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AIRPORTS MONTHLY MATTERS

Your E-Mail Information Connection

Manager's Message



Kelvin L. Solco, Airports
 Division Manager

Thanks to all who attended the 2007 Partnership Conference. The final attendance list is posted on our website, as are all the handouts. Click on http://www.faa.gov/airports_airtraffic/airports/regional_guidance/southwest/airports_news_events/asw_conference/. If you are unable to find your document, please contact Faye Nedderman at faye.nedderman@faa.gov or at (817) 222-5656.

Your opinion about the conference matters to us. If you did not get an opportunity to comment, please send an email to Faye and let us know how we can improve.

On March 5, 2007, FAA issued a Fact Sheet on Airport Financing Proposals. Diane Spitaliere at (202) 267-3883 is the contact. I reiterate that these are proposals. This is a good summary of financial issues and I wanted to share this information with you. For more information see

http://www.faa.gov/regulations_policies/reauthorization/

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2006 AWARD WINNING AIRPORTS ANNOUNCED AT CONFERENCE

- Arkansas 2006 Outstanding Airport Outstanding Airport
South Arkansas Regional Airport, El Dorado, AR
- Louisiana 2006 Outstanding Airport Outstanding Airport
South Lafourche Leonard Miller, Jr. Airport, Galliano
- New Mexico 2006 Outstanding Airport Outstanding Airport
Double Eagle II Airport located in Albuquerque, New Mexico
- Oklahoma 2006 Outstanding Airport Outstanding Airport
Guthrie-Edmond Regional Airport Summary
- Texas Arkansas 2006 Outstanding Airport Outstanding Airport
Laredo International Airport
- Safety Award
Austin Bergstrom International Airport
- Environmental Achievement Award
Saline County Regional Airport, Benton Arkansas

The Airports Financing Proposals

Why Reform is Needed

We started looking at airport funding about 18 months ago. We examined airport capital requirements — especially secondary and reliever airport needs — and the ability of airports to pay. We talked to the municipal markets and rating agencies; and we looked at emerging trends to determine where the data is driving the universe of airport financing.

All parties agree that:

- Capital Requirements are up
- Airports have recovered financially, but
- Airports need to increase their financial self-sufficiency

Federal funds need to be better targeted to keep pace with the changing trends in aviation and be available to fund enduring requirements

Our \$2.75 billion AIP request, when combined with programmatic changes to AIP and the PFC program will provide the financial resources FAA needs to meet the nation's highest priorities for safety and security, major safety initiatives. This includes projects such as upgrading runway safety areas and mitigating runway incursions, funding current and future letters of intent for capacity projects at commercial airports, and preserving existing airfield infrastructure and advancing compliance with airport standards.

These changes assure that airports **of all sizes** have a stable and reliable source of funding so that they can meet critical capital requirements.

- We're enhancing all commercial airports' ability to generate funds for capital investment through a three-part reform to the PFC program.
- We're raising the maximum PFC from \$4.50 to \$6.00, bringing an additional \$1.2 billion annually to commercial airports. Our research shows the money raised from this capital infusion should be sufficient to fund needed projects through the life of the bill.
- We're expanding PFC eligibility to include any airport capital investment, as long as it will not hinder competition, to maximize the flexibility of airports to fund their own projects.
- We're streamlining the review process for PFC's to help airports modify their PFC programs more quickly, while continuing to carefully review controversial projects. Airports will be able to put their PFCs to work faster building the airport infrastructure the nation needs.

We're deregulating and giving large commercial airports more financial flexibility to run their airports more efficiently.

- Large airports are strong and mature financial enterprises that no longer need guaranteed passenger entitlements to meet their capital needs. The bill phases their passenger entitlements out over two years. AIP will continue to support costly capacity and safety projects through the enhanced discretionary fund. The additional PFC revenue flowing to these airports will more than compensate for lost entitlement funding.
- The minimum discretionary amount will be increased from the current level of \$148 million — set when AIP was at \$1.4 billion — to \$520 million. Large airports will be able to tap this fund to finance letters of intent for expensive capacity projects and costly safety improvements, such as runway safety areas.

We're providing a more rational structure for general Aviation Airports and Small Commercial Airports, while preserving their access to essential AIP funds.

- Proposed program changes target AIP spending to airports most dependent on AIP.
- The current passenger entitlements for small primary airports, which depend on AIP to meet their capital needs, will be retained at all levels of AIP. The current statutory penalty that reduces passenger entitlements by 50 percent when AIP levels are less than \$3.2 billion will be eliminated.
- Small commercial airports will benefit from the proposed increase to PFCs to \$6.00, which may bring up to \$500 million more for small airports.
- We're going to make the GA airport entitlement work better for secondary and reliever airports, which have larger airfields with more complex geometry by creating a tiered structure. These airports, which relieve congestion at busy commercial airports, will receive \$400,000 per year instead of the \$150,000 that currently even the smallest GA airport used by recreational flyers with single engine piston aircraft.
- We're restructuring the small airport fund as a fixed percentage of AIP discretionary funds. This dedicated pool of money will no longer have its level depend on the rate of PFC collection at large airports.
- We are establishing a minimum state apportionment amount of \$300 million and are changing the method of calculating it that is independent of GA entitlements.

We've proposed common sense changes to AIP eligibility rules to help airports be more self sufficient. A few include:

- GA airports can use their entitlements to buy self-service fuel pumps on a stand-alone basis. Today, AIP can be used only to install an entire fuel-farm system.
- GA airports can use their entitlements to rehabilitate hangars and terminals. Today, the entitlements can only be used to build replacement hangars, even if a rehab would be cheaper.
- AIP eligibility can cover fuel spill containment for fuel trucks required under new EPA regulations, where there was a shortfall to fund this requirement.
- Disposal of AIP-funded noise land will be more changed so airports can develop disposal plans that further the interests of the airport without sacrificing the federal interests in timely land disposal.

AIP funds will be better targeted where they're needed, by eliminating outdated set-asides and ensuring that post 9/11 emergency subsidies that no longer serve their intended purpose sunset on schedule.

- We're eliminating the MAP set aside, while keeping special MAP eligibility rules to help military bases convert to civil use when they are really needed. With few new airfields being converted to civil use, the minimum spending requirement no longer makes sense.
- We're eliminating the reliever set aside, which consistently represents a small fraction of what we actually spend on reliever airports.
- Local matching share for small airports will revert to 90 percent from 95 percent, for all but the smallest GA airports.
- By eliminating the set asides and letting the subsidies expire, FAA will have over \$150 million more to invest in new projects at a time when airport capital needs are growing.

We're proposing two pilot programs to encourage airports to be active participants in the NextGen transition.

- ADS-B deployment pilot program: We propose to broaden AIP eligibility to include installing ADS-B ground stations in markets that FAA cannot reach in the F&E program.
- Terminal Navaid Takeover Pilot Program: We will offer 10 large airports the chance to charge an extra dollar of PFCs (to \$7.00 total) in exchange for taking over ground based terminal navigational and weather equipment at their airport.

We're making the funding source for aviation capital projects more transparent.

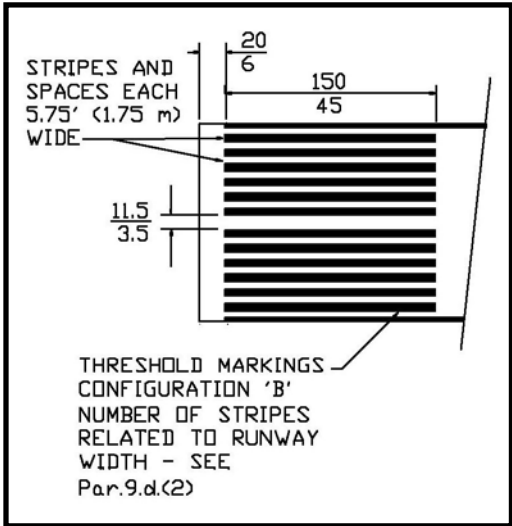
- AIP will be funded from two sources:
 - A 13.6 cent fuel tax
 - A \$6.39 international passenger tax

Deadline for "Configuration B" Threshold Markings January 1, 2008

After **January 1, 2008**, only "Configuration B" Threshold markings will be acceptable. This deadline date is now only a few months away. If your airport has not already complied with this requirement, take advantage of the upcoming painting season. Configuration A should be removed, and "Configuration B" applied.

**THRESHOLD STRIPES
REQUIRED FOR
CONFIGURATION B**

Table 2
Excerpt from AC 150/5340-1J



Runway width	Number of stripes
60 feet (18 m)	4
75 feet (23 m)	6
100 feet (30 m)	8
150 feet (45 m)	12
200 feet (60 m)	16

(Excerpt from AC 150/5340-1J, Figure 1 shown)

Advisory Circular 150/5340-1J, *Standards for Airport Markings*, describes the purpose, location, color and characteristics of Runway Threshold Markings in Section 2, paragraph 9. The reasoning behind this change is that "Configuration B" conforms to the International Civil Aviation

Organization (ICAO) standards contained in Annex 14, to which the United States is a signer. For additional information, please contact your assigned Airport Certification Safety Inspector.

FAA Sponsors Student Airport Design Competition

FAA is sponsoring a national Airport Design Competition for undergraduate and graduate students at U.S. colleges and universities. There are three broad categories of Technical Design Challenges: Airport Operation and Maintenance; Runway Safety/Runway Incursions; and, Airport Environmental Interactions.

Students can win cash for outstanding proposals. FAA hopes the Competition challenges provide a meaningful educational experience for individual students or students working in teams either as part of a class assignment, independent study or a project undertaken by a student professional society. The Challenges are interdisciplinary and FAA encourages participation from many engineering, technology and science disciplines. The competition closes on April 20, 2007. Guidelines are on line at: <http://platinum.ts.odu.edu/Apps/FAAUDCA.nsf/fhome?openform>

Safety Management Systems (SMS) for Airport Operators

In November 2005, the International Civil Aviation Organization (ICAO) required member States to have certificated international airports meet international standards. FAA will be establishing a Safety Management System (SMS) at international airports to meet the ICAO standards and to complement existing airport safety requirements. The purpose of an SMS at airports is to increase the likelihood of Airport Operators finding and correcting safety problems before those problems result in an aircraft accident or incident.

FAA has opened a rulemaking project to consider a formal requirement for SMS at certificated airports. We expect to issue a notice of proposed rulemaking (NPRM) for public comment in 2008. A decision on a final rule will not be made until the agency has considered all of the public and industry comments received on the NPRM. We will also take into account the experience of airports that have already implemented an SMS.

For more information on SMS see

http://www.faa.gov/airports_airtraffic/airports/airport_safety/safety_management_systems/.

FAA has determined that contract costs to develop an initial SMS at an airport are eligible for AIP planning grant funds.