in a prior year usually assured their funding regardless of priority.

--The inability of some sponsors to meet administrative requirements. For example, preapplications must be accompanied by documents such as a sketch that depicts project layout and an appraisal of the project's environmental impact. Sponsor delays in providing required information could prevent projects from being funded.

--The congressional interest sometimes expressed in a particular airport or project.

Views of national aviation associations  
and state aviation agencies on  
FAA's priority system

We contacted three national aviation associations (Air Transport Association, Aircraft Owners and Pilots Association, and American Association of Airport Executives) and visited the state aviation agencies in Georgia, Mississippi, and Alabama to solicit their opinions on the adequacy of FAA's priority system for ranking projects by their importance to the airport system and determine agency and association input on identifying and prioritizing development needs. Representatives of the Air Transport Association and American Association of Airport Executives told us that the priority system was adequate, and the Aircraft Owners and Pilots Association representative was not familiar with the priority system. The Air Transport Association was the only organization that systematically provided FAA information on airport needs. The association makes periodic studies on the needs of air carrier airports and provides that information to FAA.

State aviation agency officials in the three states we visited told us that they had a good working relationship with FAA's Airport District Offices. The officials said that they discuss their state's needs with FAA at least annually. They also said that FAA's priority system was generally adequate. Georgia and Mississippi officials, however, said that since the system gives priority to large commercial airports, it was difficult to fund projects at small general aviation airports (e.g., those with less than 20-based aircraft). The three state agencies did not provide any examples in which FAA's priority system caused unnecessary projects to receive funding or prevented critically needed projects from receiving funds.



FAA DISCRETIONARY GRANTS GENERALLY  
FUNDED HIGH-PRIORITY PROJECTS

The FAA priority system policy guidelines in effect during fiscal years 1982 and 1983 generally required that the highest priority work be funded first. The guidelines, however, provided for exceptions to the priority system if an FAA region or district office considered that a project, ranking relatively low under the system, should be funded. In those cases, the guidelines required written justification on why the lower priority project should be funded. According to Grants-in-Aid Division officials, the purpose of this exception provision was to provide FAA field managers enough latitude to judge the merits of individual projects considering local circumstances and needs.

In fiscal years 1982 and 1983, FAA discretionary grants in the four regions we reviewed generally went to high-priority projects. In some instances, FAA awarded discretionary grants to low-priority projects outside the funding criteria without written justification as required by the system guidelines. In many of these instances, however, FAA field officials orally provided us specific reasons, based on their judgment of local needs and circumstances, for funding the projects. In a very few cases, the decisions to fund low-priority projects were not justified in writing or orally.

Small percentage of discretionary  
funds used for low-priority work

Of the 519 projects we reviewed, 45 were low-priority projects. A total of about \$7.7 million in discretionary funds was obligated to low-priority work in these 45 projects, or 3 percent of the total \$257.3 million discretionary funds that the four regions obligated in the 2 years reviewed.

Using their judgment of project importance, FAA field officials decided to fund 41 of the 45 low-priority projects. For example, two regions funded snow removal equipment and fencing projects which were technically low priority under the system because regional officials believed the projects were needed for safe operation of the airports. The priority of snow removal equipment and fencing was upgraded in FAA's revised priority system at the request of the regions. In another case, FAA Great Lakes Region officials decided to fund a low-priority runway improvement project at a small airport on an Indian reservation to assure community access to distant medical facilities. The priority system will not rank a small noncommercial airport such as this one high enough to be funded. In other projects:

- Region or district officials decided to fund low-priority work to complete the funding of a project or to construct

needed subsidiary items. These projects involved a mixture of one or two relatively inexpensive low-priority development items with several high-priority items. For example, the Central Region decided to fund a service road to a cargo area at the St. Louis (Lambert Field) airport because it considered the road necessary to keep cargo trucks off a portion of taxiway. This work represented a very small portion of the total work funded at that location (\$94,000 out of \$13 million).

--FAA field officials funded some airport development projects because they met the basic Jobs Bill criteria of employing people quickly, even though the projects were relatively low priority.

--Region officials funded some low-priority planning and noise projects to help meet funding minimums specified in the Airport and Airway Improvement Act for these project categories.

--FAA's Southern Region funded, with headquarters' approval, a low-priority drainage project at Tuskegee, Alabama, because it wanted to support Tuskegee University, the primary airport user. The decision was made in connection with Executive Order 12320, dated September 15, 1981, which urges federal agencies to support historically black colleges and universities.

The decisions to fund the four other low-priority projects were not based on FAA officials' reasonable judgments of project importance--at least none that were documented or that FAA officials could articulate. All of these projects were at airports located in FAA's Southern Region. Three of the projects involved development at small general aviation airports--the East Cooper Airport, Mount Pleasant, South Carolina; the Pendleton County Airport, Falmouth, Kentucky; and the Scott Municipal Airport, Oneida, Tennessee. The other project was for development at a reliever airport--the Opa Locka Airport, Opa Locka, Florida.

The Southern Region did not include any of the low-priority development funded at these four airports on its prioritized needs list for the year in which the initial funding decisions were made. The project files contained no written justification for funding these low-priority projects. An Airports Division Program Specialist in the Southern Region told us that the four projects were funded at the direction of FAA headquarters. The Manager of the Grants-in-Aid Division, FAA headquarters, confirmed that headquarters had directed the Southern Region to fund these projects,

but he added that the decisions to fund them were made outside the division. According to the Manager, the Office of the Secretary of Transportation decided to fund three of the projects (Mount Pleasant, Falmouth, and Oneida) and the FAA Administrator decided to fund the other one (Opa Locka).

Although funding of these four projects was questionable based on their low priority and the circumstances involved in the funding decisions, the discretionary funds obligated to them (about \$3 million) made up only about 1 percent of the total \$257.3 million discretionary funds obligated to the 519 projects we reviewed in the four regions.

PROJECTS NAMED IN  
APPROPRIATION REPORTS

Congressional interest in naming airports for priority funding consideration in appropriation legislation was prevalent in fiscal years 1982 and 1983. Twenty airports were named in Senate, House, and Conference appropriations reports in fiscal year 1982. Forty-six airports were named either in the appropriations reports mentioned above or in Senate and Conference reports on the Jobs Bill in fiscal year 1983. In each of these congressional reports, the Congress directed that priority consideration be given to projects at the named airports but did not specifically direct FAA to fund them.

Fifty-three of the 66 airports named in fiscal years 1982 and 1983 received some type of airport planning and development funding. In fiscal year 1982, 13 of the 20 named airports received grants totaling \$33.6 million; 9 of the 13 projects received discretionary fund obligations totaling \$16.1 million. In fiscal year 1983, 40 of the 46 named airports received grants totaling \$93.7 million; 35 of the 40 funded projects received discretionary fund obligations totaling \$61.5 million (\$41.4 million regular discretionary and \$20.1 million in Jobs Bill discretionary).

FAA did not fund projects at 13 airports named in fiscal years 1982 and 1983 appropriation reports because

- six sponsors did not have applications on file with FAA when grant decisions were being made,
- five sponsors' projects did not meet the eligibility requirements specified in the Airport and Airway Improvement Act, and

--three sponsors' projects were not funded because FAA chose other projects because of their priority or the other factors that generally affect project selection mentioned earlier in this report.

The Manager, Grants-in-Aid Division, FAA headquarters told us that FAA does not fund some airports named for priority consideration in appropriation reports, and in many cases, airports in this category receive only a small portion of the discretionary funds requested. For example, in fiscal year 1983, the Fort Lauderdale-Hollywood International Airport sponsor requested nearly \$45 million in discretionary funds, but it received only about \$3 million. Another sponsor, the Southwest Florida Regional Airport, requested over \$12 million in discretionary funds in fiscal year 1983, but it did not receive any funds because its original application did not adequately justify project needs. Although FAA asked the sponsor to submit an application with adequate justification, the sponsor did not comply.

FAA headquarters, regional, and district officials told us that Congress' practice of naming airports for priority consideration had little or no effect on their decisions to fund projects. Our analysis showed that most of the airports named in fiscal years 1982 and 1983 that received discretionary grants would have been funded whether or not they were named in the congressional appropriation reports because the projects were high priority. About 93 percent of airport development funded at these airports had numerical priorities higher than 6,<sup>4</sup> which was well within FAA's funding criteria.

Our analysis showed that none of the nine projects named in fiscal year 1982 that received discretionary funding were low priority. Of the 35 projects named in fiscal year 1983 that received discretionary funding, 6 had some low-priority work funded. FAA obligated about \$3.5 million in discretionary funds to low-priority work in the 6 projects which represented 5.7 percent of the \$61.5 million total discretionary funds obligated to all 35 projects. In all but one instance, the low-priority work was mixed with high-priority work. In that one case, FAA obligated about \$888,120 to a low-priority access road at Opa Locka, Florida, which represented about one-fourth of the discretionary funds that went to low-priority work.

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<sup>4</sup>The priority system has numeric and letter designations to rank airport development projects.

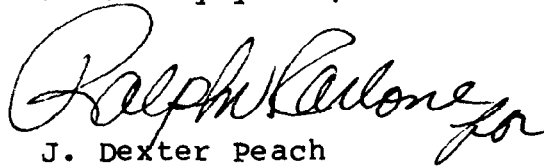
AGENCY COMMENTS

On March 27, 1984, the Department of Transportation orally advised us that they had no comments on our proposed report.

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We are sending copies of this report to the Secretary of Transportation; the Acting Administrator of FAA; the Director, Office of Management and Budget; and those that request it.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. Dexter Peach".

J. Dexter Peach  
Director



SYSTEM USED BY FAA TO  
PRIORITIZE AIRPORT GRANT PROJECTS

FAA headquarters issued a draft priority system on March 8, 1982 for use nationwide in prioritizing airport development and planning projects. The regions used that system to prioritize projects in fiscal years 1982 and 1983. FAA issued a revised priority system for use beginning in fiscal year 1984, which is very similar to the one used in fiscal years 1982 and 1983. The revised system was issued after final review of regional and headquarters comments, which were received after 2 years' experience with the system. Basically, the revisions involved some shifts in the priority numbering and the addition of a few developmental items. All changes were the result of regional and headquarters comments.

The priority system has numeric and letter designators to rank airport development projects. The numerical ranking of a project is based on the development category (e.g., special programs, reconstruction, standards, and upgrade) and the specific type of development (e.g., runway, taxiway, and apron work). The lower the number the higher the priority; for example, a priority 3 project is higher than one with a priority of 5. The letter designates the type and size of the airport at which the planned development is located and establishes priority only when two projects have the same numerical priority. For example, the letter W designates a primary commercial service airport and the letter Y a commercial service, other than primary, airport. Since primary airports have highest priority, a 7W project would have higher priority than a 7Y project. Any safety- or congressionally-mandated development is classified as a special program and has a numerical priority of 1. The letter designator determines which special program project receives highest funding priority. A separate part of the system is used to rank airport planning projects. These projects are numerically ranked by airport type, size, and planning category.

The districts and regions identify projects through sponsor preapplications for assistance; contacts with sponsors, such as telephone calls, site visits, and joint planning conferences; and contacts with professional organizations, such as the Air Transport Association and Aircraft Owners and Pilots Association. Generally, a district or region has a preapplication for assistance on file for those projects included in the listing submitted to headquarters. Sometimes a district or region may include a project if a preapplication is forthcoming.

FAA headquarters allocates discretionary funds on the basis of prioritized lists submitted by each region annually. These lists constitute the estimated need for discretionary funds for the next fiscal year. The regions and their district offices

prepare these lists in response to headquarters guidelines which specify the priorities of projects to be listed by airport category or grant type. For example, in fiscal year 1983, headquarters guidance specified that projects with priorities of 9 and higher for general aviation airports and priorities of 7 or higher for noise projects should be included in the lists. According to headquarters officials, the cutoffs were established on the basis of historical funding demands and judgment of the upcoming demands that can be met with anticipated funding levels.

According to FAA headquarters Grants-in-Aid Division officials, available discretionary funds are allocated to the regions on the basis of the proportion of each region's needs to the total national needs in each grant category (primary, commercial service, reliever, general aviation, planning, and noise) as shown on the prioritized lists. These officials told us that headquarters does not allocate all discretionary funds at the beginning of the fiscal year but holds some funds in reserve to cover such items as legislated funding minimums for certain airports and projects and long-term national scope projects too large to be funded with a region's allocation. The Grants-in-Aid Division officials said that these reserves are allocated to the regions, on the same proportional basis established initially, throughout the year as headquarters officials become assured that program objectives are being met.

The FAA regions have authority to obligate funds once they receive their allocation from headquarters. The four regions we reviewed generally followed the same practice of attempting to balance discretionary funding among the states in their regions. One unique practice that FAA Southern Region used was to limit primary commercial service airports to \$500,000 in discretionary funding. According to regional airports division officials, the purpose of this limitation on primary airports was to enable the region to distribute available discretionary funds to more airports. They said that this practice was necessary to prevent the large airports from receiving all the discretionary funds.

After deciding to fund a project, FAA tentatively allocates airport improvement funds to the airport sponsor. After the allocations, the sponsor has about 15 additional administrative steps that must be completed before FAA makes a grant offer. These steps include completing the sponsor's matching funding, submitting plans and specifications, and completing necessary land acquisition. A sponsor who successfully completes these steps will receive a grant offer from FAA.



OBJECTIVES, SCOPE, AND METHODOLOGY

By letter, dated April 12, 1983, the Chairman, Subcommittee on Aviation, House Committee on Public Works and Transportation, requested that we review the Department of Transportation's methods and performance in establishing a priority system for airport grant projects and funding projects in accordance with that system. Specifically, for discretionary fund grant obligations made in fiscal year 1982, October 1982, and the balance of fiscal year 1983, the Subcommittee asked us to determine

- the nature of the system used to prioritize projects and the ability of that system to identify and rank projects by their importance to the airport system, on the basis of statutory guidelines and directives;
- the extent grant obligations were not made in conformance with the priority system or not in conformance with a reasonable and objective assessment of relative project importance; and
- where nonconforming grants were made and on what basis they were made.

We also agreed to review the airports named for priority consideration in the 1982 and 1983 congressional appropriations reports to determine if the naming of these airports had caused FAA to fund low-priority projects with discretionary funds.

We reviewed the application of the priority system at FAA headquarters and in four of FAA's nine regions: the Southern, Central, Northwest-Mountain, and Great Lakes regions. We also visited 8 of the 10 airport district offices within these regions to review project files on low-priority projects and determine the funding procedures followed. We selected the four regions on the basis of their geographic location and level of discretionary fund obligations in fiscal year 1982. The four regions made up about 58 percent of the national total of discretionary fund obligations during 1982. The aviation subcommittee agreed with our selection of FAA regions.

We reviewed project files, prioritized project listings, priority system policy and procedures, and other documents pertinent to the administration of the priority system. We also discussed priority system policy, procedures, and practices with FAA headquarters, regional, and district officials.

In addition to our work at various FAA offices, we visited the state aviation agencies in Georgia, Mississippi, and Alabama and contacted three national aviation organizations (the

Air Transport Association, Aircraft Owners and Pilots Association, and American Association of Airport Executives). The state agencies and aviation associations were randomly selected. We contacted the state agencies and the national organizations to solicit their opinions on the adequacy of the FAA priority system for ranking projects by their importance to the airport system and determine their input in identifying airport development needs and priorities.

In the four selected regions, we determined the priority of work funded in each of the 519 projects that received discretionary funds during fiscal years 1982 and 1983. We included the discretionary funds obligated under authority of both the Airport and Airway Improvement Act of 1982, the First Continuing Appropriations Resolution for 1983, and the Jobs Bill of 1983. We also determined the funding status of projects at all 66 airports named in fiscal year 1982 and 1983 congressional appropriations reports, and for those projects receiving discretionary grants, we analyzed the priority of work funded.

We analyzed project priorities to determine if FAA was funding projects in accordance with its national priority system and to determine the basis for funding projects which ranked low under the national priority system. We used priority guidelines that FAA established at the beginning of each of the 2 fiscal years as our criteria for determining low priority. These guidelines were based on priorities FAA believed could be reached during the upcoming year with available discretionary funding. Specifically, for fiscal year 1982, FAA set funding cutoffs at priority 9 for all airport development projects and at priority 3 for planning projects. In fiscal year 1983, FAA established funding cutoffs of priority 7 for commercial service airports, reliever airports, and noise projects; priority 9 for general aviation airports; and priority 3 for planning projects. We considered any development or planning projects that were funded outside these priority guidelines to be low priority.

We also obtained FAA's reasons for not funding high-priority projects shown on prioritized lists of airport development and planning needs. Since our review had not disclosed significant problems with the priorities of projects funded, we limited our work on this step to unfunded projects with the highest priorities (numerical priorities of 4 or lower) in three of the four regions reviewed.

We did not attempt to determine if FAA's prioritized project lists included all needed projects. We did not contact airport sponsors to determine if they had submitted all discretionary fund needs, nor did we attempt to evaluate the validity of needs in airport sponsor requests for discretionary funds.

We also did not evaluate airport sponsor performance or FAA post-award monitoring activities on projects receiving discretionary grants. Except as noted above, our review addressed the issues in the request and those raised in subsequent meetings with Subcommittee representatives and was performed in accordance with generally accepted government auditing standards.





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