



## **100 - Airport Improvement Program (AIP)**

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### **General**

The Airport Improvement Program (AIP) is a federal grant program that represents a major source of funding for airport development and planning. Originally established in 1982 with the passage of the Airport and Airway Improvement Act, the Office of the Law Revision Counsel re-codified the AIP in 1994 as Chapter 471 of Title 49 of the United States Code (U.S.C). Several amendments have occurred since this time to address annual authorizations and other program changes, most recently with the passage of FAA Modernization and Reform Act of 2012. AIP funds originate from the Airport and Airway Trust fund, which draws support from user fees, fuel taxes and other revenue sources.

The FAA refers to recipients of AIP grants as "sponsors". A sponsor's eligibility to receive funds under the AIP program varies per the type of airport and the type of proposed project. In general, a sponsor may be a public agency, a private owner, or a State entity that is associated with a public-use airport. Sponsors must be legally, financially, and otherwise able to carry out the assurances and obligations contained in the project application and grant agreement. Sponsor eligibility and requirements are defined in Chapter 2 of the AIP Handbook (Order 5100.38D).

### **Limitations of Use**

Users of this guide shall note the obligation for any required action addressed within this guidance originates within applicable Federal directives such as United States Code (USC), Public Law (PL), Code of Federal Regulations (CFR) and official FAA policies. The supplemental information provided in this guidance does not establish additional requirements for participation in the AIP.



## **110 - Overview**

### **Eligibility**

The AIP is a permissive program.

What this means is that in order to be eligible under the AIP, the statute must explicitly allow the expenditure.

Evaluation of AIP eligibility is more a case of “Where in the statute does it allow a given project development” rather than “Where does it state that the AIP cannot participate in a project cost?”

In general, eligible projects include those improvements related to enhancing airport safety, capacity, security, preserving airport infrastructure, meeting FAA standards and environmental concerns.

Some ineligible improvements are listed in Appendix C of the AIP handbook. A few frequently encountered examples of ineligible items include:

- Landscaping
- Artwork
- Furniture
- Revenue Generating Parking facilities
- Airport operational costs (i.e. salaries, normal maintenance services, operations equipment, and supplies)
- And Exclusive use and near exclusive use areas (i.e. FBO support areas on an apron)

### **Federal Share**

The AIP does not reimburse sponsors the full amount of a project expense. The amount of reimbursement will vary per the type of sponsor., Table 4-7 in the AIP handbook defines the shares. This participation can change with each re-authorization action. The typical AIP participation rates are:

#### Primary airport - Large and medium hub:

- The Federal share is **75%** of AIP eligible expenses;
- Exception - noise program implementation is **80%** Federal participation.

#### Remaining airports (GA, non-hub, etc.)

- The Federal share is **90%** of AIP eligible costs.
- Exception – Airports in economically distressed areas as defined annually by FHWA have a **95%** Federal participation.

### **Project Priority**

Because the demand for AIP funds exceeds the funding available, the FAA bases the distribution of limited AIP funds on current national priorities and objectives. Projects that rate a high priority will receive higher consideration for funding over those projects with lower priority ratings.

Each fiscal year, the FAA apportions AIP funds into major entitlement categories: passenger enplanements, cargo entitlement, non-primary entitlement and state apportionment funds.

The FAA distributes the remaining funds to a discretionary fund. Set-aside projects (Noise and Environmental Set Aside and the Military Airport Program Set Aside) receive first attention from this distribution. The funds that remain after the set-asides are true discretionary funds the FAA distributes based on a national prioritization system.

The FAA distributes discretionary funds to projects that best carry out the purpose of the AIP, with highest priority given to safety, security, reconstruction, capacity and standards. Each project is given a priority ranking based on these program objectives. The ranking priority and calculation is defined FAA Order 5100.39 (Airport Capital Improvement Plan).



## **120 - Checklists for Typical AIP Projects**

### **Checklists**

The checklists provided below present a basic outline of steps necessary of the sponsor for a typical AIP funded project. As each project may present unique situations, users should not construe these checklists as being comprehensive and inclusive of all steps required for the proper administration of an AIP funded project. In addition, certain steps may not be necessary for all types of project.

Checklists:

- [AIP Development Project](#)



## 130 - Sponsor Eligibility

### Who is Eligible to receive AIP funds?

A Sponsor's eligibility to receive funds under the AIP program varies per the type of sponsor and the type of proposed project activity. In all cases, the sponsor must be legally, financially and otherwise able to assume and carry out the obligations required of an AIP grant agreement. Chapter 2 of the AIP handbook defines who is eligible to receive an AIP grant. In general, the different types of sponsors eligible are as follows:

**Planning agencies** - Agencies such as state planning agencies or metropolitan planning agencies may qualify as a sponsor provided the organization is authorized by appropriate state or local laws. These grants are typically planning type grants.

**Public agencies that own the airport** - Public agencies such as state, county, local municipalities, or other political subdivisions that maintain ownership of an airport may qualify as an AIP Sponsor. Sponsorship may include agreements for airport master planning, noise compatibility planning, noise program implementation, and airport development projects.

**Certain public agencies that do not own an airport** - Public agencies such as state, county, local municipalities or other political subdivisions that do not maintain ownership of an airport may

qualify as an AIP Sponsor. Such sponsorship is typically limited to master planning for new airports, acquisition of existing airports and noise program implementation.

**Certain privately owned airports** - Individuals, partnerships or corporations who own and operate an airport intended for public-use may qualify as an AIP sponsor provided they operate as a reliever airport or have at least 2,500 annual passenger boarding's. Privately owned airport sponsors are eligible for airport development projects, airport master planning, noise compatibility planning, and noise program implementation.

**State sponsorship** - A state may act as a sponsor whether or not it owns the airport. If the state does not maintain ownership, the State sponsorship must satisfy certain statutory provisions defined in chapter 2, Table 2-10 of the AIP handbook.



## 140 - Project Eligibility

### What Projects are Eligible?

Eligible sponsors under the Airport Improvement Program (AIP) may apply for funding of certain projects subject to a FAA determination of project eligibility. Such projects typically fall within the categories of airport planning, airport development, land acquisition, and noise program implementation. All AIP funded projects must meet the following general requirements:

- The project sponsorship requirements are met,
- The project is reasonably consistent with the plans of local planning agencies,
- Sufficient funds are available for the portion of the project not paid for by the United States,
- The project can be completed without undue delay,
- The airport location is included in the current version of the NPIAS,
- The project involves more than \$25,000 in AIP funds,
- The project is depicted on a current airport layout plan approved by the FAA

### AIP Statute

Chapter 3 of FAA Order 5100.38D, aka the AIP handbook, establishes what improvements are eligible for AIP reimbursement.

Eligible projects generally include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. If the statute does not specifically allow a particular development improvement, the FAA cannot apply AIP funds to that specific development improvement. Eligible projects are also limited to improvements that are public use areas. Sponsors may only apply funds to improvements to areas that are non-exclusive and public use.

### Prohibitions

There are some noted prohibitions on using AIP funding for certain projects. Projects related to airport operations and most revenue-generating improvements are typically not eligible for airport participation. Prohibitions also exist for art, landscaping, certain public parking facilities, and some aircraft hangars. Recent changes in the AIP authorization (Vision 100) now permit AIP to fund some projects, which have historically been ineligible, at non-primary airports. Please direct specific questions regarding AIP eligibility to the airport planner for the specific airport.

The table below lists typical examples of eligible and non-eligible projects. Please note that this listing does not represent a comprehensive listing of eligible versus ineligible projects. For a more comprehensive list see Appendix C of the AIP handbook.

**Table 1 – Project Eligibility**

Eligible Projects	Ineligible Projects
Aircraft hangars (Non-Primary airports only)	Artwork
Airfield drainage	Development that exceeds FAA Standards
Airfield lighting	Development for Exclusive Use
Airfield signage	Improvements for commercial enterprises
Apron construction/rehabilitation	Industrial park development
Environmental Studies	Landscaping
Fuel farms (Non-Primary airports)	Maintenance equipment (e.g. Mowers)
General Aviation Terminal Buildings	Marketing plans
Land acquisition	Office equipment
Certain NavAids (e.g. REILs, PAPIs )	Training
Planning Studies	Airport Operations Costs
Runway construction/rehabilitation	FBO support areas
Safety Area improvements	Airport Vehicles
Taxiway construction/rehabilitation	
Weather observation stations (AWOS)	



## **150 - AIP Obligations**

### **Grant Obligations**

When sponsors receive federal assistance, they also accept certain obligations and conditions associated with that assistance. Sponsors may incur these obligations by contract or by restrictive covenants within property deeds. These generally involve one of the following:

- Agreements issued under federal grant programs
- Instruments of approved property transfers
- Deeds of conveyance

Airport owners and operators who accept a federal grant are obligated to maintain and operate their facility in a safe and efficient manner. Acceptance of the grant also invokes certain conditions and assurances for which the sponsor must comply. These conditions and assurances become binding contractual obligations between the sponsor and the United States.

Obligations may span different grant development programs. The FAA has administered three such development programs:

1. Federal Airport Aid Program (FAAP)
2. Airport Development Aid Program (ADAP)
3. Airport Improvement Program (AIP)

Airport owners should be aware that obligations incurred under each program or conveyance document can vary.

The following list identifies some of the common obligations for an airport owner. This list is not inclusive of all such incurred federal obligations.

- Prohibition on Exclusive Rights
- Utilization of Airport Revenue
- Proper Maintenance and Operation of Airport Facilities
- Protection of Approaches
- Maintaining Good Title of airport property
- Compatible Land Use
- Availability of Fair and Reasonable Terms without unjust discrimination
- Adherence to the approved Airport Layout Plan
- Sale or Disposal of Federally acquired property
- Preserving Rights and Powers
- Maintaining acceptable accounting and record keeping systems
- Compliance with Civil Rights requirements
- Compliance with Disadvantaged Business Enterprise (DBE) requirements

We encourage airport owners to thoroughly review and understand each executed agreement and conveyance document to verify the exact obligations they have accepted. We also encourage airport owners to establish a central point for record keeping purposes that permit readily available reference to their obligations. Annual reviews of all such agreements will greatly aid sponsor efforts in complying with their federal obligations.

## **RESOURCES**

### **Advisory Circulars**

- [AC 150/5190-6](#) - Exclusive Rights at Federally-Obligated Airports
- [AC 150/5190-7](#) - Minimum Standards for Commercial Aeronautical Activities

### **Grant Obligations**

- [Airport Sponsor Assurances](#) (pdf)
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf)
- [Planning Agency Assurances](#) (pdf)



## 160 - FAA Standards

### Advisory Circulars

The FAA establishes policies, guidelines and standards for the safe and efficient development of the national airspace system. The FAA conveys such standards and guidelines to the public through the FAA Advisory Circular system. Unless incorporated by regulation or binding agreement, standards and guidelines presented in an Advisory Circular are generally non-regulatory in nature.

**HOWEVER**, as a condition of receiving an AIP grant, sponsors are bound to adhere to the standards and guidelines established within the Advisory Circulars specifically identified in the attachment to the grant agreement.

By accepting an AIP grant, sponsors become obligated to comply with the standards established within the applicable Advisory Circular. Failure to comply with such standards is cause for

the FAA to disallow any cost associated with the non-standard item.

A listing of applicable Advisory Circulars along with the grant assurances are an attachment to all grant agreements. Sponsors may not deviate from an FAA standard unless they obtain express written consent from the FAA that allows the non-standard application.

### RESOURCES

#### Advisory Circulars

- [Advisory Circular Library: 150 Airports Series](#)
- [FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects](#) (.pdf)
- [Quick Cross Reference of FAA Standards](#)



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## **170 - Non-Primary Entitlement Funds**

### **Non-Primary Entitlement**

The passage of the Wendall H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) introduced a new funding source for general aviation airports, non-primary entitlement. The subsequent AIP re-authorizations, Vision 100 and the FAA Modernization and Reform Act of 2012 retained Non-Primary entitlement funding with changes.

Non-primary entitlement funds are specifically for general aviation airports listed in the latest published National Plan of Integrated Airports (NPIAS), that show needed airfield development. General aviation airports with an identified need are eligible to receive annually the lesser value of the following:

- 20% of the 5-year cost of their current NPIAS value or,
- \$150,000

A funding condition of non-primary entitlement is that Congress must appropriate \$3.2 billion or more for non-primary entitlement funds to exist in that fiscal year.

### **When can I use the general aviation entitlement?**

Non-primary entitlement is available to use in the fiscal year it becomes available and the following three fiscal years. Sponsors may choose to delay using their entitlement the first, second or third year and use all of the money in the final year in order to fund a larger project.

Unused funds expire after four years unless the sponsor obligates the funds under a grant or transfers the funds to another NPIAS airport.

### **What projects are eligible for NPE funds?**

In general, sponsors can use AIP funds on most airfield capital improvements and limited maintenance work. Vision 100 established the allowable use of non-primary entitlement for limited revenue-generating areas such as terminals, hangars and fuel farms. Eligible maintenance projects include airfield pavement maintenance.

Normal airport operational costs such as salaries, mowing equipment and supplies remain ineligible.