FAA PLACES HOLD ON ALL BURBANK AIRPORT GRANTS PENDING REVIEW OF PAST FEDERAL GRANTS FOR TERMINAL SITE

Reconciliation Proposal from Airport Authority on Previous Grants Needs to Be Completed Before More Federal Money Can Flow – Home Insulation Program and Security Project Could Slow

BURBANK, Calif., May 19, 2003 — The Federal Aviation Administration has notified the Burbank-Glendale-Pasadena Airport Authority that all federal grant monies now under consideration for allocation to the Airport have been placed on hold until the FAA has completed its review of an Authority proposal to reconcile over $46 million in previous grants used to purchase land for a replacement terminal that has not been built.

The Authority was notified late last week by the Western-Pacific Region of the FAA that $10.2 million in pending grants were on hold, according to Executive Director Dios Marrero.

“The largest grant is for $4 million to continue the Airport’s Residential Acoustical Treatment Program, and this means we will not be able to put any contracts for home insulation out to bid after June,” Marrero said. There are 344 property owners on the waiting list for the program – funded 80% by federal grants – to install acoustical upgrades and central air
conditioning to shield their dwellings from aircraft noise. Another 300 owners have indicated firm interest and are beginning the formal agreement process to put their homes on the eligibility list, and that sign-up activity will halt until more funding is available.

Since the program began in 1997, 612 homes have been insulated, at costs averaging between $30,000 and $40,000 each. The program has also insulated four schools in Burbank and Los Angeles, starting in the early 1990s. In all, there has been $38 million in federal grants and $9 million in Authority funds allocated to the program.

Besides the $4 million in insulation grants, additional sums of $3.5 million for security projects and $2.7 million for other airport infrastructure are on hold.

The FAA action follows a May 2nd letter in which FAA Administrator Marion Blakey denied an Airport Authority request to delay demands for reimbursement of past grants used to buy land intended as the site for a replacement passenger terminal, citing the lack of firm plans or timetables to go forward with the project.

The Authority responded with a proposal last week to build safety improvement, security and noise abatement facilities on portions of the land purchased with federal grants as an alternative to selling the land to raise funds for a direct reimbursement. The hold on the grants must await an FAA decision on the proposal.

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