



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

Memorandum

Subject: **ACTION:** Program Guidance Letter 12-05

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

Reply to
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To: PGL Distribution List

The purpose of this PGL is to provide information on a relevant section of the FAA Modernization and Reform Act of 2012.

FAA Regional Airports Offices and Airports District Offices are encouraged to distribute this PGL widely to the airport and consultant community.

12-05.1 Section 137. Government Share of Project Costs.

In the FAA reauthorization bill is an exception to the 90% federal share for grants at smaller airports (i.e. other than Large and Medium-hub) who are both receiving Essential Air Service (EAS) and are located in economically distressed areas (EDA).

Section 137 of the FAA Modernization and Reform Act of 2012 (H.R. 658) provides a special rule for economically distressed communities:

The Government's share of allowable project costs shall be 95 percent for a project at an airport that—

“(1) is receiving essential air service for which compensation was provided to an air carrier under subchapter II of chapter 417; and

“(2) is located in an area that meets one or more of the criteria established in section 301(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161(a)), as determined by the Secretary of Commerce.”

FAA will make a determination of whether an airport qualifies for the increased 95% federal share on an annual basis. Because federal share percentages affect how the agency plans AIP spending, determinations will only be made at the start of the fiscal year on October 1. Once the FAA determines that an airport qualifies for the increased federal share, it will maintain that status for the entire fiscal year, regardless of mid-year changes in EAS or EDA status.

For the current fiscal year (FY-2012), a determination of the airports that meet the Section 137 criteria was made on April 1, 2012.

EAS Determinations

FAA will consider the airport an EAS location if it is 1) receiving EAS subsidized service as of October 1 of the fiscal year in question, or 2) has been notified by the Department of Transportation (DOT) as of October 1 that it will receive subsidies that fiscal year. An airport that is notified after October 1 that it will receive EAS service may not be considered for increased federal share of AIP funding until the following fiscal year. For example, if an airport is notified on May 1, 2012 that it will gain EAS service prior to October 1, 2012, then the FAA will designate the airport for the higher federal share beginning in FY-2013 (provided the airport does not lose the designation prior to October 1, 2012).

The EAS program is administered by the DOT. The office administering the program will provide the FAA with an official list of all EAS locations. As of the most recent list, DOT identified 163 locations receiving EAS, 149 of which FAA has associated with NPIAS airports. This list will be reviewed annually for additions/deletions to the program. For more information about the EAS program, visit their site here:

http://ostpxweb.dot.gov/aviation/x-50%20role_files/essentialairservice.htm

EDA Determinations

FAA will use EDA data published by Federal Highway Administration (FHWA) to determine which EAS airports are in EDAs. FHWA currently compiles a list of EDA counties on a quarterly basis. As in the case of EAS status, should a location be deemed an EDA after October 1st, they will not be considered for increased federal share for that fiscal year.

Because EDA determinations are based on a threshold, it is possible that some locations may change EDA status from one quarter to the next. In order for an airport to be considered in an EDA, it must be included in the most recent data available as of October 1, regardless of its status in the reporting periods prior. For more information about how FHWA calculates EDAs, please visit the FHWA site:

<http://www.fhwa.dot.gov/economicrecovery/edaqanda.htm>

Qualifying Airports for FY-2012

The attached table below lists the airports that qualify for a 95% federal share for grants issued in FY-2012 based on the process outlined in this PGL. This list will be posted on the FAA Airports website. All future updates will be posted on-line only.

TABLE: EAS Locations in EDAs - Of the 149 NPIAS airports receiving EAS, we have identified 56 that are located in EDAs as of February 15, 2012. These airports are eligible to receive a 95% federal share for grants issued to these airports.

State	Community	LocID
AK	Akutan	KQA
AK	Central	CEM
AK	Circle	CRC
AK	Healy Lake	HRR
AK	Lake Minchumina	MHM
AK	Manley	MLY
AK	Port Alexander	PTD
AK	Yakutat	YAK
AL	Muscle Shoals	MSL
AR	Harrison	HRO
AR	Jonesboro	JBR
AZ	Kingman	IGM
AZ	Prescott	PRC
AZ	Show Low	SOW
CA	Crescent City	CEC
CA	El Centro	IPL
CA	Merced	MCE
CA	Visalia	VIS
CO	Pueblo	PUB
GA	Athens	AHN
IL	Decatur	DEC
KS	Dodge City	DDC
KS	Garden City	GCK
KS	Liberal/Guymon	LBL
ME	Presque Isle/Houlton	PQI
MI	Alpena	APN
MI	Escanaba	ESC
MI	Hancock/Houghton	CMX
MI	Ironwood/Ashland	IWD

State	Community	LocID
MI	Manistee	MBL
MI	Muskegon	MKG
MI	Pellston	PLN
MI	Sault Ste. Marie	CIU
MN	Bemidji	BJI
MN	Brainerd	BRD
MO	Joplin	JLN
MO	Kirksville	IRK
MS	Greenville	GLH
MS	Hattiesburg/Laurel	PIB
MS	Meridian	MEI
MS	Tupelo	TUP
MT	Wolf Point	OLF
NE	Chadron	CDR
NM	Alamogordo/Holloman AFB	ALM
NM	Silver City/Hurley/Deming	SVC
NY	Jamestown	JHW
NY	Massena	MSS
NY	Ogdensburg	OGS
NY	Saranac Lake/Lake Placid	SLK
OR	Pendleton	PDT
PA	DuBois	DUJ
PA	Franklin/Oil City	FKL
PR	Mayaguez	MAZ
UT	Cedar City	CDC
UT	Moab	CNY
UT	Vernal	VEL

On or about October 1st of each year this table will be updated if required and posted on the FAA Airports website.