



ACC Summary of H.R. 658 – FAA Modernization and Reform Act of 2012

The following is a summary of H.R. 658, the "FAA Modernization and Reform Act of 2012", that was approved by the Senate on Monday, February 6, 2012 and is awaiting signature by the President. Specific provisions in this bill pertaining to funding levels, PFCs, the AIP program, Terminals, NextGen, Essential Air Service, Environmental Streamlining as well as the ACRP Program and Research are provided.

[Click here for the text of the bill](#)

[Click here for the narrative explanatory statement by the conferees](#)

FUNDING

- **Authorization levels (Section 104)**
 - Authorizes the FAA's AIP Program account at \$3.35 billion for FY 2012 through FY 2015. Authorizes the FAA's Research Engineering and Development account at \$168 million annually for FY 2012 through 2015.

PFCs

- **Passenger Facility Charges (Section 111)**
 - Makes permanent a pilot program that streamlines of the approval process to collect PFCs at non-hub airports.
- **GAO Study of Alternative Means of Collecting PFCs (Section 112)**
 - Instructs the U.S. Government Accountability Office (GAO) to conduct a study of alternative means of PFC collection without including them in the ticket price.
- **Qualifications-Based Selection (Section 113)**
 - Expresses the sense of Congress that airports should consider the use of qualifications-based selection in carrying out capital improvement projects using PFCs.

AIP PROGRAM

- **Airport Master Plans (Section 131)**
 - Requires that airport master plans and systems include consideration of passenger convenience, airport ground access, and access to airport facilities.
- **Recycling Plans for Airports (Section 133)**
 - Requires airport master plans to address the feasibility of solid waste recycling at an airport, minimizing the generation of waste, operation and maintenance requirements, the review of waste management contracts, and the potential for cost savings or revenue generation.
- **Grant Assurances (Section 135)**
 - Revises requirements on acquiring lands to permit an airport to keep any funds obtained from the sale of lands acquired for noise compatibility purposes and reinvest those funds in the airport and also removes a requirement to return the proportion equal to the government share.
- **Government Share of Project Costs (Section 137)**
 - Does not continue a provision in Vision 100 that provided for a 95/5 percent federal/local share for AIP-funded projects, thereby setting the government share at a 90/10 split; adds a special rule for transition from small hub to medium hub which allows for the government share of funding at 90 percent for the first two years following the change in status; sets the government share at 95 percent for a project at an airport that is receiving subsidized air service and is located in an area that meets one or more of the criteria for economically depressed communities established by the Secretary of Commerce.
- **Allowable Project Costs (Section 138)**
 - Amends allowable AIP project costs to be paid with discretionary funds for airport development incurred prior to the execution of the grant due to a short construction season given certain conditions are met; allows project costs incurred to improve the efficiency of an airport building, given certain conditions are met.
- **Special Apportionment Rules (Section 141)**
 - If passenger boardings drop below 10,000 a year in calendar year 2009 or 2010, the Secretary may still apportion to the sponsor in FY 2012 & 2013 an amount equal to that apportioned in 2009.
- **Extension of Grant Authority for Compatible Land Use Planning and Projects by State and Local Governments (Section 153)**
 - Extends the grant authority for compatible land use planning and projects by state and local governments until September 30, 2014.

- **Expansion of FAA Privatization Pilot Program (Section 156)**
 - Expands the number of airports that can participate in the FAA privatization pilot program from five to ten.

TERMINALS

- **Definition of Terminal Development (Sec. 132(e))**
 - Redefines “terminal development” to include the development of an airport terminal building, including gates, access roads and walkways.
- **Limitation on Discretionary Funding for Non-Hub or Small-Hub Airport (Section 152(b)(f))**
 - Prohibits the FAA from providing more than \$20 million in discretionary funding for terminal development projects at non-hub and small-hub airports.

NEXTGEN

- **Delineation of Next Generation Air Transportation Systems (Section 105)**
 - Requires the list of capital projects that are part of the NextGen system be included in the Airway Capital Investment Plan.
- **Acceleration of NextGen Technologies (Section 213)**
 - Directs FAA to publish a report that includes the status and implementation plan for OEP and Non-OEP airports; requires the Administrator to certify, publish, and implement the required procedures at OEP airports so that 100 percent of the required procedures at these airports are implemented before June 30, 2015; presumes that any navigation performance or other performance based navigation procedure that would result in measurable reductions in fuel consumption, carbon dioxide emissions, and noise, on a per flight basis shall be presumed to have no significant effect on the environment and the FAA shall issue and file a categorical exclusion for the new procedures.
- **Report on Status Of Greener Skies Project (Section 225)**
 - Requires the FAA to develop a report on the strategy for implementing, on an accelerated basis, the NextGen operational capabilities produced by the Greener Skies project.

ESSENTIAL AIR SERVICE

- **Essential Air Service Reform (Section 428)**
 - Authorizes \$143 million for EAS in FY 2012, \$118 million in FY 2013, \$107 million in FY 2014, and \$93 million in FY 2015.

- **Sunset of Essential Air Service Program (Sections 421 and 422)**
 - Imposes limits of the EAS program to locations that average ten or more enplanements per day that are within 175 miles of a large or medium hub airport, with an exception of Alaska and Hawaii. The legislation also freezes the program at the communities currently participating.

ENVIRONMENTAL STREAMLINING

- **Overflights of National Parks (Section 501)**
 - Exempts national parks that have 50 or fewer commercial air tour operations over the park each year from current requirements, subject to conditions.
- **State Block Grant Program (Section 502)**
 - Requires non-FAA Federal agencies responsible for issuing an approval, license, or permit for a project or activity carried out by a block grant State to coordinate and consult with the State; use the environmental analysis prepared by the State if such analysis is adequate; and as necessary, consult with the State to describe the supplemental analysis the State must provide to meet applicable Federal requirements.
- **Airport Funding of Special Studies or Reviews (Section 503)**
 - Permits FAA to accept payment from an airport sponsor for services of consultants to facilitate the timely processing, review, and completion of environmental activities associated with an airport development project; to conduct special environmental studies related to an airport project funded with Federal funds; to conduct special studies or reviews to support approved noise compatibility measures described in Part 150; to conduct special studies or reviews to support environmental mitigation in a record of decision or finding of no significant impact by the FAA; and to facilitate the timely processing, review, and completion of environmental activities associated with new or amended flight procedures, including performance-based navigation procedures, such as required navigation performance procedures and area navigation procedures.
- **Grant Eligibility for Assessment of Flight Procedures (Section 504)**
 - Allows grants for airport operators to assist in completing environmental review and assessment activities to implement flight procedures that have been approved as part of an airport noise compatibility program. The FAA may accept funds from an airport operator to hire additional staff or obtain the services of consultants in order to facilitate the timely processing, review, and completion of environmental activities associated with implementation of flight procedures.
- **Determination of Fair Market Value of Residential Properties (Section 505)**
 - Requires the Secretary to ensure that the appraisal of the property to be acquired disregards any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the

property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.

- **Prohibition on Operating Certain Aircraft Not Complying With Stage 3 Noise Levels (Section 506)**
 - Jet airplanes with a maximum weight of 75,000 pounds or less may not operate to or from an airport unless the Secretary of Transportation finds that the aircraft complies with Stage 3 noise levels. There are several exemptions to this for temporary operation related to moving aircraft for modification or sale.
- **Aircraft Departure Queue Management Pilot Program (Section 507)**
 - Authorizes a pilot program for five public use airports to test air traffic flow management tools, methodologies, and procedures that will allow air traffic controllers to better manage the flow of aircraft on the ground and reduce the length of ground holds and idling time for aircraft; provides criteria for selecting pilot program airports.
- **Sustainable Air Traffic Control Facilities (Section 508)**
 - Permits FAA to implement, to the extent practicable, sustainable practices for the incorporation of energy-efficient design, equipment, systems, and other measures in the construction and major renovation of air traffic control facilities in order to reduce energy consumption, improve the environmental performance and reduce the cost of maintenance.
- **Greenhouse Gas Emissions (Section 509)**
 - Directs the Secretary of Transportation and the FAA Administrator to work with and through ICAO to “address the problem of greenhouse gas emissions by aircraft engaged in international civil aviation...to ensure that the European Union’s emissions trading scheme is not applied to aircraft registered by the United States or the operators of those aircraft”.
- **Aviation Noise Complaints (Section 510)**
 - Requires each large hub airport in the United States to publish on their website a telephone number to receive aviation noise complaints related to the airport.
- **Pilot Program for Zero-Emission Airport Vehicles (Section 511)**
 - Allows FAA to establish a pilot program under which the sponsor of a public-use airport in a non-attainment area may use funds to carry out activities associated with the acquisition and operation of zero-emission vehicles, including the construction or modification of infrastructure to facilitate the delivery of fuel and services necessary for the use of such vehicles; the Federal share of the costs shall be 50 percent.
- **Increasing the Energy Efficiency of Airport Power Sources (Section 512)**
 - Requires FAA to establish a program to encourage airport sponsors to assess the airport’s energy requirements, including heating and cooling, base load, back-up power, and power for on-road airport vehicles and ground support equipment, to identify opportunities to increase energy efficiency at the airport; the FAA may make grants to assist airport sponsors that have completed the assessment to acquire or construct

equipment, including hydrogen equipment and related infrastructure that will increase energy efficiency at the airport.

ACRP AND RESEARCH

- **Airport Cooperative Research Program (Section 906)**
 - Makes the Airport Cooperative Research Program permanent. Funding levels are subject to annual appropriations (as currently occurs).
- **Alternative Jet Fuel Technology Research (Section 911)**
 - Requires FAA to establish a research program to assist in the development and qualification of jet fuel from alternative sources (such as natural gas, biomass, ethanol, butanol, and hydrogen) and other renewable sources.

This summary has been provided by members of the ACC Legislative and Environmental Committees. Special thanks to Brian Clark, C&S Companies; Kevin Dolliole, Unison Consulting; Kelly Rubino, Hanson Professional Services, Inc.; and Skip Johnson with Michael Baker Corp.