Chapter 15. Permitted and Prohibited Uses of Airport Revenue

15.1. Introduction. This chapter discusses the sponsor's use of airport revenue. It supplements, but does not supersede, the guidance issued in FAA's *Policy and Procedures Concerning the Use of Airport Revenue*, 64 Fed. Reg. 7696, February 16, 1999, (*Revenue Use Policy*).

The U.S. Congress has established the general requirements for the use of airport revenue and has identified the permitted and prohibited uses of airport revenues. These statutory requirements are incorporated in the standard grant assurances and have been interpreted by the FAA and the General Counsel's Office, Office of the Secretary, in policy statements and compliance decisions. It is the responsibility of the FAA airports district offices (ADOs) and regional offices to advise sponsors on the statutes, grant assurances, and policies that outline the permitted and prohibited uses of airport revenue and to ensure that sponsors are not in violation of their federal obligations in the use of their airport revenue. This chapter describes the legislative history, defines airport revenue, and describes the allowable and prohibited uses of airport revenue.

15.2. Legislative History. Congress placed restrictions on the use of airport revenue in four separate acts:

a. Airport and Airway Improvement Act of 1982 (AAIA). Congress first placed restrictions on the use of airport revenue in the AAIA (Public Law (P.L.) No. 97-248) . The AAIA established the basic rules for the use of airport revenue, which are still largely in effect today:

"All revenues generated by the airport, if it is a public airport, will be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and directly related to the actual transportation of passengers or property."

Congress first placed restrictions on the use of airport revenue in the Airport and Airway Improvement Act of 1982 (AAIA) (Public Law No. 97-248). The AAIA established the basic rules for using airport revenue, which are still largely in effect today. The general principle is that airport revenue is to be used for the capital and operating costs of the airport. (Photo: FAA)

See 49 U.S.C. §§ 47107(b) and 47133 for current provision.

b. Airport and Airway Safety and Capacity Expansion Act of 1987 (1987 Airport Act). In the 1987 Airport Act, (P.L. No. 100-223), Congress extended the restriction on the use of airport revenue to include any local taxes on aviation fuel. Consequently, the taxing authorities must use local aviation fuel taxes (except taxes in effect on December 30, 1987) for airport capital and operating costs or for a state aviation program or for noise mitigation purposes on or off the airport. The AAIA and the 1987 Airport Act do allow for some preexisting "nonoperating or noncapital" uses of airport revenue. The *Revenue Use Policy* refers to these preexisting arrangements as "grandfathered." Paragraph 15.10 of this chapter discusses requirements for airports with grandfathered status. With the general recodification of Title 49 of the U.S. Code in 1994, the revenue use provisions were codified as 49 U.S.C. § 47107(b).

c. FAA Authorization Act of 1994 (1994 Authorization Act). In the 1994 Authorization Act, (P.L. No. 103-305), Congress (i) defined certain unlawful uses of airport revenue, (ii) required airports to be as self-sustaining as possible, and (iii) required the FAA to publish a policy on the use of airport revenue. (The self-sustaining requirement is discussed in chapter 17 of this Order, *Self-sustainability*.)

d. FAA Reauthorization Act of 1996 (1996 Reauthorization Act). In the 1996 Reauthorization Act (P.L. No. 104-264), Congress extended the restrictions on the uses of airport revenue to private airports that have received federal assistance. The provision is codified at 49 U.S.C. §§ 47107(b) and 47133.

15.3. Privatization. Also under the 1996 Reauthorization Act, Congress adopted a new statute, § 47134, establishing the Pilot Program on Private Ownership of Airports (privatization pilot program). The program provides for up to five publicly owned airports to participate in the program. Of the five eligible airports, only one airport can be a large hub airport. (Air carrier airports can only be leased.) One of the five airports must be a general aviation airport. (General aviation airports can either be leased or sold.) As an incentive to participation in the program, the Secretary may grant a sponsor three exemptions: (a) an exemption from the revenue-use rules to permit the sponsor to recover a specified amount from the lease or sale if approved by a super majority of air carriers, (b) an exemption waiving the obligation to repay federal grants or return property transferred from the federal government, and (c) an exemption permitting the private operator to earn compensation from airport operations.

15.4. Grant Assurance. Under the AAIA, sponsors, as a condition of receiving Airport Improvement Program (AIP) grants, must agree to the grant assurance on the use of airport revenue. Grant Assurance 25, *Airport Revenues*, incorporates the requirements described in the above legislation.

The Revenue Use Policy defines airport revenue and describes the permitted and prohibited uses of airport revenue.

15.5. FAA Policy. The *Revenue Use Policy* implements the requirements of the above acts, and incorporates the public comments from two earlier proposed versions of the policy. In addition, the *Revenue Use Policy* defines airport revenue and describes the permitted and prohibited uses of airport revenue (The final policy, dated February 16, 1999, is available online.)

15.6. Airport Revenue Defined. Airport revenue generally includes those revenues paid to or due to the airport sponsor for use of airport property by the aeronautical and nonaeronautical users of the airport. It also includes revenue from the sale of airport property and resources and revenue from state and local taxes on aviation fuel.

a. Revenue Generated by the Airport. Revenue generated by the airport for the aeronautical and nonaeronautical use of the airport includes, but is not limited to, the fees, charges, rents, or other payments received by or accruing to the sponsor from air carriers, tenants, concessionaires, lessees, purchasers of airport properties, airport permit holders making use of the airport property and services, etc. (Note: Revenue generated by the tenant in the course of that tenant's business is the tenant's revenue and not airport revenue under the *Revenue Use Policy*. The airport sponsor's revenue from that tenant's occupancy and business rights would be paid in the form of fees, rentals, lease agreement, etc.)

b. Taxes assessed by a special taxing district surrounding the airport and dedicated for support of the airport, but not derived from the use of the airport, are generally not considered airport revenue subject to the *Revenue Use Policy*. These tax revenue funds should be kept separate from airport revenue accounts and may be used for purposes other than those listed in 49 U.S.C. § 47107(b) and § 47133.

c. Parking Fines. Under the Revenue Use Policy, "airport revenue" constitutes money received by the airport for the use of the airport. All of the revenues within the definition represent some form of payment for airport property or use of airport property, whether it is rent, concession fees, aeronautical fees, or mineral rights. However, parking fines and penalties result from law enforcement activity; they are designed to penalize and change behavior, not to serve as a source of revenue. They are assessed by an airport using its police powers, not its proprietary powers as owner of an airport. As a result, the FAA does not generally consider parking fines and penalties to be a revenue-producing activity. For example, the FAA would not consider fines or penalties from other types of law enforcement (such as fines levied for drug possession or intoxication) to constitute "airport revenue." Nor would the FAA consider fines levied for building code violations, improper food handling, or fees from city-issued permits for utility or building use to be "airport revenue."

15.7. Applicability of Airport Revenue Requirements.

a. Airport Revenue. The rules regarding the use of airport revenue are applicable to:

(1). Public Agencies that Receive AIP Grants. The rules on airport revenue apply to public agencies that have received an AIP grant since September 3, 1982, if the obligations of that grant were in effect on or after October 1, 1996.

(2). Public Agencies that Collect Taxes on Aviation Fuel. The rules on aviation fuel apply to state and local agencies that have received an AIP grant since December 30, 1987, and had federal grant obligations for the use of aviation fuel in effect on October 1, 1996.

(3). Any Airport that Received Federal Financial Assistance. The rules on airport revenue apply to a public or private airport that has received federal financial assistance (as defined in paragraph 15.8 of this chapter) and the federal obligations for use of airport revenue incurred as a result of that assistance were in effect on or after October 1, 1996.

15.8. Federal Financial Assistance. Federal financial assistance includes:

a. AIP development grants and other grants issued under predecessor programs.

b. Airport planning grants that relate to a specific airport.

c. Aircraft noise mitigation grants received by an airport operator.

d. The transfer of federal property under the Surplus Property Act; the transfer of federal nonsurplus property under deeds of conveyance issued under section 16 of the Federal Airport Act of l946 (1946 Airport Act), under section 23 of the Airport and Airway Development Act of l970 (1970 Airport Act), or under section 516 of the AAIA.

15.9. Permitted Uses of Airport Revenue.

a. General. Sponsors may use their airport revenue for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property.

Such costs may include reimbursements to a state or local agency for the costs of services actually received and documented, subject to the terms of the *Revenue Use Policy*. Operating costs for an airport may be both direct and indirect and may include all of the expenses and costs that are recognized under the generally accepted accounting principles and practices that apply to the airport enterprise funds of state and local government entities.

b. Promotion of the Airport. Sponsors may use their airport revenue to promote public and industry awareness of the airport's facilities and services. Airport revenue may be used to promote new air service and competition at the airport, but it may not directly subsidize air carrier operations. A sponsor may use its revenue to pay the salary and expenses of airport or sponsor employees engaged in efforts to promote air service at the airport. The sponsor may participate in cooperative advertising where the airport advertises new services with or without matching funds. The name of the airport must be prominently featured in the marketing and promotional material. The sponsor may pay a share of promotional expenses designed to increase use of the airport. The promotion must include specific information about the airport. In addition, the sponsor may support promotional events, such as a Super Bowl hospitality tent for corporate aircraft at a sponsor-owned general aircraft terminal. The sponsor may use airport

revenue to pay for promotional items bearing airport logos distributed at various aviation industry events. The *Revenue Use Policy* does not prohibit a sponsor from spending airport revenue from one airport for promotion of another within that sponsor's airport system.

c. Repayment of the Sponsor. A sponsor may use its airport revenue to repay funds it contributed to the airport from general accounts or to repay loans from the general account to the airport provided the sponsor makes its request for reimbursement within six (6) years of the date on which it made the contribution. (See 49 U.S.C. § 47107(l).)

When the sponsor asks the airport to repay an interest-bearing loan, the airport may repay the loan with interest only if the sponsor clearly documented that the loan was interest-bearing at the time the loan was made. The interest rate may not exceed the interest rate on the sponsor's other investments for that time period.

For other contributions, the FAA must determine whether the sponsor made the contribution for the benefit of the airport. The FAA must determine the date from which the airport may commence payment of interest. The interest that the airport may pay for the other contributions is limited to the U.S. Treasury investment interest rate. (See 49 U.S.C. § 47107(o) and (p).)

d. Lobbying and Attorney Fees. A sponsor may use airport revenue to pay lobbying and attorney fees to the extent these fees are for services in support of airport capital or operating costs that are otherwise allowable.

e. Costs Incurred by Government Officials. A sponsor may pay for costs that government officials incur on the airport's behalf. For example, the cost of travel for city council members to meet with FAA officials about AIP funding is an allowable use of airport revenue.

f. General Government Costs. A sponsor may pay for a portion of the general costs of government, including executive offices and the legislative branches, provided the sponsor allocates such costs to the airport in accordance with an acceptable cost allocation plan. The FAA may require special scrutiny of allocated costs to assure that the airport is not paying a disproportionate share.

g. Central Service Costs. A sponsor may use airport revenue to pay for costs such as accounting, budgeting, data processing, procurement, legal services, disbursing, and payroll services that it bills to the airport through an acceptable cost allocation plan. The *Revenue Use Policy* and OMB Circular A-87 are our references for evaluating sponsor cost allocation plans. Such costs must meet the standard of being airport capital or operating costs. The allocation of these costs may require special scrutiny to assure that the airport is not paying a disproportionate share of these costs.

h. Community Activities. A sponsor may use airport revenue to support community activities and to participate in community events if such expenditures are directly and substantially related to the operation of the airport. For example, it may purchase tickets for an annual community luncheon at which the airport director delivers a speech reviewing the state of the airport. The airport may also contribute to a golf tournament sponsored by a "friends of the airport"

committee. The FAA also recognizes that contributions for community or charitable purposes can provide a direct benefit to the airport through enhanced community acceptance and that a benefit of that nature is intangible and not quantifiable. Consequently, where the amount of contribution is minimal, the FAA will not question the value of the benefit so long as there is a reasonable connection between the recipient organization and the benefit of local community acceptance for the airport. An example of a permitted expenditure in this category is a $250 fee for a booth focusing on the operation of the airport and career opportunities in aviation at a local school fair. An airport may use its revenue to support a community's use of airport property if the expenditures are directly and substantially related to the operation of the airport.

i. Ground Access Projects. It is the policy of the United States to encourage the development of intermodal connections on airport property between aeronautical and other transportation modes and systems to serve air transportation passengers and cargo efficiently and effectively and promote economic development. (See 49 U.S.C. § 47101(a)(5).) Consistent with this policy, a sponsor may use airport revenue to pay for the airport's share of a ground access project in two general cases: (1) if the project qualifies as an integral part of an airport capital project, and (2) if the project is owned or operated by the sponsor and is directly and substantially related to the air transportation of passengers or property.

(1). Airport capital project. An example of an airport capital project would be the construction of an airport transit station incorporated into a new airport passenger terminal to provide direct transit access to the airport terminal building. The station is designed and intended exclusively for airport ground access and is effectively part of the terminal building.

(2). Other facilities directly and substantially related to air transportation. A facility may extend for a distance off airport property or be used in part by nonairport passengers. Such cases can be complex, and a three-part analysis should be applied:

First, is the facility owned or operated by the airport sponsor?

Second, is the facility directly and substantially related to air transportation? The facility must be a primary means of ground access to the airport even if the facility will not be used exclusively by airport passengers, employees, and visitors. The facility must be designed and intended for airport use even if others will also make use of it once the project is built. Airport funding is limited to the portion (road or rail line) from the airport to the nearest line of mass capacity, typically a highway or rail line adjacent to or close to the airport boundary. City streets and local highways may be used by passengers on the way to the airport, but they are not designed or intended for airport access and are not directly and substantially related to air transportation.

Third, is the airport contribution prorated to the forecast use of the facility? If 50 percent (50%) of the passengers on a transit line with a stop at the airport will be airport passengers, then the airport can contribute up to 50 percent (50%) of the cost of the rail line across airport property. For example, where a transit line was designed to run through airport property in order to provide an airport station, the FAA has approved the use of airport revenue for 100 percent (100%) of the actual costs incurred for structures and equipment associated with the airport

terminal building station, as well as for a portion of the costs of the rail line through the airport, prorated for the percentage of airport passengers using the system in relation to total transit passengers using that segment of the line.
The permissibility of using airport revenue for a ground access project is reviewed and accepted or rejected on a case-by-case basis.

15.10. Grandfathering from Prohibitions on Use of Airport Revenue.

a. General. Certain airports may use airport revenue for otherwise impermissible expenditures when the airport qualifies as "grandfathered." An airport is deemed "grandfathered" when provisions establishing certain financial arrangements between the airport and sponsor exist that were in effect prior to the enactment of the AAIA on September 3, 1982. (See 49 U.S.C. § 47107(b)(2).) Grandfathered airports are grandfathered only as to what was in effect of September 3, 1982. A list of airports considered to be grandfathered is at the end of this chapter.

A grandfathered airport is permitted to pay the sponsor for costs that are for purposes other than the airport's capital and operating costs. However, under the authority of 49 U.S.C. § 47115(f), the FAA considers as a factor militating against the approval of an application for AIP discretionary funds the fact that a grandfathered airport has exercised its rights to use airport revenue for nonairport purposes when, in the airport's fiscal year preceding the date of application for discretionary funds, the FAA finds that the amount of airport revenues used for nonairport purposes exceeds the amount used for such purposes in the airport's first fiscal year ending after August 23, 1994, adjusted for changes in the Consumer Price Index (CPI). In making this determination, the FAA will evaluate the grandfathered payments for the fiscal year preceding the date of the application.

Payments made by an independent authority or state department of transportation that owns or operates other transportation facilities in addition to airports with debt obligations or legislation governing financing that predate AAIA may be grandfathered.

Grandfathered arrangements include:

(1). Debt. An independent authority or state department of transportation that owns or operates other transportation facilities in addition to airports and has debt obligations or legislation governing financing and providing for use of airport revenue for nonairport purposes predating the AAIA. (Such sponsors may have obtained legal opinions from their counsel to support a claim of grandfathering, which FAA would consider in its review.)

(2). DOT Interpretations. Previous Department of Transportation (DOT) interpretations have found the following legislation certifying financial arrangements predating the AAIA legislation to qualify for the grandfather exception:

(a). Bonds. Bond obligations and city ordinances requiring a five percent (5%) "gross receipts" fee from airport revenue. In this case, the city instituted the payments in 1954 and continued them in 1968.

(b). State Statute. A 1955 state statute assessing a five percent (5%) surcharge on all receipts and deposits in an airport revenue fund to defray central service expenses of the state.

(3). City Legislation. City ordinance authorizing the payment of a percentage of airport revenue. City legislation permitting an air carrier settlement agreement in which the airport pays to the city 15 percent (15%) of airport concession revenue.

(4). Multi Modal Authority. A 1957 state law establishing financing and operations of a multi modal state transportation program and authority – including airport, highway, port, rail, and transit facilities. State revenues (including airport revenue) support the state's transportation-related and other facilities. The funds flow from the airports to a state transportation trust fund comprising all "taxes, fees, charges, and revenues" collected or received by the state department of transportation.

(5). Enabling Provision. A port authority's 1956 enabling act provisions specifically permitting it to use port revenue, which includes airport revenue, to satisfy debt obligations and to use revenues from each project for the expenses of the authority. The act also exempts the authority from property taxes, requires annual payments in lieu of taxes to several local governments, and gives it other corporate powers. A 1978 trust agreement recognizes the use of the authority's revenue for servicing debt, for facilities of the authority, and for its expenses, reserves, and the payment in lieu of taxes.

(6). Aviation Fuel Tax. Grandfathered arrangements also include local taxes on aviation fuel that were in effect before the 1987 Airport Act (i.e., fuel taxes in effect on December 30, 1987).

15.11. Allocation of Indirect Costs. An airport may use its revenue to pay capital or operating costs that the sponsor charges the airport through a cost allocation plan. In an acceptable cost allocation plan, the sponsor allocates costs in a manner consistent with Attachment A to Office of Management and Budget (OMB) Circular A-87,[39] except substitute the phrase "airport revenue" for the phrase "grant award" wherever the latter phrase occurs in Attachment A. In addition, the sponsor may not disproportionately allocate general government costs to the airport and may not indirectly bill costs through the cost allocation plan that are also billed directly to the airport. The sponsor must bill its other comparable units of government in a similar manner for the same costs it allocates to the airport; such allocations must be in proportion to the benefit that each receives from the allocated costs.

15.12. Standard for Documentation. The airport must ensure that billings from government entities meet the FAA requirement for documentation. The standards require the entity to maintain evidence to support its direct and indirect charges to the airport. Such evidence may include the underlying accounting data (such as general and specialized journals, ledgers,

[39] OMB Circular A-87, Cost Principles Applicable to Grants and Contracts with States and Local Governments.

manuals, and supporting worksheets and other analyses) as well as corroborating evidence (such as invoices, vouchers, and indirect cost allocation plans).

The FAA accepts audited financial statements as supporting evidence. However, the statement's underlying accounting records must clearly show the amounts that the entity billed to the airport. The entity's budget estimates are not sufficient to establish a claim for reimbursement. The entity may use budget estimates to establish predetermined indirect cost allocation rates as part of an indirect cost allocation plan, provided estimates are adjusted to actual expenses in the subsequent accounting period.

15.13. Prohibited Uses of Airport Revenue.

a. Unlawful Revenue Diversion. Unlawful revenue diversion is the use of airport revenue for purposes other than airport capital or operating costs or the costs of other facilities owned or operated by the sponsor and directly and substantially related to air transportation. Revenue diversion violates federal law and AIP grant assurances unless: (1) it is grandfathered within the scope of grandfathered financial authority established before 1982, or, (2) it is authorized under an exemption issued by the FAA as part of the airport privatization pilot program.

Revenue diversion is the use of airport revenue for purposes other than airport capital or operating costs.

b. General. Prohibited uses of airport revenue include direct or indirect payments that exceed the fair and reasonable value of those services and facilities provided to the airport. The FAA generally considers the cost of providing the services or facilities to the airport as a reliable indicator of value. For example, the DOT Office of Inspector General (OIG) and the FAA found a city sponsor to be diverting revenue where the sponsor charged the airport for investment management at the rate that would have been charged for commercial services when services to the airport were actually provided by city employees at a much lower cost.

c. Cost Allocation. Payments under a plan are a prohibited use of airport revenue when the allocation is based on a formula that is not consistent with the *Revenue Use Policy* or when the payment is not calculated consistently and equitably for the airport and other comparable units or cost centers of government.

d. General Economic Development. Using airport revenue for general economic development is a prohibited use of airport revenue.

e. Market and Promotion. When unrelated to airport operations, marketing and promotion costs are prohibited uses of airport revenue Examples include participating financially in marketing as destinations city or regional attractions such as hotels, convention centers, sports arena, theaters, and other entertainment attractions having no connection to the promotion of the airport.

f. Payments in Lieu of Taxes (PILOTs). Payments in lieu of taxes or other assessments that exceed the value of services or are not based on an acceptable cost allocation formula (i.e., reasonable and transparent), are prohibited uses of airport revenue.

g. Lost Tax Revenues. Payments to compensate nonsponsoring governmental bodies for lost tax revenues, to the extent the payments exceed the stated tax rates applicable to the airport, are prohibited uses of airport revenue Note that many payments in lieu of taxes (PILOTs) by airports are voluntary, not assessed, and should be evaluated under the lost tax provisions of 49 U.S.C. § 47107(l)(2)(D) rather than § 47107(l)(2)(C), which pertains to "payments in lieu of taxes or other assessments…." In each case the nature of the payment, rather than its title, should determine the appropriate analysis.

h. Loans and Investments. Loans to, or investment of, airport funds in a state or local agency at less than the prevailing rate of interest are prohibited uses of airport revenue.

i. Sponsor Aeronautical Use. Use of land for free or nominal rental rates by the sponsor for aeronautical purposes (e.g., a sponsor-owned fixed-base operator[40]) – except to the extent permitted under the *Revenue Use Policy* section on the self-sustaining requirement – is prohibited use of airport revenue.

j. Sponsor Nonaeronautical Use. Rental of land to, or use of land by, the sponsor for nonaeronautical purposes at less than fair market value rent is considered a subsidy of local government and is a prohibited use of airport revenue.

k. Impact Fees. Impact fees assessed by any governmental body that exceed the value of services or facilities provided to the airport are prohibited uses of airport revenue. However, the airport may pay for environmental mitigation measures contained in an FAA record of decision approving funding for an airport development project or for constructing a ground access facility that would otherwise be eligible for the use of airport revenue. When such fees meet the other allowability and documentation requirements, the sponsor may use airport revenue to pay for impact fees. In determining appropriate corrective action for an impact fee payment that is not consistent with the revenue use requirements, the FAA will consider whether a nonsponsoring governmental entity imposed the fee and whether the sponsor has the ability under local law to avoid paying the fee.

l. Community Activities. Using airport funds to support community activities and to participate in community events or using airport property for community purposes – except to the extent permitted under the *Revenue Use Policy* – is a prohibited use of airport revenue.

m. Subsidy of Air Carriers. The direct subsidy of air carrier operations is a prohibited use of airport revenue. Prohibited direct subsidies do not include support for airline advertising or marketing of new services to the airport as described in paragraph 15.9.b above.

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[40] A fixed-base operator (FBO) is a commercial entity providing aeronautical services such as fueling, maintenance, storage, ground and flight instruction, etc., to the public.

n. Airport Fee Waivers during Promotion Periods.

(1). Prohibited direct subsidies do not include waivers of fees or discounted landing or other fees during a promotional period. However, the airport must offer any promotional fee waiver or discount to all similarly situated users of the airport willing to provide the same type and level of new service consistent with the promotional offering.

(2). The cost of offering discounted fees or waivers cannot be shifted to other air carriers not participating in the promotional incentive program. When developing its rate base, the airport may not consider in its calculations the promotional discounted fees and waivers.

The airport may need a discretionary source of airport revenue – or revenue from another external source – to fund promotions. This requirement is consistent with the FAA's *Policy Regarding the Establishment of Airport Rates and Charges* (*Rates and Charges Policy*), which provides that airport sponsors may not recover the costs associated with one group of aeronautical users from fees of another aeronautical user or group of aeronautical users unless agreed to by all aeronautical users in that group**.** (See *Rates and Charges Policy*, section 3.1.)

Prohibited direct subsidies do not include waivers of fees or discounted landing or other fees during a promotional period. However, the airport must offer any promotional fee waiver or discount to all similarly situated users of the airport willing to provide the same type and level of new service consistent with the promotional offering.

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Fees that can be waived during a promotional period include all or a portion of landing fees or space rent for passenger or cargo processing services or for operational activities. When developing its rate base, the airport may not consider in its calculations the promotional discounted fees and waivers. The cost of offering the discounted fees and waivers cannot be shifted to other air carriers not participating in the promotional incentive program. That is, the airport may need a discretionary source of airport revenue – or revenue from another external source – to fund the promotion. (Photo: FAA)

Grandfathered Airport List

1. State of Maryland—Baltimore/Washington International and Martin State.
2. Massachusetts Port Authority—Boston-Logan and Hanscom Field.
3. Port Authority of New York and New Jersey—JFK, Newark, LaGuardia, and Teterboro.
4. City of Saint Louis, Missouri—Lambert-St. Louis.
5. State of Hawaii—all publicly owned/public use airports.
6. City and County of Denver—Denver International.
7. City of Chicago—Chicago O'Hare and Midway.
8. City and County of San Francisco—San Francisco International.
9. Port of San Diego—San Diego International.
10. Niagara Frontier Transportation Port Authority, NY—Greater Buffalo and Niagara Falls.
11. City and Borough of Juneau, AK—Juneau International.
12. Texarkana Airport Authority, AR—Texarkana Regional