



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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PROCUREMENT, LOGISTICS,
AND READINESS DIVISION

March 18, 1983

B-207531

Mr. William F. Shea
Associate Administrator for Airports, ARP-1
Federal Aviation Administration

Dear Mr. Shea:

Subject: Followup of FAA's Monitoring of the
Actual Use of Federal Real Property
Conveyed to Non-Federal Recipients
(GAO/PLRD-83-59)

In 1978 we reported (LCD-78-332, Sept. 12, 1978) to the Secretary of Transportation and three other department and agency heads that a number of surplus properties conveyed to non-Federal recipients were not being used in compliance with the conditions of the conveyance. We recommended that the Secretary and the other department and agency heads improve the management of the surplus property conveyance program, including (1) taking actions to assure compliance with conveyance conditions and (2) reclaiming property and returning title to the Federal Government where conveyed property is being improperly used.

In 1980 we reported (LCD-80-84, Aug. 13, 1980) to the Secretary of Transportation about unauthorized uses of federally obligated land transferred to State and local agencies for public airport purposes. We recommended that the Secretary (1) determine the extent of improper and unauthorized uses of federally obligated airport land and (2) encourage airport sponsors to take corrective actions. Where improper use continued, we recommended that the Federal Aviation Administration (FAA) reclaim donated lands or obtain reimbursement or ensure proper reinvestment in other airport improvements where lands were purchased with grant assistance. Additionally, we recommended that FAA become more actively involved in controlling and administering the program of monitoring the uses of federally obligated land.

We have recently made inquiries of Department of Transportation and FAA officials as to the status of the properties discussed in the 1978 and 1980 reports. These officials advised us that the current status of the 52 airport properties discussed in the two reports are as follows:

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- Seven have been, or were being, reverted or have been recommended for reversion to the Federal Government.
- Recipients of two of the properties were granted relief from land use restrictions through special legislation.
- Four appear to still not be in compliance with use restrictions attached to conveyed property.
- Nine did not have current inspection reports or had reports containing incomplete information, so compliance status is uncertain.
- One was inaccurately reported to the Congress as having been returned to the Government.
- Twenty-six appear to have corrected problems cited in our earlier reports.
- Three cannot be classified as being or not being in compliance with use restrictions because sufficient information about their status was not available to us.

SCOPE

The objectives of this followup review were to determine actions taken on specific airport properties cited in our prior reports and the current compliance status of these airports. We met with headquarters program officials at the Department of Transportation and FAA and contacted program officials at selected FAA regional and district offices. During our contacts with headquarters officials, we discussed the current status of the compliance monitoring program and related events and activities since our reports. Basic program information and data was obtained on the overall program and, to the extent available, on specific properties covered in the reports. However, the officials stressed that, for the most part, program authority and responsibility have been delegated to FAA regional offices. Thus, headquarters officials are not always aware of compliance activities at the airports and such information may not be readily available to them.

At the regional and district offices, we inquired about actions taken on certain properties previously reviewed and the current airport compliance status regarding the use of real properties acquired through Federal assistance. These inquiries to regional and district offices were made by telephone

except for three properties in California where we concurred with FAA's request for written inquiries. We asked for, and were provided, copies of some documents used to manage the compliance program, such as leases and inspection reports.

At the conclusion of our followup, we discussed the information obtained from FAA field offices with FAA headquarters officials and their comments have been incorporated as appropriate.

PROPERTIES REVERTED TO U.S. GOVERNMENT

FAA officials informed us that about 2,000 acres of land at six airports have been, or are in the process of being, reverted to the Federal Government. Each of these airports was identified in our prior reviews as having land in excess of airport needs. In addition, FAA has recommended that another entire airport be reverted to the Federal Government because (1) the property has not been developed into a viable airport and there are no current plans for doing this, (2) the city's aeronautical needs can be served by neighboring communities, and (3) a considerable portion of the revenue received from the airport is being spent for nonaeronautical purposes. We were told that city officials are reluctant to return any of the property.

SPECIAL CONGRESSIONAL ACTION TO RELEASE USE RESTRICTIONS

Special legislation has been enacted to enable FAA to release specific airports from restrictions included in conveyance documents. We were told that two airports discussed in our 1980 report will thus be provided releases from statutory land use restrictions in the conveyance documents.

These release documents, signed by FAA, were awaiting the airports sponsors' signatures. As drafted by FAA, the release documents will enable the airport sponsors to lease or sell the property providing they receive a fair market value and use the proceeds for the development, improvement, operation, or maintenance of their airports. One of these cases involves approximately 1,177 acres of nonsurplus land that contains an extensive industrial park complex and other leases for nonaeronautical activities. Officials at Headquarters, FAA, advised us that they were unaware of the provisions in these release documents. The officials expressed concern over the release of the 1,177 acres, since this would include practically all the airport's facilities.

USE OF AIRPORT LANDS

FAA officials told us that some action has been taken on examples in our reports of airport lands used for nonaeronautical purposes. There have been some lease cancellations and revisions in lease terms to comply with FAA requirements.

In the documentation provided us by FAA regional offices, we noted some cases of continued questionable compliance with the requirements of FAA Order 5190.6. For example, at one airport, long-term leases continued to exist for nonaeronautical activities. At two other airports where leasing was occurring, the responsible FAA official said he was not aware of any written lease agreements. FAA procedures specify that none of the property is to be leased without written lease agreements and the written consent of FAA. At a fourth airport, which we reported in 1978 as having unauthorized activity on airport property, FAA records show the airport still is not in compliance. The airport sponsor does not agree that the activity is on land acquired from the Federal Government. FAA has asked the sponsor to have the property surveyed to determine whether former Federal land is involved. The airport sponsor has not responded to the request. The unauthorized activity continues and it still does not appear on the airport layout plan, a record showing land uses at the airport. (See enc. I)

FAA COMPLIANCE INSPECTIONS

Compliance inspections were not being conducted frequently enough and were not always being conducted according to the requirements prescribed in FAA Order 5190.6.

While our review of compliance inspection reports and discussions with FAA officials indicated only one of the airports included in our followup was in noncompliance, many of the site visit and inspection reports were over 5 years old. At least six were over 10 years old. Without more current information, it would be difficult for FAA to accurately assess how land is being used and to effectively manage its land use compliance program.

FAA's compliance program requires FAA to periodically review income and expenditure records to confirm that revenues derived from nonaviation purposes are applied to airport operation and development. In three regions we noted airports where limited or no financial reviews were being conducted.

In addition, we were told that compliance inspections and determinations were not always based on site visits and were not always conducted by personnel who had all the information

they needed. One compliance official said he was primarily concerned about flight operations safety. He said he knew little about accounting and did not have all the financial reports from the airport sponsors. Thus, it would be difficult for him to complete a full compliance inspection which includes knowing the type of land and how the land is being used, as well as reviewing financial arrangements. (See enc. II)

INCORRECTLY REPORTED REVERSION

As required by section 236 of the Legislative Reorganization Act of 1970, FAA responded to our 1980 report and said that several airport properties identified in that report had reverted to Federal ownership. However, we were told by the responsible airport district official that no reversion of land had occurred at one of those airports and none is expected.

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As a result of our prior reports, some airport properties have been returned to the Federal Government. Special legislation has released some airport properties from the use restrictions and conditions that existed when we last reviewed the properties.

Since our followup was limited to making inquiries as to the status of some of the cases in our previous reports, we do not, at this time, have any overall conclusions about the current effectiveness of this program within FAA. However, we found instances where either properties may continue to not be in compliance with FAA's requirements or current inspections were not made to determine whether properties were in compliance. We believe that these conditions indicate that additional emphasis still needs to be given to the monitoring of the actual use of properties conveyed to non-Federal recipients. We would appreciate your advising us on the actions you plan to take on the matters discussed above.

Sincerely yours,



James G. Mitchell
Associate Director

Enclosures - 2

USE NOT IN COMPLINACE
WITH CONVEYANCE AGREEMENTS

Information obtained from FAA regional officials indicates that the use being made of conveyed properties at airports at the following locations may be in violation of conveyance agreements:

--Minneapolis/St. Paul, Minnesota

--Campbell, Kansas

--Truth or Consequences, New Mexico

The following airport has been found in non-compliance by FAA because unauthorized uses are being made of airport property. However, the airport sponsor disputes the FAA determination and the unauthorized activity continues.

--East Tawas, Michigan

PROPERTIES FOR WHICH
COMPLIANCE INSPECTION REPORTS
WERE OUTDATED OR INCOMPLETE

FAA regional officials gave us information indicating that inspection reports for airports at the following locations are either old or incomplete, thereby casting doubt about whether the properties are in compliance with use restrictions:

- Butte Valley, California
- Alpine County, California
- Tulelake, California
- Beatty, Nevada
- Gabbs, Nevada
- Pioche, Nevada
- Fallon, Nevada
- Hawthorne, Nevada
- Las Vegas, Nevada