

Winds of Change



Federal Aviation
Administration

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Objectives

- Highlight certain airport provisions in the new law – FAA Modernization and Reform Act of 2012
- Inform you of changing environment
- Answer your questions



Governing Legislation

- **The President signed the *FAA Modernization & Reform Act of 2012* on February 14, 2012 (PL 112-95)**
 - ❖ 4-year FAA reauthorization bill
 - ❖ Authorizes \$3.35 billion for AIP (FY 2012 – 2015)
 - \$165 million less than previous years (\$3.5 billion)
 - Still subject to annual appropriation bill





Impacts of Financial Stability

- **Improved financial confidence due to more stable funding stream**
 - ❖ Bonding and financial markets approval
 - Potential increase in some airports ability to borrow
 - ❖ Airport community
 - Improved airport planning
 - Willingness to get out earlier to do preliminary work
 - Don't be Earl
 - ❖ FAA - Airports Division
 - Use of different grant vehicles (e.g., multi-year grants)



Top 3 Provisions

- **NPIAS Re-evaluation**
- **Cold weather areas can start construction and still compete for discretionary**
- **AIP funding can be used to relocate sponsor-owned facilities if relocation is due to a change in design standards**





The 100 Pound Gorilla

- **Eliminates the temporary increase in federal share, as provided for in Vision 100, for small hub airports and smaller.**
 - ❖ Impact on FY 2012 and other future year projects
 - ❖ § 47109 - United States Government's share of project costs
 - The federal % reverts back to 90% for most small hub airports and smaller
 - Increased government share for public lands
 - Grandfather rule –affects small hub and nonhub airports
 - Essential Air Service (EAS) airports in economically distressed areas (continue at a 95% federal share)
 - FAA has not determined which airports qualify to retain the 95% federal share.



NPIAS Provision

The Secretary is tasked with conducting a study that looks at the following:

- **Criteria used for inclusion**
- **Changes in capital needs (between the 2005-2009 & 2007-2011 plans)**
- **Comparison of Apportionments received and Funding impacts on State Apportionment, Discretionary**
- **The affect of transfers**
- **Relook at passenger entitlement calculation**
- **Review of methods used to reach 10,000 enplanements (airports between 10,000 & 15,000 enplanements)**





NPIAS Provision - continued

Final report shall include:

- Findings regarding issues just mentioned
- Recommendation for any changes to polices and procedures for formulating the Plan
- Recommendations for any changes to the methods of determining the amounts to be apportioned to individual airports





Climactic Consideration

Reimbursement With Discretionary Funding

Criteria:

1. Short construction season due to climactic conditions near airport
2. Meet ALP & all statutory & administrative requirements as if executed after grant
3. Sponsor has to notify FAA before work starts
4. Sponsor has alternate funding source
5. Project priority does not change

Please note that the Sponsor bears a risk!

Note: All subject to further FAA implementation guidance





Relocation of Airport-Owned Facilities

- Secretary may determine relocation or replacement of airport owned facility is allowable
 - ❖ Can only use entitlements
 - ❖ The action is required due to a change in design standards
 - ❖ Secretary determines the change is beyond the control of the airport sponsor

Even in the absence of FAA guidance, this isn't a pass to upgrades!



Note: All subject to further FAA implementation guidance



Other Provisions - AIP

- **There are a number of clarifying definitions to eligibility of revenue producing projects at general aviation airports**
 - ❖ Sponsor use of non primary entitlements
 - ❖ Airside needs must be met
- **Small hub airports that grow to medium hub status will retain 90% federal share for 2 years**

Note: All subject to further FAA implementation guidance





Other Provisions - PFC

- **Passenger Facility Charge levels will remain capped at \$4.50**
 - ❖ The bill makes the nonhub pilot program, for administrative streamlining, permanent
 - ❖ GAO will study ways to collect PFCs without having to include them in the ticket price
 - ❖ The bill encourages (does not require) airports to use the same standard qualification based standards for selection of consultants as required under the AIP

Note: All subject to further FAA implementation guidance



Airports Provisions – Environment

- **The bill strongly supports environmental initiatives through new eligibility changes.**
 - ❖ Allows an airport to include space for parking refueler vehicles adjacent to fuel farms at nonprimary airports
 - ❖ Makes preconditioned air and power at terminal gates eligible
 - ❖ Makes recycling planning, EMS planning, and ground access to airport facilities eligible as part of airport master planning
 - ❖ Makes glycol recovery vehicles eligible
 - ❖ New program for grants for zero emission vehicles (similar to VALE)
 - ❖ New program for grants for increasing the energy efficiency of airport power sources (similar to VALE)

Note: All subject to further FAA implementation guidance



Other Changes - CIP

- **Existing database (SOAR) is 12 years old**
 - ❖ There are 2 simultaneous efforts ongoing
 1. Developing interactive website for airport sponsors
 2. Developing a complete overhaul of FAA's SOAR database



Mod 5

Sponsor inputs future project data online

- ❖ Sponsor access to external SOAR portal (outside of FAA firewall)
- ❖ Enables sponsors to enter data and submit for FAA review
 - ❖ Project description and cost
 - ❖ Sponsor's Anticipated construction start date/Operational date
 - ❖ Sponsor priority/justification
 - ❖ Phasing/Funding Plan



Expected Benefits

To Sponsor and FAA

Sponsor inputs future project data online

- ❖ More efficient use of resources (push/pull data)
- ❖ Paperwork reduction
- ❖ Sponsor ownership of their data
- ❖ Improved Coordination: Sponsor receives immediate feedback through auto alerts
- ❖ Improved standardization
- ❖ Historical record
- ❖ Stepping stone to future benefits



How Will It Work?

- ❖ Once sponsor enters data, FAA PM gets alert
- ❖ FAA will review and evaluate proposals prior to accepting data through firewall, options include:
 - Accept as-is,
 - Accept w/ comments,
 - Reject as-is,
 - Reject with comments, or
 - Edit data prior to accepting
- ❖ Alert/confirmation notification sent to Sponsor
 - Not that it was just reviewed, but each action taken



Developing a Good S/CIP

- **Regardless of the mechanism that is used to transmit your needs to FAA, Sponsors should put more emphasis into developing a credible S/CIP.**



Questions

