



AIRPORT IMPROVEMENT PROGRAM (AIP)

The Federal Aviation Administration (FAA) projects strong growth in commercial and general aviation over the next decade. This additional demand will limit the ability of airports to serve passengers unless they are able to expand capacity. The number of passengers using the aviation system is expected to increase from 700 million passengers today to 1 billion in another 10 to 15 years. Airports need to respond to these potential capacity strains by building facilities which will ensure comfortable, safe, secure and environmentally compliant facilities for air travelers.

One of the principle sources of funding airport capital improvements in the United States is Airport Improvement Program (AIP) grants from the FAA. Projects eligible for AIP grants include improvements related to enhancing airport safety, capacity, security and environmental protection at individual public-use airports.

During the upcoming FAA reauthorization, Airports Council International-North America (ACI-NA) wants to increase and strengthen the AIP, which is an important source of funding for airport capital projects.

WHAT IS AIP?

The current AIP was established by the Airport and Airway Improvement Act of 1982 (Public Law 97-248). Since then, the AIP has been amended several times, most recently with the passage of the FAA Modernization and Reform Act of 2012. Funds obligated for the AIP are drawn from the Airport and Airway Trust fund which is supported by passenger ticket taxes, fuel taxes and other fees.

In general, sponsors can use AIP funds on most airfield capital improvements or repairs. AIP grants cannot be used on exclusive-use areas in terminals, revenue producing areas of terminals, hangars and non-aviation development. Any professional services that are necessary for eligible projects, such as planning, surveying and design, are also eligible; however, operating expenses of AIP projects are not eligible. Aviation demand at the airport must justify the projects, which must also meet federal environmental and procurement requirements.

To be eligible for an AIP grant, airports must meet the following criteria: 1) publicly owned, or privately owned, but designated by the FAA as a reliever or 2) privately owned, but having scheduled commercial service and at least 2,500 annual enplanements and 3) further, an airport must be included in the National Plan of Integrated Airport Systems (NPIAS). The NPIAS is published every two years and identifies public-use airports that are important to public transportation and contribute to the needs of civil aviation, national defense and the postal service.

For large and medium primary hub airports, the grant covers 75 percent of eligible costs (or 80 percent for noise program implementation). For most small primary, reliever and general aviation airports, the grant covers 90 percent of eligible costs.

TIME TO STRENGTHEN AIP

While AIP and Passenger Facility Charges (PFC) are separate programs to fund airport modernization, the two are complimentary for the needs of airports. AIP is primarily used to fund FAA mandated safety and security projects at airports. Elimination or reduction of AIP for any part of the airport community would create a system of unfunded federal mandates for local communities.

AIP should be reauthorized with greater discretionary funds and a fortified Letter of Intent program for runway and other large projects important to the national air transportation system.

Additionally, Congress should renew and strengthen points of order and budget protections that would make it difficult for appropriators to fund AIP below the authorized amount and increase funding for programs that help small communities attract and retain commercial service.