




Memorandum

Date: December 21, 2023

Subject: INFORMATION: Audit Announcement | Impact of FAA's Risk Assessments of Infrastructure Investment and Jobs Act (IIJA)-Funded Airports on Grant Oversight
Project No. 24B3001A000
Federal Aviation Administration

From: Nelda Z. Smith 
Assistant Inspector General for Aviation Audits

To: Director, Audit and Evaluation, Federal Aviation Administration

The Infrastructure Investment and Jobs Act (IIJA)¹ provides \$20 billion over 5 years for two grant programs—Airport Infrastructure Grant (AIG) and Airport Terminal Program (ATP)—to address aging aviation infrastructure. The Federal Aviation Administration (FAA) is using its well-established Airport Improvement Program (AIP) policies and procedures, which includes the Agency's risk-based approach to grant oversight, to administer both grant programs. Under this approach, before providing an airport with funding, FAA must first verify that it has assigned a risk level to the airport sponsor and that the risk level is still current. However, AIG and ATP broaden the uses of funds beyond the purposes allowable under AIP,² which could introduce additional risks in implementing IIJA-funded projects.

Given the importance of accurately assessing risk and our IIJA oversight responsibilities, we are initiating this audit. Our audit objectives will be to assess (1) FAA's assignment of risk levels to IIJA grant recipients, and (2) the impact of the assigned risk levels on FAA's IIJA oversight efforts.

We plan to begin the audit in January 2024 and will contact your audit liaison to schedule an entrance conference. We will conduct our work with FAA Office of Airports, which is based in Washington, DC, and at selected FAA Regional and/or Airport District Offices (ADO). If you have any questions, please contact me or Jay Borwankar, Program Director.

Cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-001

¹ Public Law Number (Pub. L. No.) 117-58, November 15, 2021.

² AIP primarily funds airport development projects such as runways and taxiways. AIG and ATP can also fund certain projects eligible under the Passenger Facility Charge (PFC) program, such as construction of gates and related areas for passenger boarding that are not AIP-eligible for larger airports. Under the PFC program, airlines collect a fee of up to \$4.50 per ticket segment from passengers. This fee is then provided to airports to engage in projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.