United States

Department of Transportation

American Recovery and Reinvestment Act

Federal Aviation Administration

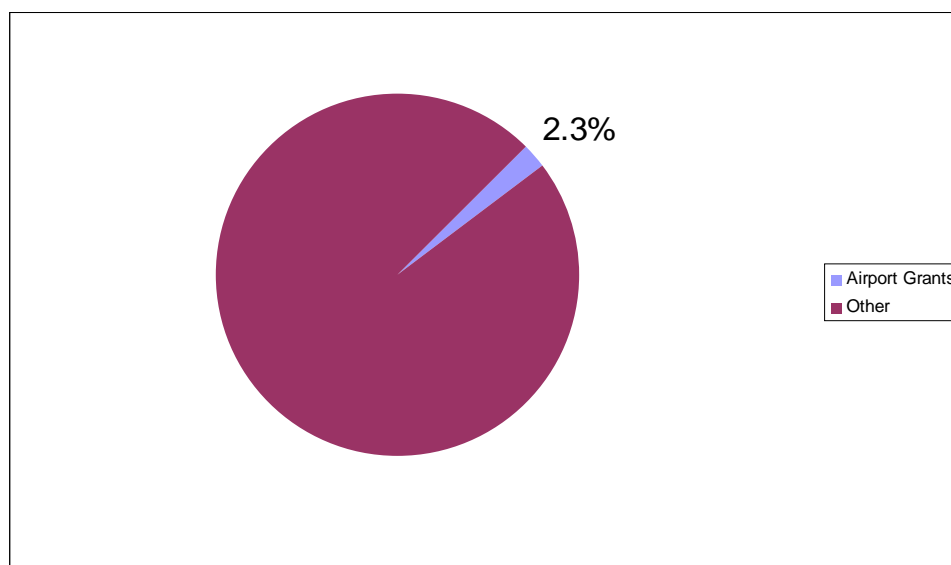Grants in Aid to Airports

Program Performance Plan

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RECOVERY.GOV

Funding

Funding: $1,100,000,000

Percentage of DOT total Recovery Act funding:

2.3%

Airport Grants
Other

Type: Grant

Period of Availability: Two years (through 2010)

Time line for announcing:

Date	Announcement
June 17, 2009	At least 50% of the $1.1 billion in funding provided by Recovery Act, or $550 million, must be awarded within 120 days of enactment.
February 16, 2010	All funding must be awarded within one year of enactment of the Recovery Act or it will be lost.
September 30, 2010	Last day for funds already de-obligated (or recovered) from prior Recovery Act grants to be reobligated on other Recovery Act grants.

Web links to all related press releases:
http://faa.gov/recovery/communications

Amount allotted for administrative cost: $2,200,000

Amount allotted for distribution: $1,097,800,000

Program Description

Program objectives:

Grants-in-Aid for Airports (Recovery Act) funds the planning and development of a safe and efficient national airport system to satisfy the needs of U.S. aviation interests. This includes (but is not limited to) airport improvement grants for development projects that enhance safety, capacity and security. These projects include construction or rehabilitation of new airports, runways, runway safety areas, taxiways, aprons, terminal buildings, and Aircraft Rescue and Fire Fighting (ARFF) buildings.

Public benefits:

1) Increased safety and capacity of the Airport System by building and rehabilitating runways taxiways and aprons;
2) Increased safety with the construction of Aircraft Rescue and Fire Fighting (ARFF) buildings and purchase of ARFF equipment;
3) Increased capacity of terminal facilities to accommodate growing passenger traffic; and
4) Increased safety and security by building perimeter fences.

Project level activities:

Project activities include (but are not limited to) airport improvement grants for development projects that enhance safety, capacity and security.

ARRA will fund grants for a wide range of projects at commercial service and general aviation airports for the purpose of improving safety, maintaining and improving capacity, while providing jobs to American workers. These projects include:

- Construction and rehabilitation of runways, taxiways and aprons.
- Installation of airfield guidance signs
- Construction and improvement of Runway Safety Areas.
- Construction of Aircraft Rescue and Fire Fighting (ARFF) buildings and purchase of ARFF equipment.
- Construction, expansion, improvement and rehabilitation of airport terminal facilities.
- Construction of building perimeter fences.

Funding determination:

There is no formula used in distributing funds

Project selection criteria: Any project eligible for discretionary funding in the regular Airport Improvement Program may be eligible for Grants-in-Aid for Airports (Recovery Act) funding if it also meets the additional requirements of Recovery Act. Recovery Act funds must not supplant planned FY2009 expenditures from airport-generated revenues or from other State and local sources for airport development activities. Priority consideration will be given to those projects that can be awarded within 120 days (by June 17, 2009) and that can be completed within two years of the date of enactment of the Act (February 16, 2011).(See the "Recovery Act Guidance (PDF)" link at http://www.faa.gov/recovery/programs/)

Funding decisions made by: Region/MPO/District

Contracting vehicle(s):
Construction contracts issued by Sponsors under the airports improvement program are, in general, firm-fixed price contracts.

Primary recipients: Local

Beneficiaries: General Public

Significant program challenges and mitigation strategies:
Meeting timeline for project completion under Legislation. The FAA is requiring grant recipients (sponsors) to commit to project timelines specified by the legislation as part of project selection and grant award processes. In addition FAA has implemented outreach to airport managers association, sponsors, and awardees to ensure understanding of ARRA requirements.

Program Activities

Activities:

Construction or rehabilitation of new airports, runways, runway safety areas, taxiways, aprons, terminal buildings, and Aircraft Rescue and Fire Fighting (ARFF) buildings.

Milestones:

	Milestone	Date	Anticipated Accomplishment
1	50% of Grants-In-Aid Recovery Act funding is awarded	June 2009	At least 50% of funding must be awarded by 120 days from enactment (June 17, 2009) in accordance with all relevant requirements.
2	100% of Grants-in-Aid for Airports Recovery Act funding is awarded.	February 2010	All funding must be awarded by one year from enactment (February 16, 2010) in accordance with all relevant requirements.
3	100% of funds recovered grant funding is re-awarded.	September 2010	Any funds recovered by FAA due to final cost underruns on projects must be re-obligated by September 30th, 2010.
4	100% of Grants-in-aid Recovery Act projects must be completed.	February 2011	All grants issued as part of the ARRA program must be completed by evidence by the project's final inspection.

Anticipated Results

Expected Outcome 1:

System safety and capacity projects awarded with ARRA funds will be accelerated and substantive gains realized within two years.

Expected Outcome 2:

Increased capacity to accommodate growing passenger traffic through the accelerated construction or rehabilitation of airports.

Expected Outcome 3:
Increased safety and capacity of the Airport System by building and rehabilitating runways, taxiways, runway safety areas, and aprons.

Expected Outcome 4:
Increased capacity of terminal facilities to accommodate growing passenger traffic.

Expected Outcome 5:
Increased safety with the construction of Aircraft Rescue and Fire Fighting (ARFF) buildings and purchase of ARFF equipment.

Measure 1: Quality of Projects selected, based on the National Priority system (NPS) used for the Airport Improvement Program.

Explanation of measure: The NPS provides uniform criteria so that project funding decisions are made consistently and funds are used efficiently. Highest priority is given to projects relating to safety, security, reconstruction, standards, and capacity.

Measure 2: Number of projects awarded by category: runways, taxiways, runway safety areas, aprons, Aircraft Rescue and Fire Fighting buildings, terminal buildings, airport for construction or rehabilitation.

Explanation of measure: This is a tabulation of the quantity of projects awarded in grant by project category. Some grants may contain multiple projects in different categories.

Measure 3: Number of projects completed by category: runways, taxiways, runway safety areas, aprons, Aircraft Rescue and Fire Fighting buildings, terminal buildings, airport for construction or rehabilitation.

Explanation of measure: This is a tabulation of the quantity of projects completed by project category as determined by the project final inspection.

Risk Management & Evaluation

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address identified risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. This Recovery Act program is participating fully in the established risk-management process and may even enhance that process with additional program-specific risk management actions.

General Risk	The FAA's Office of Airports and Internal Controls Division have completed a Risk Assessment Questionnaire. Areas of potential risk have been identified and a Risk Mitigation Strategy has been prepared for the identified risks. Management will meet quarterly to determine if further actions are needed to mitigate identified risks and to identify and mitigate new and emerging risks. We are using existing and newly developed performance measures to monitor performance. We continually monitor the sufficiency and utility of these measures.
Reporting Risk	Reporting risks identified are associated with the evolving reporting requirements, the time needed to implement modifications to systems to meet new reporting needs, and the validity of data reported by grant recipients on jobs.
Human Resources Risk	Senior management is evaluating staffing need assessments provided by regional and division management, and is formulating strategies to address. Details and steps to re-hire retirees on a temporary basis are being taken to support expanded program oversight needs.
Grants Risk	The existing Airport Improvement Program has a risk assessment program. Sponsors/grants identified during project review are assigned a risk level. Those sponsors/grants identified as a higher risk are subject to submission of additional project documentation and project oversight. See Program Guidance Letter 2007-01 (available at: http://www.faa.gov/airports_airtraffic/airports/aip/guidance_l etters/).
Procurement Risk	Procurement Risk is low due to the reliance on sponsor certification. Sponsors accept grant obligations and provide assurances/certify to prompt, fair, and reasonable contract awards. Risk is addressed in Recovery Act Stakeholder

	Guidance, Section 14: Special Grant Conditions, Item B [http://www.faa.gov/airports_airtraffic/airports/aip/]
Budget/Financial Risk	Known risks associated with internal control of sponsor payments through ECHO (Electronic Clearing House Operation). Risk also associated with improper payments. Mitigation strategies under development, and will include contractor support to review payments.
Systems Risk	Our strategy is to use a combination of grant management, financial management, and field reporting systems to address evolving reporting requirements from OMB and DOT. The TIGER Collector is under development in accordance with reporting deadlines. SOAR modifications are underway. Medium risk associated with sponsor-provided data. Risks and mitigating strategies are being assessed as guidance and methods for collecting sponsor data are becoming available.
Audit/Investigations Risk	The FAA has one outstanding finding from the OIG's 2006 Inactive Obligation audit. Resolution of this finding has been delayed as we work to implement the Delphi-SOAR interface. All other audit findings have been addressed in a timely manner. We anticipate forthcoming audit findings associated with improper payments, and are committed to addressing all issues identified.
Performance Risk	Performance risk is low because the FAA does not provide direct project oversight with regard to project cost and performance. Instead, FAA holds the sponsor responsible for management of the project. The FAA receives reports issued by full-time resident inspectors monitoring project schedules and finances retained by sponsor.

Planned program assessment / evaluation:

Existing, ongoing AIP assessments will be expanded to include Recovery Act processes through FY-2011.

1. ARP conducts Regional evaluations of AIP implementation on a rotating basis (2-3 Regions/FY as resources permit).
2. Each Regional Airports Division conducts internal audits of grant documentation on a quarterly basis. Recovery Act grants will be added to the universe from which samples are identified.

The evaluations will ensure compliance with general airport grant guidance and specific grant documentation guidance.   The grant

documentation provides evidence of the completion of the project as originally justified while meeting requirements of the Recovery Act.

Estimated Start Date	Estimated Completion Date
To be Determined	September 2010

Results of recent program assessment / evaluation:

There has not been a recent assessment of this program.

Estimated Start Date	Estimated Completion Date
Not Applicable	Not Applicable

Accountability & Transparency

Scheduling reviews:

The program is currently in the process of hiring a contractor to assist with internal controls. The grantees submit required documentation at varying milestones of project development established by existing policy, such as at bid, pre-construction meeting, notice-to-proceed, final inspection, etc.

Performance elements to be reviewed: Grant documentation such as certifications and invoices, and reporting requirements such as payment draw-down and the number of jobs created or sustained.

Communicating with recipients:

The communication plan will follow the standard communication process in place for the normal Airport Improvement Program. This consists of program manager communications with individual airport sponsors on program issues of eligibility, project justification, time schedules, required submittals and reporting.

Communicating with public and stakeholders:
The FAA has established the website faa.gov/recovery in order to directly provide the public and stakeholders with a question and answer section, stakeholder guidance and a list of approved Recovery Act projects. Major communications and press releases can also be found on the website. In addition, visitors to the

website have the opportunity to email the FAA directly with questions or comments related to the Recovery Act program.

Collecting and validating project-level data:

Data collection follows the established process specified in the Airport Improvement Program Handbook, Order 5100.38C, which specifies what documentation and project data must be shared with the FAA based on the type of project.

Additional Recovery Act-specific data collection requirements will be addressed as guidance and systems evolve to provide a conduit for sponsors to exchange Recovery Act-related data to the FAA.

The FAA will conduct internal audits to ensure that Recovery Act grant sponsors are providing the FAA with appropriate documentation as specified in the AIP Handbook and in Recovery Act-specific guidance.

Ensuring best use of federal funds:

For jobs creation and retention	Projects selected for Recovery Act funding were based on consideration for the intent of the Recovery Act legislation to preserve and create jobs and promote economic recovery. To ensure that all
For program or project outputs	In addition to selecting projects most likely to result in job creation, the normal National Priority System is used to ensure the most beneficial projects to the safety, capacity, and security of the nation's system of public airports are selected. Recovery Act grants are held to a higher standard than normal AIP projects (a National Priority Rating threshold of 62 for most Recovery Act projects, instead of the 40-42 threshold usually applied to AIP projects).
For other public benefits	These projects will benefit the public by providing new or preserved transportation infrastructure to facilitate commerce and positively impact safety.

Holding program managers and recipients accountable:

Program Managers	FAA program managers and other employees involved in implementing Recovery Act are being held to a new employee performance objective to ensure that responsibilities associated with Recovery Act are a part of individual performance evaluations.
Primary and Secondary Recipients	Recovery Act grant recipients are being advised that their adherence to Recovery Act requirements may be considered in future AIP discretionary funding decisions. They are also required to certify to special grant conditions in order to receive an Recovery Act grant obligation (see Stakeholder Guidance, Attachment 1 – Airport Sponsor Certification, available at www.faa.gov/recovery/programs).

Compliance & Results

Reducing environmental impacts: All projects funded by Recovery Act funds must be ready to go, and consequently must meet all existing environmental requirements as required by the National Environment Policy Act (NEPA).

Complying with National Environmental Policy: The FAA must review and approve National Environmental Policy Act analysis provided by the project sponsor before an Recovery Act grant can be considered "shovel ready." This analysis may include a categorical exclusion determination, an environmental assessment, or an environmental impact statement.

Complying with National Historic Preservation Standards: National Historic Preservation Standards are included with National Environmental Policy Act analysis.

Holding recipients accountable for energy efficiency and/or green building standards: The FAA allows sponsors to determine what energy efficiency and/or green building standards should be used for development of Recovery Act projects.