The Federal Aviation Administration (FAA) supports the Nation’s aviation needs by providing Federal assistance through grants-in-aid to airports around the country. FAA grants include funds for airport development, planning, and noise compatibility programs. As a condition of receiving these funds, airports are bound by the Airport and Airway Improvement Act of 1982, as amended,¹ which imposes restrictions on how they may use airport revenues. Any other use is considered a revenue diversion and prohibited by law.²

Beginning in March 2020, the COVID-19 Relief statutes³ provided FAA with $20 billion—an increase of more than 600 percent over previous years⁴—to assist with economic relief caused by the health emergency. The unprecedented amount of disaster response funds appropriated to airports also significantly increased the opportunities for and the risk of revenue diversion.

Given the importance of promoting effective stewardship of taxpayer dollars used to support the Nation’s airports, we are initiating this audit. Our objective is to assess whether FAA’s oversight policies and procedures are sufficient to prevent or detect airport revenue diversion. In addressing this objective, we plan to

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¹ Codified in Title 49, U.S. Code, chapter 471.
² Federal regulations restrict use of airport revenue to capital and operating costs of the airport, the local airport system, or other facilities owned or operated by the airport owner/sponsor and directly related to the air transportation of passengers or property.
⁴ In each fiscal year since 2014, FAAs has obligated more than $3.18 billion via grants-in-aid to eligible airports.
determine if airport sponsors have diverted revenue from commercial service airports.

We plan to begin the audit later this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FAA Headquarters in Washington, DC, and select Regional Airport District and State offices responsible for monitoring airport revenue use. If you have any questions, please contact me at (202) 366-2140 or Marshall Jackson, Program Director, at (202) 366-4274.

cc: DOT Audit Liaison, M-1
    FAA Audit Liaison, AAE-100