



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

Memorandum

Subject: **ACTION**: Program Guidance Letter 05-01

Date: October 15, 2004

From: Manager, Airports Financial Assistance
Division, APP-500

Reply to
Attn. of:

To: PGL Distribution List

05.1.1 Emergency Funding for Hurricane Damage—Jim Borsari (202) 267-8822

The President recently signed into law the Emergency Supplemental Appropriations for Hurricane Disaster Assistance Act, 2005, that contains emergency capital funding to compensate airports for capital costs for replacement or repair of public-use facilities, as well as emergency funding for other Federal agencies. However, any project for which airport emergency funding is being sought must be directly related to damage caused by Hurricanes Charley, Frances, Ivan, or Jeanne. According to explanatory language in the report accompanying this Act, the airport funding is to be distributed at the discretion of the Administrator. This Act is part of the FY 2005 Military Construction Appropriations Act.

Since these hurricanes may have damaged airports in more than one region and the funding is limited, the final project selection will be coordinated with Washington headquarters to assure that this funding is consistently distributed. In this program guidance letter, we are providing information on the criteria that we will use in determining that the funding is provided for the most worthy projects.

The funding is not being provided as additional funding for the Airport Improvement Program (AIP). Thus, the usual requirements such as AIP assurances, contracting procedures, local matching share and other administrative requirements of AIP do not apply to this funding. AIP restrictions on funding regarding work performed prior to a grant also do not apply.

In order to distribute funding expeditiously, airport owners/operators should be advised to submit applications consistent with this PGL no later than October 25, 2004.

ELIGIBILITY FOR FUNDING

The appropriation limits the eligibility to capital costs for public-use facilities at public-use airports in the National Plan of Integrated Airport Systems (NPIAS). Further, the funding is restricted to the compensation of airports' costs and does not include privately owned facilities. Rather than attempt to name all the possible facilities that could be included as eligible, we would expect airports to provide rudimentary information to show that the facility is public use. These facilities would not be limited to those traditionally funded through the AIP.

For the purposes of determining whether a facility is "public-use," regions should determine the ultimate use of the facility. For example, a hangar that is owned by the airport and leased exclusively to a private entity for its sole operation would not be considered public-use. However, an airport-owned hangar that may be under the control of an entity like a Fixed-Base Operator (FBO), which is acting essentially as a facility manager on behalf of an airport, and which is provided on a non-exclusive basis to multiple aircraft owners, can be considered public-use. T-hangars owned by the airport would also be considered public use.

Additionally, roof replacement/repair for terminal buildings can be considered public-use even if the roof protects the part of the building that would not be considered public-use, such as a carrier's exclusive area, if the roof is a portion of the roof that covers the public terminal areas.

Also, there may be some airports that may request funding through this appropriation to cover the matching share of an AIP project. Although there are no restrictions in this appropriation, the AIP statute itself does not permit other Federal funds to be used as the matching share for an AIP grant. Thus, this funding cannot be used to match an AIP grant.

In anticipation of questions regarding the Passenger Facility Charge (PFC) Program and AIP, this additional funding does not expand in any way the types of eligible projects for either program since this funding is unrelated to those two programs. In other words, normal rules of eligibility for AIP and PFC programs continue to be in effect for those two programs.

Please note that the law limits reimbursement under this special appropriation to capital costs only. Thus, operating costs or cleanup costs after the hurricane(s) are not allowable expenses under this special appropriation.

Some of the costs for damage may be covered by insurance or by other Federal entities such as the Federal Emergency Management Agency (FEMA) or other agencies that received additional funding through this bill. Attached as attachment A is the Congressional Record publication of this emergency bill. Airports may also wish to review other portions of this bill to see if they may qualify for these other programs. For your information, the funding for airports that is the subject of this PGL is in Chapter 10, on page H9062 of the attachment.

APPLICATION PROCEDURE

Since this is considered a direct appropriation to create a funding source for emergency capital costs, we believe that it would be consistent to limit application requirements to a minimum and cover only that information necessary to make a decision. We are also not limiting the format for the application. This will give the airports great latitude to select the best method for them to provide the information in writing, whether by letter or by traditional AIP application procedures.

At a minimum, airports should provide information in the following areas:

1. The size of the airport (hub size, reliever or general aviation).
2. The name of the hurricane that caused the damage.
3. The scope and estimated cost of the request including a detailed description of the work required.
4. A statement to determine that the facility is airport-owned and public-use. Some facilities such as hangars may require a more expansive statement to include enough information to determine the public-use nature of the hangar.
5. A statement concerning the insurance covering the facilities and the status of any insurance claims. Airports should also include information if the airport is self-insured or has not filed any claim with an insurance carrier.
6. A statement concerning the status of any request for assistance from another Federal agency.

PRIORITIES

We intend to administer this funding using the following criteria. First, the restoration of aeronautical safety/security facilities and other aeronautical facilities such as airfield signs and lighting would be considered the highest priority. After these facilities the priority would be public buildings such as terminal buildings to restore full use of the building. The next priority would involve public use hangars. Finally, all other public-use facilities such as parking and roadway lighting can be considered. This list is not intended to be restrictive but merely illustrative of the types of priority to apply to various projects that may be submitted by airports.

GRANT AWARD

The actual distribution of grant funding will await the analysis of the applications received. Airports should be advised that we expect that projects to restore aeronautical facilities will adhere to appropriate FAA standards.

Further, a grant agreement issued under this appropriation will also contain limited requirements to ensure that airports undertake certain limited fiduciary responsibilities such as record keeping, invoicing etc. A simplified grant form similar to the one used in FY 2002 to distribute \$175 million for security-related costs will be used to distribute the funding under this appropriation and will be provided to regions at or before the decisions on allocation of funds.

A handwritten signature in black ink, appearing to read "Barry L. Molar". The signature is written in a cursive style with a large initial "B" and "M".

Barry L. Molar

Attachment