

FAA (Southwest Region) Capital Planning Conference



**October 19, 2004
Fort Worth, Texas**



Airport Improvement Program (AIP) Funding “101”

→ Objectives

- To provide update on pending legislation
- To discuss the different types of funding within AIP
- To share ideas that will place your airport in a better position to compete for discretionary funding



AIP Authorization

→ Vision 100

- **FY 2004 - \$3.4 Billion**
- **FY 2005 - \$3.5 Billion**
- **FY 2006 - \$3.6 Billion**
- **FY 2007 - \$3.7 Billion**

** Many provisions dependent on \$3.2B*



FY 2005 AIP

	FY 04 Final		FY 05 (Est)	
Appropriation Limitation		\$3,379,940,000		\$3,500,000,000
Small Community Fund		\$19,882,000		\$20,000,000
Administrative Expenses		\$65,863,101		\$64,904,000
AIP Funding		\$3,294,194,899		\$3,415,096,000
ENTITLEMENTS				
Primary Airports		\$903,768,585		\$903,768,585
Cargo (3% or 3.5%)		\$115,296,821		\$119,490,000
Alaska Supplemental		\$21,345,114		\$21,345,114
States (20.0%)				
Non-Primary Entitlement	\$341,147,527		\$341,147,527	
State Apportionment by Formula	<u>\$317,691,453</u>		<u>\$341,652,473</u>	
	\$658,838,980	\$658,838,980	\$682,800,000	\$682,800,000
Carryover Entitlement		\$335,700,203		\$336,000,000
Subtotal Entitlements		\$2,034,949,703		\$2,063,403,699
Small Airport Fund				
Non Hub Airports		\$217,288,910		\$217,288,910
Non Commercial Service		\$108,644,455		\$108,644,455
Small Hub		\$54,322,227		\$54,322,227
Subtotal Small Airport Fund		\$380,255,592		\$380,255,592
Subtotal Non Discretionary		\$2,415,205,295		\$2,443,659,291
DISCRETIONARY				
Noise (34% or 35%)		\$307,646,361		\$339,619,248
Reliever (0.66% of Disc)		\$5,801,331		\$6,404,249
MAP (4% of Disc)		\$35,159,584		\$38,813,628
Subtotal Disc Set-asides		\$348,607,276		\$384,837,125
C/S/S/N		\$397,786,746		\$439,127,688
Remaining Discretionary		\$132,595,582		\$146,375,896
Subtotal Other Discretionary		\$530,382,328		\$585,503,584
Subtotal Discretionary		\$878,989,604		\$970,340,709
TOTAL AIP		\$3,294,194,899		\$3,414,000,000



FY 2005 Funding Outlook

- **Authorization**
- **Obligation Limitation**
 - **FAA - Airports Operations**
 - **Small Airport Community Pilot Program**
- **AIP amount remaining for grants less than Authorization amount**



AIP Funding

✈ **Divided into 3 categories:**

➤ **Entitlement**

➤ **Small Airport Fund**

➤ **Discretionary**



Entitlement

✈ Primary Airports:

➤ apportionment based upon # of passengers

- ❖ \$7.80 for each of the first 50,000 enplanements
- ❖ \$5.20 for each of the next 50,000 enplanements
- ❖ \$2.60 for each of the next 400,000 enplanements
- ❖ \$.65 for each of the next 500,000 enplanements
- ❖ \$.50 for each additional enplanement

\$1 million min.

\$26 million max.



Entitlement (cont'd)

→ **44 Primary Airports in ASW:**

➤ **Large/Medium Hub: 9**

➤ **Small Hub: 10**

➤ **Non Hub: 25**

➤ **Total passenger entitlement: \$116,237,511
or 13% of national total**



Entitlement (cont'd)

✈️ **Cargo Service Airports:**

- **3.5% of AIP (based on landed cargo weight)**
- **15 cargo airports in ASW totaling \$6,978,021**

✈️ **States/Insular Areas:**

- **20% of AIP (land mass and population)**
 - ❖ **Apportionment (land mass and population)**
 - ❖ **Non Primary Entitlement (1/5 of NPIAS or \$150K)**
 - **NPE calculation determined prior to apportionment**



Entitlement (cont'd)

	<u>State App.</u>	<u>NPE</u>	<u>Airports</u>
Arkansas	\$3.6 M	\$10.3 M	70
Louisiana	\$4.6 M	\$7.1 M	48
New Mexico	\$6.0 M	\$5.6 M	40
Oklahoma	\$4.8 M	\$11.6 M	89
Texas	\$22.6 M	\$17.1 M	126



Small Airport Fund

✈ Large and Medium Hub Airports

- Collect PFC (DFW, etc.)
- Forego 50% or 75% of entitlements

✈ 87.5% is returned to this fund

- Small Hub airports receive 1/7

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- Non Hub airports receive 2/3 of remainder

- Non Commercial Service 1/3 of remainder



Discretionary (Set-Asides)

✈ Noise

- **35% of discretionary funds**
- **ASW = \$45.2 million or 14% nationally**

✈ Military Airports Program

- **4% of discretionary funds**
- **ASW (2 airports) \$8.6 million**

✈ Reliever

- **2/3 of 1% discretionary funds**
- **ASW (7 airports) \$18.9 million**



Discretionary

- ✈ **Capacity/Safety/Security/Noise**
 - **75% of remaining discretionary funds**
 - ❖ includes 3/4 of 12.5% returned entitlement
- ✈ **Other Discretionary**
 - **25% of remaining discretionary funds**
 - ❖ includes 1/4 of 12.5% returned entitlement



Carryover

→ **Unprecedented levels in FY 2004**
(\$450M) (ASW - \$60M)

- **Reduces Discretionary**
- **Helps to set expectations for next year**
- **Where are we spending the extra \$?**



Competing for Discretionary Funding

- **7 ways help your airport compete (\$180 M)**
- **Develop solid 3-year capital plan and stick to it**
 - **Have planning, environmental, and design complete**
 - **Use entitlement/apportionment on high priority work**
 - **Mix entitlement and discretionary**
 - **Contribute more than local match**



Competing for Discretionary Funding

➤ **Submit reasonable request**

...last but not least

➤ **MEET AND TALK WITH YOUR FAA
AIRPORTS DEVELOPMENT OFFICE
AND/OR REGIONAL OFFICE ON A
REGULAR BASIS!!!!!!!!!!!!!!**

The End



Thank You!!!