



U.S Department Transportation
Federal Aviation
Administration

Western-Pacific Region
Airports Division

P.O. Box 92007
Los Angeles, CA 90009

JUL 17 2015

Paul Blue
Interim Aviation Director
City of Phoenix
3400 East Sky Harbor Blvd., Suite 3300
Phoenix, AZ 85034-4405

Dear Mr. Blue:

In accordance with Title 14, Code of Federal Regulations (CFR), Part 158, Section 158.29, the Federal Aviation Administration (FAA) approves, in whole or in part, your application number 15-10-C-00-PHX to impose and use a Passenger Facility Charge (PFC) at Phoenix Sky Harbor International Airport (PHX). The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and other conditions included in this letter.

Enclosed is a Final Agency Decision (FAD) which provides specific information about this approval including the approved PFC level, total amount of approved net PFC revenue to be collected, earliest charge effective date, and duration of authority to impose the PFC. This FAD also includes information on the approved projects as well as the FAA's reasons for its decision. The FAA's findings and determinations required by statute and Part 158 are also included in the FAD

The FAA approves authority for imposition and use of PFC for 15 projects at PHX. The total approved PFC revenue to be collected for these projects is \$82,163,209, which is \$2,357,705 less than the amount requested in the application.

The FAA approved your request to exclude that class of air carriers defined as: (1) *Nonscheduled/ on-demand air carriers filing FAA Form 1800-31;* (2) *Commuters or small certified air carriers filing U. S. Department of Transportation (DOT) Form T-100 with less than 7,500 enplanements each annually;* (3) *Large certified route air carriers filing DOT Form T-100 with less than 7,500 enplanements each annually;* and (4) *Foreign air carriers filing DOT Form T-100(f) with less than 7,500 enplanements each annually.* We request that you notify the carriers in the excluded class, which were listed in your application, of this exemption.

We wish to point out a potential conflict between the definition of airport revenue which may be proposed in general airport revenue bonds and conditions contained in your PFC approval. Specifically, bond resolutions may define pledged airport revenue in broad terms which may be interpreted to include PFC revenues. New bond issues should clarify that use of PFC revenues is limited to the allowable costs of approved PFC projects. The terms of PFC approval do not permit the use of PFC revenues to pay debt service on any new or outstanding bonds issued to finance other than approved PFC projects.

Reporting, record keeping, and auditing requirements are specified in 14 CFR Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously issued guidance on reports. We request that you advise our Phoenix Airports District Office when you notify the air carriers and foreign air carriers to begin collecting PFC's. Please coordinate any construction proposals with the appropriate Federal offices as you would with any non-federally funded construction.

In accordance with 14 CFR, Part 158, Section 158.33(a)(1), you are required to implement your projects approved for concurrent impose and use authority no later than 2 years after receiving approval to use PFC revenue on these projects.

Enclosed is the list of advisory circulars with which you must comply in accordance with your certification of assurance number 9, standards and specifications.

Sincerely,



Mark A. McClardy
Manager, Airports Division

Enclosures

FINAL AGENCY DECISION
CITY OF PHOENIX, ARIZONA

Application number 15-10-C-00-PHX is to impose a passenger facility charge (PFC) at Phoenix Sky Harbor International Airport (PHX) for use at PHX.

In accordance with Section 158.29 of Title 14, Code of Federal Regulations (CFR), Part 158¹, this Final Agency Decision (FAD) includes the appropriate determinations to approve or disapprove, in whole or in part, imposition and use of a PFC on 15 projects at PHX.²

Procedural History (Dates)

Written notice to air carriers:	September 12, 2014
Air carrier consultation meeting:	October 15, 2014
Public notice:	October 15, 2014
FAA receipt of application:	February 25, 2015
FAA finding that application is substantially complete:	March 26, 2015

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue:	
in this decision:	\$82,163,209
Charge effective date:	February 1, 2034

February 1, 2034, is the "earliest" date on which air carriers are obliged to begin collecting PFCs from passengers and is based upon the estimated charge expiration date for the previously approved collections in application 09-09-C-02-PHX.³ If the City of Phoenix (City) changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the City can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR § 158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with § 158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

¹ Elsewhere in this document 14 CFR Part 158 may be referred to in abbreviated form as "\$ 158.xx".

² Projects included in this decision are as follow: Airfield Lighting Enhancements; East Air Cargo Apron Reconstruction; Jetbridge Enhancements; Perimeter Gates Security Enhancements; T3 NE Transition Ramp Reconstruction; Terminal 4 International Facility Improvements; Terminal 4 North Apron Reconstruction; Terminal 4 South Apron Reconstruction; Terminal 4 TSA EDS Enhancements; Taxiway A Reconstruction (Phase I and II); Taxiway Connector G5 Construction; Terminal Development Concept Design; Terminal Window Glazing; West Hold Bay Reconstruction; and Airport Compatible Land Reuse Plan.

³ Pursuant to 14 CFR § 158.3: "charge effective date" means the date on which air carriers are obliged to begin collection of a PFC; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

Duration of Authority to collect a PFC

The City is authorized to impose a PFC at PHX until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects or the charge expiration date is reached, whichever comes first. Based on information submitted by the City, the FAA estimates the charge expiration date for this decision is December 1, 2035. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases.⁴ If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA describing the use of accumulated PFC revenue to insure that it complies with applicable law. If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) Airport Improvement Program (AIP) grant funds. See § 158.39(d).

CUMULATIVE PFC AUTHORITY-DECISION SUMMARY TABLE **(including current decision)**

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
93-01-C-00-PHX	- withdrawn -	- withdrawn -
95-02-C-00-PHX	- withdrawn -	- withdrawn -
95-03-C-00-PHX	\$80,978,000	\$79,103,000
95-03-C-01-PHX	25,988,000	25,988,000
95-03-C-02-PHX	(13,735,161)	(12,781,586)
97-04-U-00-PHX	0	1,875,000
97-04-U-01-PHX	0	(953,575)
98-05-C-00-PHX	193,445,920	193,445,920
98-05-C-01-PHX	(45,570,243)	(45,570,243)
02-06-C-00-PHX	221,402,900	221,402,900
02-06-C-01-PHX	(13,317,099)	(13,317,099)
04-07-C-00-PHX	177,800,000	177,800,000
04-07-C-01-PHX	44,450,000	44,450,000
04-07-C-02-PHX	24,727,086	24,727,086
07-08-C-00-PHX	202,200,000	202,200,000
07-08-C-01-PHX	(14,550,398)	(14,550,398)
07-08-C-02-PHX	(8,613,160)	(8,613,160)
09-09-C-00-PHX	1,858,636,000	1,858,636,000
09-09-C-01-PHX	81,857,949	81,857,949
09-09-C-02-PHX	31,910,832	31,910,832
15-10-C-00-PHX	<u>82,163,209</u>	<u>82,163,209</u>
Total	\$2,929,773,835	\$2,929,773,835

⁴ See 14 CFR § 158.63(a) (The public agency must provide quarterly reports to air carriers collecting PFCs for the public agency with a copy to the appropriate FAA Airports Office.); § 158.67(c) (The public agency shall annually provide for an audit of its PFC account.); and § 158.39(a) (If excess PFC revenue has been collected, the public agency must use the excess funds for approved PFC projects or to retire outstanding PFC – financed bonds.).

Project Approval Determinations

For each project approved in this FAD and for the application as a whole, the FAA, based on its expertise with the PFC program and airport development, exercises its judgment, and based upon its expertise finds that the application and record thereof, contain necessary documentation to support its determinations. Based on its review and pursuant to Title 49, United States Code (U.S.C.) § 40117, the FAA finds that:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the specific projects.
- Each project approved at a \$3.00 or lower level meets at least one of the objectives set forth in § 158.15(a) (as set forth in the individual project determination); is eligible in accordance with § 158.15(b) (as set forth in the individual project determination); and is adequately justified in accordance with § 158.15(c) and paragraph 4-8 of FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001).
- Each project approved at a PFC level above \$3.00 will make a significant contribution in accordance with § 158.17(b)⁵ (as set forth in the individual project determination); meets at least one of the objectives set forth in § 158.15(a) (as set forth in the individual project determination); is eligible in accordance with § 158.15(b) (as set forth in the individual project determination); and is adequately justified in accordance with § 158.15(c) and paragraph 4-8 of FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001).
- Each project approved for collection at a PFC level above \$3.00, meets the requirements of § 158.17(a)(2). The FAA has reviewed the City's funding proposals for each project. For each project, the FAA has determined that Airport Improvement Program funds are not expected to be available to fund the project in whole or in part.
- For those surface transportation or terminal projects approved for collection at a PFC level above \$3.00, the requirements of § 158.17(a)(3) and paragraph 10-8 of FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001) have been met. For each such project approved in this FAD, the FAA has determined that the public agency has made adequate provisions for financing the airside needs at the airport including runways, taxiways, aprons, and aircraft gates.
- The collection process, including a request by the public agency not to require a class or classes of carrier to collect PFC, is reasonable, not arbitrary, nondiscriminatory, and otherwise in compliance with the law.
- The public agency has not been found to be in violation of § 9304(e) or § 9307 of the Airport Noise and Capacity Act (ANCA) of 1990 (since codified at 49 U.S.C. § 47524 and § 47526).
- The project-related requirements, concerning approval of the airport layout plan (ALP) and completion of airspace studies have been met. Environmental requirements

⁵ A project for a medium or large hub airport is only eligible for PFC funding at levels of \$4.00 or \$4.50, if the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport. [See 14 CFR § 158.17(b).]

(§ 158.29(b)(1)(iv)) have been completed and are discussed under a separate heading below.

- This FAD includes approval of impose and use authority for projects that the public agency proposes to finance in part with discretionary AIP grants. This authority is being approved based on assurances contained in the public agency's application indicating that it will have other financial resources available to fund the projects, if AIP discretionary funds are not available or are less than anticipated. The FAA's approval of these projects does not constitute a Federal commitment of AIP discretionary funds.

Projects Approved for the Authority to Impose and Use a PFC at a \$4.50 Level

<u>Description</u>	<u>Approved Amount</u>
East Air Cargo Apron Reconstruction	\$662,000

This project consists of the design and reconstruction of approximately 84,000 square yards of the air cargo apron east of the West Air Cargo Facility. The project includes the removal of existing pavement and replacement with six inches of asphaltic concrete pavement and eight inches of cement treated base. The project also includes upgrading the outdated lighting system; aircraft hold position markings; and associated drainage improvements as well as the relocation of existing utilities to provide standard surface grades.

The existing east cargo apron is used primarily for air cargo aircraft and passenger aircraft. It was originally constructed in 1973 and has reached the end of its useful life. The pavement exhibited signs of deterioration, fatigue cracking, and has a Pavement Condition Index (PCI) rating of 31 (very poor). The project is necessary to bring the apron pavement up to current FAA design standards. In addition, the project is needed to increase safety of aircraft operations by minimizing potential damage to aircraft due to foreign object debris (FOD).

Determinations:

Approved for collection and use.

Significant contribution: This project provides for the design and reconstruction of the air cargo apron east of the West Air Cargo Facility, as a replacement to the failing apron pavement. The existing pavement has reached the end of its useful life and has a PCI rating of 31 (very poor). The project is necessary to restore the structural integrity of the pavement, reduce FOD, and bring the air cargo apron up to FAA design standards. Therefore, the project will make a significant contribution to improving air safety at PHX.

PFC Objective: This project provides for the design and reconstruction of the air cargo apron east of the West Air Cargo Facility, used primarily for cargo and passenger aircraft. The project will preserve the safety of aircraft operations by restoring the structural integrity of the pavement and minimizing potential damage to aircraft by FOD. Thus, this project meets the PFC objective of enhancing safety of the national air transportation system.

Basis for eligibility: Appendix I, Paragraph I-2, Table I-3(d); and Appendix C, Paragraph C-2, Table C-3 (30) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$6,278,100.

Proposed sources of financing: PFC revenue (\$662,000 - the amount requested by the City);

existing AIP grants 3-04-0029-077-2013 (\$4,813,800); and local revenue (State grants - \$802,300).

Perimeter Gates Security Enhancements

\$1,520,000

This project provides for the replacement of 15 underground wedge barriers at 11 perimeter gate access points with enhanced above ground hydraulic drop arm barriers. The project includes the removal of the old underground operated vehicle and pedestrian barriers. The project also includes the installation of associated electrical cabling, conduit and project management.

The existing underground wedge barriers have exceeded their useful life and need to be repaired frequently. Closure of the access points due to repairs causes delays to authorized users and impairs the efficiency of airport operations. The gate repairs are due to failure of motors, pins and arms caused by water and debris. Each repair takes weeks to complete due to lack of parts. Equipment failures may compromise security by permitting unauthorized access to the airfield. Replacing the underground security equipment with the new above ground access barriers will eliminate the potential for failure due to debris, permitting the access points to remain in operation and maintain the security of the airport.

PHX is the ninth busiest large hub airport in the country. The project is needed to provide more reliable security equipment to prevent unauthorized entry. This project is required to comply with 49 CFR Part 1542. A letter dated December 2, 2014, from the Transportation Security Administration (TSA) Director, concurred with the access control system as necessary to meet the minimum requirements of 49 CFR Part 1542.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the replacement of 15 underground wedge barriers at 11 perimeter gate access points with enhanced above ground hydraulic drop arm barriers. The project will prevent unauthorized entry of individuals and ground vehicles in the air operations area (AOA), and meet security requirements outlined in 49 CFR Part 1542. Therefore, this project will make a significant contribution to improving security at PHX.

Project Objective: This project provides for the replacement of 15 underground wedge barriers at 11 perimeter gate access points with enhanced above ground hydraulic drop arm barriers. The project will meet the security requirements outlined in 49 CFR Part 1542. Thus, this project meets the PFC objective to preserve and enhance security of the national air transportation system.

Basis for eligibility: Appendix L, Paragraph L-7, Table L-2(t); and Appendix C, Paragraph C-3, Table C-3 (32) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$1,520,000.

Proposed sources of financing: PFC revenue (\$1,520,000 - the amount requested by the City).

T3 NE Transition Ramp Reconstruction**\$1,244,000**

This project consists of the design and reconstruction of the northeast transition hold bay located east of Terminal 3 north concourse and south of parallel Taxiway C, including associated lighting and drainage improvements. This northeast transition hold bay (approximately 40,361 square yards) is used for holding aircraft that are waiting for 10 gates in Terminal 3 and 55 gates in Terminal 4 as well as remain overnight parking (RON). Terminal 3 north concourse gates average over 3 1/2 turns per gate per day. Gates in the north side of Terminal 4 concourses average over 5 turns per gate per day. The scope of work includes removal of existing asphalt pavement and replacement with 18 inches of Portland Cement Concrete (PCC) pavement.

The existing northeast hold bay apron exhibits signs of cracking and deterioration and has reached the end of its useful life. The ramp has a PCI rating of 42 (poor). Continued pavement deterioration would prohibit an air carrier's ability to use this ramp. With the loss of this parking area, departing aircraft cannot efficiently taxi away from gates, if arriving aircraft could not queue in the holding areas thereby leading to airfield congestion. The project is needed to bring the pavement up to FAA design standards and alleviate congestion, which would occur if this heavily utilized hold ramp area were taken out of service. The lighting replacement allows for continued usage during nighttime hours. The project is required to restore structural integrity of the pavement and to provide for safe and efficient aircraft operations.

Determinations:

Approved for collection and use.

Significant Contribution: This project provides for the reconstruction of the Terminal 3 northeast transition hold bay apron, located east of Terminal 3 north concourse and south of parallel Taxiway C, which has reached the end of its useful life and has a PCI rating of 42 (poor). The apron is used for holding aircraft that are waiting for Terminal 3 and Terminal 4 gates as well as RON parking. Pavement deterioration would prohibit an air carrier's ability to use this area, which would lead to congestion as departing aircraft could not efficiently taxi away from gates, if arriving aircraft could not queue in holding areas. Therefore, this project makes a significant contribution to reducing congestion at PHX, which would occur if this heavily utilized transition ramp were taken out of service due to deterioration.

PFC objective: This project provides for the reconstruction of the northeast transition hold bay located east of Terminal 3 north concourse and south of parallel Taxiway C, including associated lighting and drainage improvements. This northeast transition hold bay is used for holding aircraft that are waiting for Terminal 3 and Terminal 4 gates as well as RON. The project will preserve capacity at PHX by restoring the structural integrity of the pavement to accommodate current and future aircraft operations. Thus, this project meets the PFC objective to preserve capacity of the national air transportation system.

Basis for eligibility: Appendix I, Paragraph I-2, Table I-3(d); Appendix C, Paragraph C-2, Table C-3(30) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$7,182,800

Proposed sources of financing: PFC revenue (\$1,244,000 - the amount requested by the City); existing AIP 3-04-0029-078-2014 grant (\$5,090,400); and local funds (State Grants - \$848,400).

Terminal 4 North Apron Reconstruction**\$13,500,000**

This project consists of the design and reconstruction of the aircraft parking apron at the Terminal 4 North concourses N2, N3, and N4. The project includes removal of approximately 4,350 concrete apron panels and replacement with 18 inches of PCC pavement (approximately 189,000 square yards) and four inches base course. The project also includes construction management, material testing, inspection, and administration work and will be completed in phases to minimize disruption to airline operations.

The Terminal 4 North Apron was constructed in 1990 and has reached the end of its useful life. The apron pavement has a PCI rating of 36 (very poor). The pavement is infected by Alkali-Silica Reaction (ASR) throughout the full depth of the concrete panels. The ASR caused extensive map cracking and pavement spalling, with loose aggregates that may be ingested into aircraft engines. Continued pavement deterioration would prohibit an air carrier's ability to use this ramp. The project is needed to improve the poor pavement condition, reduce potential FOD damage to aircraft, and to maintain the safety and capacity of air carrier operations.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the design and reconstruction of approximately 189,000 square yards of the aircraft parking apron at the Terminal 4 North concourses N2, N3, and N4. The apron has reached the end of its useful life and has a PCI of 36 (very poor). Pavement deterioration would prohibit an air carrier's ability to use this ramp, which would lead to congestion as departing aircraft could not efficiently taxi away from gates. The project will bring the pavement up to current FAA design standards and to minimize potential for FOD hazard resulting from deteriorated pavement. Therefore, this project makes a significant contribution to reducing current and anticipated congestion at PHX, which would occur if this heavily utilized apron were taken out of service.

PFC objective: This project provides for the design and reconstruction of the aircraft parking apron at the Terminal 4 North concourses N2, N3, and N4. The pavement is infected by ASR throughout the full depth of the concrete panels. The ASR caused extensive map cracking and pavement spalling, with loose aggregates that may be ingested into aircraft engines. Pavement deterioration would prohibit an air carrier's ability to use this ramp, which would lead to congestion. The project will preserve capacity at PHX by replacing the existing pavement and bring the pavement up to current FAA design standards. Thus, this project meets the PFC objective to preserve capacity of the national air transportation system.

Basis for eligibility: Appendix I, Paragraph I-2, Table I-3(d); and Appendix C, Paragraph C-2, Table C-3 (30) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014) as well as §158.15(b)(6), "gates and related areas."

Estimated total project cost: \$48,800,000

Proposed sources of financing: PFC revenue (\$13,500,000 - the amount requested by the City); and anticipated AIP entitlement and discretionary funds (\$35,300,000).

Terminal 4 South Apron Reconstruction**\$4,590,000**

This project consists of the design and reconstruction of the aircraft parking apron at Terminal 4 South concourses S3 and S4. The project includes removal of approximately 2,000 concrete apron panels and replacement with 18 inches of PCC pavement (approximately 89,000 square yards) and four inches of base course. The project also includes construction management, material testing, inspection, and administration work. The project was completed in phases to minimize disruption to airline operations. A portion of the Terminal 4 apron rehabilitation was funded in the amount of \$15,075,000 under previous PFC application 09-09-C-00-PHX. This is the final phase of the project.

The existing concrete panels were constructed in 1990 and are infected by ASR throughout the full depth of the concrete panels. The ASR caused extensive cracking and pavement spalling, with loose aggregates that may be ingested into aircraft engines. The apron pavement has a PCI rating of 40 (very poor). The project is needed to improve the deteriorated pavement condition, reduce potential FOD damage to aircraft, and to increase the safety and capacity of air carrier operations.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the design and reconstruction of the aircraft parking apron at Terminal 4 South concourses S3 and S4. The apron has reached the end of its useful life and has a PCI of 40 (very poor). Pavement deterioration would prohibit an air carrier's ability to use this area, which would lead to congestion as departing aircraft could not efficiently taxi away from gates. The project is needed to bring the pavement up to current FAA standards, and to minimize potential for FOD hazards. Therefore, this project makes a significant contribution to reducing current and anticipated congestion at PHX which would occur if this heavily utilized apron were taken out of service.

PFC objective: This project provides for the design and reconstruction of the aircraft parking apron at Terminal 4 South concourses S3 and S4. The pavement is infected by Alkali-Silica Reaction (ASR) throughout the full depth of the concrete panels. The ASR caused extensive map cracking and pavement spalling, with loose aggregates that may be ingested into aircraft engines. The project will preserve capacity at PHX by replacing the existing pavement to meet current FAA design standards and minimize potential for FOD damage. Thus, this project meets the PFC objective to preserve or enhance capacity of the national air transportation system.

Basis for eligibility: Appendix I, Paragraph I-2, Table I-3(d); and Appendix C, Paragraph C-2, Table C-3 (30) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as §158.15(b)(6), "gates and related areas".

Estimated total project cost: \$35,675,229.

Proposed sources of financing: PFC revenue (\$4,590,000 - the amount requested by the City in this application); Previous PFC application 09-09-C-00-PHX (\$15,075,000); and existing AIP grant 3-04-0029-76-2012 (\$16,010,229).

Terminal 4 TSA EDS Enhancements**\$680,000**

This project provides for the design and installation of a new in-line Explosive Detection System (EDS) in Terminal 4 and baggage conveyor belt systems. Included in the project are six EDS units that are provided by TSA. Four EDS units will be installed in Terminal 4 South and two units will be installed in Terminal 4 International processing facility. This project includes space modifications; installation of mechanical and electrical equipment; and software upgrades that are necessary to support the new EDS machines. The new EDS will replace the existing 10 year old equipment that has reached the end of its useful life. This project increases the baggage processing speed and reliability of the baggage screening. In addition, this project will remove screening from terminal curbsides and passenger areas, which increases floor space for passenger movement. The project is needed to increase efficiency of baggage screening through the security checkpoints and consolidate baggage screening zones to meet existing and future capacity needs. The project is also needed to increase safety at the airport by complying with 49 CFR Part 1542 security requirements.

A letter dated December 2, 2014, from the TSA Director indicated that the project is needed to meet the minimum requirements of 49 CFR Part 1542, for airport security.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the design and installation of new in-line EDS machines in Terminal 4 and baggage conveyor belt systems. This project includes space modifications; installation of mechanical and electrical equipment; and software upgrades that are necessary to support the new EDS machines. The new EDS machines will replace the existing 10 year old equipment that has reached the end of its useful life. The project will increase efficiency by consolidating baggage screening zones and enhance security of airport operations. The project will also allow the airport to comply with 49 CFR Part 1542. Therefore, this project will make a significant contribution to improving security at PHX.

PFC objective: This project will enhance the security of the airport by the design and installation of new in-line EDS machines in Terminal 4 and baggage conveyor belt systems. The new EDS equipment allows more bags to be processed in a shorter time period and ensures reliable security screening system to meet the current and future passenger demands. Thus, this project meets the PFC objective to preserve and enhance security of the national air transportation system.

Basis for eligibility: Appendix C, Paragraph C-3, Table C-3 (32); Appendix N, Paragraph N-7, Table N-5(n); and Appendix L, Paragraph L-7, Table L-2(t) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014). The EDS machines will be funded by TSA.

Estimated total project cost: \$14,716,001.

Proposed sources of financing: PFC revenue (\$680,000 - the amount requested by the City); and TSA funds (\$14,036,001).

Taxiway A Reconstruction (Phase I and II)**\$ 3,447,898**

This project provides for the phased reconstruction of parallel Taxiway A (approximately 11,500 feet by 200 feet) and connector taxiways A4 through A9. The project also includes associated drainage improvements; grading of surrounding area; installation of new lights and associated electrical utilities; adjustments of airfield signage bases and panels. The project is needed to accommodate aircraft Design Group III operations and to meet current FAA standards. Design Group III aircraft are unable to use parallel Taxiway A and connector taxiways A4 through A9 because the pavement strength is not adequate for operations by heavier aircraft, thus limiting capacity and causing congestion at the airport.

The existing taxiway pavements are exhibiting signs of significant distress and have reached the end of their useful life. The taxiway was last rehabilitated in 2001 and had a PCI rating of 41 (poor). Additionally, poor drainage causes ponding, which increases the rate of deterioration of the taxiway pavement.

The project is necessary to allow heavier aircraft to use the taxiways. Improvement of the failing pavement is necessary to allow safe movement of aircraft and reduces the amount of FOD that may be ingested into aircraft engines. In addition, the project will minimize taxiway closures for repair.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the reconstruction of parallel Taxiway A and connector taxiways A4 through A9 that are deteriorated and have reached the end of their useful lives. These taxiways have a PCI of 41 (poor), requiring improvements to maintain safe aircraft operations. Loss of this taxiway due to pavement failure would severely impact airfield operational efficiency. The project will strengthen the existing pavement to accommodate operations by Design Group III aircraft. This project also includes associated drainage improvements; grading of surrounding area; installation of new lights and associated electrical utilities; adjustments of airfield signage bases and panels. Thus, this project makes a significant contribution to reducing current and anticipated congestion at PHX, which would occur if these taxiways were taken out of service for major repairs.

PFC objective: This project will preserve and enhance capacity by reconstructing the parallel Taxiway A and connecting taxiways A4 through A9 to meet current FAA design standards and strengthen pavement to accommodate operations by Design Group III aircraft. Thus, this project meets the PFC objective to preserve and enhance capacity of the national air transportation system.

Basis for eligibility: Paragraph 3-7; and Appendix H, Table H-3(e), of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$12,415,273.

Proposed sources of financing: PFC revenue (\$3,447,898 - the amount requested by the City); existing AIP grants 3-04-0029-70-2011 (\$2,912,159) and 3-04-0029-74-2012 (\$5,056,500); and local revenue (state grants - \$998,716).

Taxiway Connector G5 Construction**\$1,264,972**

This project provides for the construction of a new mid-field Taxiway G5, which is an acute angle connector between Runway 07R/25L and parallel Taxiway F. The taxiway construction will include: lighting; marking; subgrade layer; aggregate base; and PCC pavement. Taxiway G5 will allow the aircraft to exit runway 07R/25L and cross to the south airfield. Aircraft landing on Runway 07R/25L often miss the G4 exit and have to travel approximately 2,500 feet to the next available exit, which increases runway occupancy time and causes airspace congestion by forcing the aircraft in trail to abort landing to maintain minimum separation. This project is needed to increase capacity by reducing runway occupancy time.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the construction of a new mid-field connector Taxiway G5, which is an acute angle connector between Runway 07R/25L and parallel Taxiway F. Taxiway G5 will allow the aircraft to exit runway 07R/25L and cross to the south airfield. The new exit taxiway will reduce the runway occupancy time. Therefore, this project meets the significant contribution of reducing current or anticipated congestion at PHX.

PFC objective: This project enhances the capacity at the airport by providing an additional exit Taxiway G5 to Runway 07R/25L. The additional exit will enhance capacity by reducing runway occupancy time. Thus, this project meets the PFC objective to preserve and enhance capacity of the national air transportation system.

Basis for eligibility: Paragraph 3-7; and Appendix H, Table H-3(e), of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$4,140,656.

Proposed sources of financing: PFC revenue (\$1,264,972 - the amount requested by the City); and existing AIP grant 3-04-0029-68-2010 (\$2,875,684).

Terminal Window Glazing**\$1,219,719**

This project provides for strengthening windows and doors in Terminals 3 and 4 in order to minimize damage and injuries in the event of a bomb blast. The project is part of terminal modifications that are necessary to increase the security within the public use and baggage screening areas. The project includes the glazing of glass adjacent to the terminal curb fronts with blast resistant film, installation of strengthened automatic doors, and a catcher-type system behind the window glazing to capture sheets of the treated glass. A terminal blast analysis, included in the airport's 2004 Security Master Plan, indicated that the terminal glass windows and doors were not designed to resist a bomb blast or ballistic threat.

A letter dated December 2, 2014, from the TSA Director indicated that the project is needed to meet the minimum requirements of 49 CFR Part 1542, for airport security.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for strengthening windows and doors in Terminals 3 and 4 in order to minimize damage and injuries in the event of a bomb blast or ballistic threat. The project is recommended by TSA to meet the minimum requirement of 49 CFR Part 1542, airport security. Therefore, the project will make a significant contribution to improving air safety and security at PHX.

PFC objective: This project will preserve safety and security of the airport by strengthening windows and doors in Terminals 3 and 4 in order to minimize damage or injury to individuals inside the terminals in the event of a bomb blast or ballistic threat. Thus, this project will meet the PFC objective of enhancing safety and security of the national air transportation system.

Basis for eligibility: Appendix L, Paragraph L-2; and Appendix N, Paragraph N-10, Table N-9(d)(3)(d), of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014),

Estimated total project cost: \$1,219,719.

Proposed sources of financing: PFC revenue (\$1,219,719 - the amount requested by the City).

West Hold Bay Reconstruction

\$840,000

This project consists of the design and reconstruction of the West Hold Bay apron (approximately 38,850 square yards) and associated lighting, marking, and utility improvements. This project is the second phase for the replacement of the West Hold Bay, located south of Taxiway C, between connecting taxiways C3 and C5. This project provides for the reconstruction with 15.5 inches of PCC pavement, which is stronger than the prior asphalt to accommodate current and future aircraft operations. The project also includes the construction of a blast fence and the realignment of adjacent service road.

The existing apron pavement exhibited large fatigue cracks and reached the end of its useful life. The apron has a PCI as low as 40 (very poor) and was closed due to pavement deterioration. The closure of the apron area increased congestion as aircraft could not efficiently taxi away from gates, if approaching aircraft did not have sufficient space to hold. The West Hold Bay will provide the needed space for holding aircraft that wait for gates at Terminals 3 and Terminal 4 north concourses as well as for RON aircraft parking. The project is needed to meet FAA design standards and 14 CFR Part 139 certification requirements.

Determination:

Approved for collection and use.

Significant Contribution: This project provides for the design and reconstruction of the West Hold Bay apron (approximately 38,850 square yards) and associated lighting, marking, and utility improvements. This project is the second phase for the replacement of the West Hold Bay, located south of Taxiway C, between connecting taxiways C3 and C5. This project restores the west hold bay to operation and provides the needed space for holding aircraft that wait for gates at Terminals 3 and Terminal 4 north concourses, allowing aircraft to efficiently exit runway and taxiway. Therefore, this project makes a significant contribution to reducing current and anticipated congestion at PHX by restoring this heavily utilized apron to service.

PFC objective: This project provides for the design and reconstruction of the West Hold Bay apron (approximately 38,850 square yards) and associated lighting, marking, and utility improvements. This project is the second phase for the replacement of the West Hold Bay, located south of Taxiway C, between connecting taxiways C3 and C5. The project restores the apron to operational use, prolongs the service life of the pavement and brings the paved area into compliance with FAA design standards and 14 CFR Part 139 requirements. Thus, this project meets the PFC objective to preserve or enhance capacity of the national air transportation system.

Basis for eligibility: Appendix I, Paragraph I-2, Table I-3(d) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014),

Estimated total project cost: \$8,995,875.

Proposed sources of financing: PFC revenue (\$840,000 - the amount requested by the City); existing AIP grant 3-04-0029-77-2013 (\$6,990,750); and local funds (state grants - \$1,165,125).

Project Partially Approved for the Authority to Impose and Use a PFC at a \$4.50 Level

Description

Approved Amount

12. Airfield Lighting Enhancements

\$1,453,593

This project is the second phase of Airfield Lighting Control System (ALCS) enhancements. This project includes the replacement of 39 lighting regulators that were not upgraded in the first phase. The 39 regulators are located in the lighting vaults, Airport Traffic Control Tower (ATCT), and the Facility and Service Maintenance Shop. Included also in the project is purchasing of two mobile laptops to monitor the equipment.

The existing ALCS consists of two different control systems. The first control system was installed in 1990, and the second was installed in the first phase of this project, a partial upgrade of the regulators during the construction of the PHX Sky train. Operating the two lighting control systems led to confusion in the ATCT, which could lead to closed runways due to absence of adequate lighting on the airfield. This project is needed to reduce confusion in the ATCT by consolidating all airfield lighting under a single ALCS. Failure of the lighting systems requires runway and/or taxiway closures, which creates congestion at PHX. The older control system has become increasingly difficult to support, requiring that 3 generations of components were stocked that were not readily available or interchangeable with other portions of the system. Airfield lighting failures occur frequently and the replacement parts are not readily available due to age of equipment.

The project is needed to provide reliable lighting equipment to meet FAA lighting standards and 14 CFR Part 139 certification requirements.

Determination:

Partially approved for collection and use.

Significant contribution: Replacement of 39 lighting regulators would provide reliable lighting to the airfield, and will significantly reduce maintenance and down time on runways and/or taxiways. This project is also required to meet current FAA design standards and 14 CFR Part 139 certification requirements. Therefore, the project makes significant contribution to enhancing air safety and reducing current or anticipated congestion at PHX, which would occur

at the airport if one of the runways or taxiways were taken out of service due to failure of the lighting system.

PFC Objective: The airfield lighting enhancements will bring the airfield lighting system into compliance with current FAA lighting standards. The installation of standardized airfield lighting systems will allow for effective maintenance and reduce downtime due to failure of the lighting system. In addition, the replacement of ALCS will provide greater operating efficiencies. Thus, this project meets the PFC objectives of enhancing safety and preserving capacity by decreasing the risk of closed runways and taxiways.

Basis for eligibility: Appendix J, Paragraphs J-4 and J-8, Table J-2; and Appendix C, Paragraph C-1, Table C-3, Order 5100.38D, *AIP Handbook* (September 30, 2014). The FAA notes that non-standard equipment used for airfield operations and maintenance facilities, computer software, and any equipment beyond what is needed for the airfield lighting equipment required under 14 CFR Part 139 are not PFC eligible. This includes purchasing the two mobile laptops as additional backup equipment used for remote monitoring of the airfield lighting system that is not eligible for PFC funding.

Estimated total project cost: \$1,453,593.

Proposed sources of financing: PFC revenue (\$1,453,593 - the amount requested by the City).

Reason for partial approval: In accordance with AIP guidelines, the FAA determined that the costs of the two mobile laptops are ineligible. Non-standard equipment used for airfield operations and maintenance, computer software, and any equipment beyond what is needed for the airfield lighting required under 14 CFR Part 139 are not PFC eligible. Cost breakdowns for ineligible items are incidental to the project and were not provided in the City's application. Therefore, adjustments to project funding will be made at closeout when actual costs are available.

Terminal 4 International Facility Improvements

\$20,040,364

This project consists of the design and improvements to the Federal Inspection Services (FIS) facility located inside the Terminal 4 international facility. The project includes: the expansion of passenger processing and queuing areas; increased baggage claim frontage areas; installation of new passport check kiosks; renovations of vertical circulation; upgrades to Boarding Gate B19; and reconfiguration of Customs and Border Protection (CBP) offices. The project is part of the City's plan for the renovation and reconfiguration of the available terminal facilities to accommodate future capacity demand by international passengers and air carriers. Terminal 4 has seven international gates and is currently utilized by: Aeromexico; Air Canada; US Airways/American Airlines; British Airways; Southwest Airlines; Volaris; and WestJet for domestic and international departures.

The FIS facility opened in 1994, which served as the only international passenger processing facility at the airport. The proposed FIS facility (approximately 70,570 square feet) includes: passenger processing and queuing areas (approximately 14,350 square feet); CBP office space (17,489 square feet); and baggage claim area (approximately 27,340 square feet) in addition to passport check kiosks and vertical circulation areas.

Specifically, the project includes the following components:

- Removing the existing low-capacity passenger elevator located in the CBP screening area and replacement with two larger electric-power elevators, along with construction of a new stair tower to access apron and departure levels to meet CBP operation requirements;
- Expansion of the existing passenger queuing area by relocating one processing booth to provide an additional 3,000 square feet area on the departure floor to meet demand during peak periods;
- Renovations to the CBP administration space to provide space for: a weapons-cleaning room; and a temporary seized-property room;
- Installation of approximately 10 self-service passport check kiosks;
- Replacement of the existing baggage claim devices with four larger baggage claim devices; and
- Upgrading Gate B19 to accommodate wide-body aircraft.

The existing FIS configuration has insufficient vertical circulation via elevators and stairs, queuing, and baggage claim areas. The improvements are needed to accommodate future capacity needs as well as increase safety and security to accommodate the increase in international passengers.

Terminal 4 currently handles approximately 1,029,000 international passengers. According to the Terminal Area Forecast (TAF), the number of passengers is projected to increase to 1,848,000 in 2033. The current FIS has a processing capability of 600 passengers per hour. The project is needed to increase processing capability to more than 800 passengers per hour to meet projected demand.

A letter dated December 19, 2014, from the Director of U.S. Customs and Border Protection, Tucson Field Office, indicated the enhancement of the Terminal 4 International Facility would significantly enhance the capacity of CBP in processing international passengers at PHX.

Determinations:

Partially approved for collection and use.

Significant Contribution: This project provides for improvements to the FIS inside the Terminal 4 international facility including expansion of passenger queuing areas, installation of passport check kiosks, renovations of vertical circulation, reconfiguration of Customs and Border Protection (CBP) offices, replacing four baggage claim devices with larger devices, and upgrading Gate B-19 to accommodate wide-body aircraft. The project will provide necessary space for the CBP to screen passengers and baggage in a more efficient manner. The existing FIS has insufficient vertical circulation, passenger queuing, and baggage claim areas requiring improvements to increase capacity and enhance safety and security at the airport. The project increases processing capability from 600 passengers per hour to 800 passengers per hour. Thus, this project makes a significant contribution to reducing current or anticipated congestion and improving air safety and security at PHX.

PFC objective: This project will improve the FIS inside the Terminal 4 international facility, including expansion of passenger queuing areas, installation of passport check kiosks, renovations of vertical circulation, reconfiguration of Customs and Border Protection (CBP) offices, replacing four baggage claim devices with larger devices, and upgrading Gate B-19 to accommodate wide-body aircraft. The project will enable more efficient use of the terminal space and increase processing capability from 600 passengers per hour to 800 passengers per hour, thereby reducing congestion during peak periods for current and future demands. This project is needed to meet 49 CFR Part 1542 security requirements and for the efficient processing of international passengers and baggage. Thus, this project meets the PFC objectives of enhancing security and capacity of the national air transportation system.

Basis for eligibility: Appendix N, Paragraphs N-2, Table N-1; Paragraph N-3; Table N-3; Paragraph N-5, Table N-4; and Paragraph N-7, Table N-5, of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as § 158.15(b)(6), "gates and related areas." Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be public spaces intended for non-revenue producing public use areas related to the movement of passengers and baggage within the confines of the terminal. For example, work related to the following components is not PFC eligible:

- Airport, airlines, and CBP administrative offices, room for CBP weapons-cleaning and temporary seized-property room, which are not be considered public use space;
- Mechanical, electrical, and plumbing needed specifically for CBP operations;
- Non-public use elevators; and
- Project contingency costs.

Ineligible portions of the project must be deducted from approved PFC amount and funded locally. The FAA's findings with regard to eligibility are based on the detailed analysis of square footage and direct cost estimates of each work item dated December 15, 2014, as presented in Exhibits B-6.3 of the application. A detailed cost analysis shows that approximately 74 percent of the total project costs, \$27,115,000, are eligible for PFC funding. Taking into account this cost data, the FAA agrees in general with the methodology presented for the direct hard and soft construction costs estimated for passengers and airline public use areas. Based on the FAA's experience with construction of terminal improvements, these cost estimates appear reasonable for this type of project.

Estimated total project cost: \$27,115,000.

Proposed sources of financing: PFC revenue (\$20,040,364); and local funds (\$7,074,636). FAA notes the amount of PFC funding is approximately 74 percent of the total project cost.

Reason for partial approval: In accordance with AIP guidelines, the FAA determined that contingency costs are ineligible. The FAA reduced the PFC approved amount of this project to account for the cost of the items identified as ineligible above (\$2,357,705). Amendments to project funding can be made by the City when actual costs are available.

Projects Approved for the Authority to Impose and Use a PFC at a \$3.00 Level

<u>Description</u>	<u>Approved Amount</u>
13. Jetbridge Enhancements	\$2,850,000

This project consists of upgrading and replacing of jetbridges in Terminal 3 and Terminal 4. This includes the jetbridges at Gates B23, B24, B25, B26, B27 and B28 in Terminal 4 and Gates B25 and B26 in Terminal 3. The jetbridges often encounter mechanical and corrosion issues. The existing jetbridges are more than 20 years old and have reached the end of their useful lives. The project also provides for the installation of fixed preconditioned air (PCA) units, aircraft ground power units (GPU), baggage slides, supporting columns, electrical power, and updated paging and telephone systems for the remaining passenger boarding bridges in both Terminal 3 and Terminal 4 (approximately 57 jetbridges). The installation of updated PCA and GPU and related equipment will allow airlines to power the aircraft at the gate via aircraft auxiliary power units.

The project is needed to facilitate passenger boarding by replacing the outdated jetbridges with more reliable upgraded equipment and reduce potential delays, which would occur in the event of jetbridge failures.

Determinations:

Approved for collection and use.

PFC Objective: This project provides for the replacement and upgrade of failing and outdated jetbridges with more reliable equipment. The project will preserve capacity by reducing delays, which occur due to equipment failures. Thus, this project meets the PFC objective of preserving capacity of the national air transportation system.

Basis for eligibility: Paragraphs 3-3; and Appendix N, Paragraphs N-7, Table N-5(g), of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as § 158.15(b)(6), "gates and related areas."

Estimated total project cost: \$2,850,000.

Proposed sources of financing: PFC revenue (\$2,850,000 - the amount requested by the City).

Terminal Development Concept Design	\$ 26,850,663
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This project provides for the preparation of design documents related to the modernization of the 35 year old Terminal 3. The project will provide the plans and specifications for the demolition of the current south concourse, the construction of a replacement south concourse and a centralized security check point to serve both north and south concourses. The project includes: evaluating the existing building condition; defining alternatives; developing the initial schematic design; and developing a construction management plan. The design will increase the number of gates in the south concourse from 6 to 15. The project will also include increased baggage claim capacity, additional TSA lanes, and enhancements to passenger signage.

The proposed terminal modernization will include three separate components:

- Component 1: Consolidation of terminal security checkpoints to facilitate the screening process between Terminal 3 and Terminal 4 concourses; remodel and expansion of service level space to create a new security checkpoint; separate ticketing and baggage claim areas; and curb side expansion.
- Component 2: Construction of a new 15-gate south concourse which is estimated at 30 percent of the project costs.
- Component 3: Modernization of the north concourse and the addition of a new concession node.

The existing Terminal 3 north and south concourses require renovations in order to meet airport operational needs and increase terminal capacity and enhance operational efficiency. The current layout of Terminal 3 includes separate security checkpoints for the north and south concourses leading to redundancy, inefficiency, and confusion in the passenger flow throughout the terminal. Passengers are unable to connect between flights in the north and south concourses without passing through security, which causes unnecessary passenger boarding delays. The existing airport terminal facilities currently handle approximately 39 million annual passengers (MAP). According to the TAF, demand is projected to increase to 50.6 MAP by 2023. The project is needed to increase terminal capacity to meet the projected demand. Completion of the design is a required first step in undertaking the modernization project that is needed to increase capacity.

Determinations:

Approved for collection and use.

PFC Objective: This project provides for the preparation of design documents related to the modernization of the 35 year old Terminal 3. The project will provide the plans and specifications for the demolition of the current south concourse, the construction of a replacement south concourse and a centralized security check point to serve both north and south concourses. In addition, this project will increase the number of gates from 6 to 15 in the new south concourse to meet current and future passenger demands. Thus, the project meets the PFC objective of enhancing capacity at PHX.

Basis for eligibility: Appendix N, paragraphs N-2, N-3, N-4, and N-5 of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as § 158.15(b)(6), "gates and related areas." Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be public spaces intended for non-revenue producing public use areas related to the movement of passengers and baggage within the confines of the terminal. For example, work related to the following components is not PFC eligible:

- Airport, airlines, and TSA offices and support space; and
- Concession support spaces

Ineligible portions of the project must be deducted from the approved PFC amount and funded locally. The FAA's findings with regard to eligibility are based on the detailed analysis of square footage and direct cost estimates of each work item dated December 15, 2014, as presented in Exhibit B-12.1 of the application. A detailed cost analysis shows that approximately 68 percent of the total project costs, \$39,502,328, are eligible for PFC funding. Taking into account this

cost data, the FAA agrees in general with the methodology presented for the PFC design fee costs associated with passengers and airlines public use areas. Based on the FAA's experience with construction of terminal improvements, these cost estimates appear reasonable for this type of project.

Estimated total project cost: \$39,502,328.

Proposed sources of financing: PFC revenue (\$26,850,663 - the amount requested by the City) and local funds (\$12,651,665).

15. Airport Compatible Land Reuse Plan \$2,000,000

This project provides for the update to the Airport Compatible Land Reuse Plan (ACLRP) for noise-impacted properties adjacent to PHX. The project will prepare plans and recommendations for the compatible land use of approximately 800 parcels north and west of PHX. The project will include both aeronautical and non-aeronautical reuse alternatives that can generate additional aviation revenue and potential economic benefits.

The City's existing ACLRP was completed in 2008. Additional noise-impacted properties were acquired through 2012. This ACLRP update is needed to provide alternatives for the reusing of acquired properties and meet the FAA current guidance pertaining to tracking, disposal, or reinvestment in approved noise impacted properties when the properties are no longer needed for airport purposes.

Determinations:

Approved for collection and use.

PFC objective: This project provides for the update to the 2008 ACLRP. The project will prepare plans and recommendations for the compatible land use of approximately 800 parcels north and west of PHX. The project will include both aeronautical and non-aeronautical reuse alternatives that can generate additional aviation revenue and potential economic benefits. Thus, the project meets the PFC objective of reducing noise impacts resulting from aircraft operations.

Basis for eligibility: Chapter 5, Paragraph 5-68 and Table 5-40 of FAA of Order 5100.38D, *AIP Handbook* (September 30, 2014).

Estimated total project cost: \$2,000,000.

Proposed sources of financing: PFC revenue (\$2,000,000 - the amount requested by the City).

Calculation of PFC Level

In 2000, the "Wendell H. Ford Aviation Investment and Reform Act for the 21st Century" (AIR-21), Pub. L. 106-181 (April 5, 2000), amended the PFC statute to establish additional eligibility requirements for projects to be funded with PFC levels above \$3.00. As a result, public agencies may be able to collect for certain projects at a \$1.00, \$2.00, or \$3.00 PFC level and others at a \$4.00 or \$4.50 PFC level. This is true here. The FAA determined that 12 of the proposed projects (for which the City requested to collect at the \$ 4.50 PFC level) met the requirements of 49 U.S.C. § 40117(b)(4) as implemented at 14 CFR § 158.17(b).

It is consistent with the PFC statute and regulation to apply a single PFC level to the entire application. The FAA notes that the \$4.50 authority established by AIR-21 represents a \$1.50 premium above the current authorized \$3.00 PFC base charge for an application. The \$1.50 premium can be authorized when a sufficient value of projects in the application can be shown to meet the criteria specified by 14 CFR § 158.17. Thus, on an application basis, the FAA may authorize a public agency to collect the \$1.50 premium over the \$3.00 base level until the total revenue collected through the PFC premium for that application equals the total value of the projects approved for premium collection status. Once that total value is collected, the public agency would no longer be authorized to collect the premium and would be required to reduce its PFC to \$3.00. As a practical matter, if, in the case of a \$4.50 PFC, the value of the premium projects equaled at least one-third (33 percent) of the total value of collection authority, the total premium value would not be collected before all outstanding PFC authority were collected and there would be no need to step down the PFC to the \$3.00 PFC level. Here, the FAA has determined that 62.50 percent of the total PFC value of the approved projects are collectible at \$4.50 and are a sufficient value of projects to permit authorizing the \$4.50 collection level for the entire application. The collection of the entire PFC stream at PHX will be reduced by several months. [See also FAA Order 5500.1, *Passenger Facility Charges*, August 9, 2001, paragraphs 10-16 through 10-22.]

Environmental Requirements

The projects approved in this decision for concurrent authority to impose and use the PFC were examined under the guidelines contained in FAA Order 1050.1E, *Environmental Impact: Policies and Procedures* (March 20, 2006) and FAA Order 5050.4B, *National Environmental Policy Act (NEPA) Implementing Instructions for Airport Actions* (April 28, 2006). In compliance with the National Environmental Policy Act of 1969, these projects were determined to be categorically excluded from the requirement for formal environmental review. There appear to be no extraordinary circumstances requiring further environmental review for the NEPA purposes.

Request Not to Require a Class or Classes of Carriers to Collect PFC's

The City requests that the following classes of air carriers be excluded from the requirement to collect PFC's: (1) *Nonscheduled/ on-demand air carriers filing FAA Form 1800-31*; (2) *Commuters or small certified air carriers filing U. S. Department of Transportation (DOT) Form T-100 with less than 7,500 enplanements each annually at PHX*; (3) *Large certified route air carriers filing DOT Form T-100 with less than 7,500 enplanements each annually at PHX*; and (4) *Foreign air carriers filing DOT Form T-100(f) with less than 7,500 enplanements each annually at PHX*.

Determination: Approved pursuant to 14 CFR § 158.11. Based on information contained in the City's application, the FAA has determined that each proposed class accounts for less than 1 percent of PHX's total annual enplanements. The City should confirm, on an annual basis using prior year enplanement data, that each approved class does not exceed 1 percent of the total enplanements at PHX. Upon completion of the annual review, should any approved class no longer meet the requirement for exclusion; the City must initiate collection of PFCs from this class of carriers.

Compliance with the Airport Noise and Capacity Act of 1990 (ANCA)

The FAA is not aware of any proposal at PHX which would be found to be in violation of the ANCA. The FAA herein provides notice to the City that a restriction on the operation of aircraft at PHX must comply with all applicable provisions of the ANCA and that failure to comply with the ANCA and 14 CFR Part 161 makes the City subject to provisions of Subpart F of that Part. Subpart F, "Failure to Comply With This Part," describes the procedures to terminate eligibility for AIP funds and authority to collect PFC revenues.

Compliance with Subsection 47107(b) Governing Use of Airport Revenue

As of the date of this approval the City of Phoenix has not been found to be in violation of 49 U.S.C. § 47107(b) or in violation of grant assurances made under 49 U.S.C. § 47107(b).

Compliance with Requirement to Submit a Competition Plan

By a letter dated March 17, 2004, the FAA has determined that the last competition plan submitted for Phoenix Sky Harbor International Airport is in accordance with 49 U.S.C. § 47106(f). Furthermore, as of the date of this approval, the City of Phoenix has met the requirement to submit a competition plan in accordance with § 158.29(a)(1)(viii). Therefore, a submission of a competition plan (or update) is not required for the current fiscal year.

Air Carrier Consultation and Public Notice Comments

The City received comments from four air carriers, Continental Airlines, Southwest Airlines, US Airways, and Alaska Airlines, during the air carrier consultation process. The City did not receive any comments in response to its public notice requesting comment on the proposed PFC application. The FAA considered all comments during its deliberations on the application.

Legal Authority

This decision is made under the authority of 49 U.S.C. § 40117, as amended. This decision constitutes a final order to approve, in whole or in part, the City of Phoenix's application to impose a PFC and use PFC revenue on 15 projects at PHX. Any party to this proceeding having a substantial interest may appeal this decision to the courts of appeals for the United States or the United States Court of Appeals for the District of Columbia upon petition, pursuant to 49 U.S.C. § 46110 filed within 60 days after issuance of this decision.

Concur



 Manager, Airports Division
 Western-Pacific Region

7/17/15

 Date

Nonconcur

 Manager, Airports Division
 Western-Pacific Region

 Date

 A copy of the signed document is in the files at the FAA Regional Office, AWP-600, as well as in the Phoenix Airports District Office, PHX-600.



**FAA
Airports**

Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 2/11/2015

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars

NUMBER	TITLE
70/7460-1K	Obstruction Marking and Lighting
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Change 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28D	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30C Change 1	Airport Winter Safety And Operations
150/5200-31C Changes 1-2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel

NUMBER	TITLE
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30H	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42G	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43G	Specification for Obstruction Lighting Equipment
150/5345-44J	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures
150/5345-46D	Specification for Runway and Taxiway Light Fixtures

THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 3/7/2014

NUMBER	TITLE
150/5100-14E	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17 Changes 1 - 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-9B	Predesign, Prebid, and Preconstruction Conferences for Airport Grant Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-6D	Construction Progress and Inspection Report – Airport Improvement Program (AIP)
150/5370-12A	Quality Control of Construction for Airport Grant Projects