block grants available under the Airport and Airway Improvement Act of 1982, as amended.

- (b) This part sets forth-
- (1) The procedures by which a State may apply to participate in the State block grant pilot program;
- (2) The program administration requirements for a participating State;
- (3) The program responsibilities for a participating State; and
- (4) The enforcement responsibilities of a participating State.

#### § 156.2 Letters of interest.

- (a) Any state that desires to participate in the State block grant pilot program shall submit a letter of interest, by November 30, 1988, to the Associate Administrator for Airports, Federal Aviation Administration, 800 Independence Avenue SW., Room 1000E, Washington, DC 20591.
- (b) A State's letter of interest shall contain the name, title, address, and telephone number of the individual who will serve as the liaison with the Administrator regarding the State block grant pilot program.
- (c) The FAA will provide an application form and program guidance material to each State that submits a letter of interest to the Associate Administrator for Airports.

## $\S 156.3$ Application and grant process.

- (a) A State desiring to participate shall submit a completed application to the Associate Administrator for Airports.
- (b) After review of the applications submitted by the States, the Administrator shall select three States for participation in the State block grant pilot program.
- (c) The Administrator shall issue a written grant offer that sets forth the terms and conditions of the State block grant agreement to each selected State.
- (d) A State's participation in the State block grant pilot program begins when a State accepts the Administrator's written grant offer in writing and within any time limit specified by the Administrator. The State shall certify, in its written acceptance, that the acceptance complies with all applicable Federal and State law, that the accept-

ance constitutes a legal and binding obligation of the State, and that the State has the authority to carry out all the terms and conditions of the written grant offer.

### §156.4 Airport and project eligibility.

- (a) A participating State shall use monies distributed pursuant to a State block grant agreement for airport development and airport planning, for airport noise compatibility planning, or to carry out airport noise compatibility programs, in accordance with the Airport and Airway Improvement Act of 1982, as amended.
- (b) A participating State shall administer the airport development and airport planning projects for airports within the State.
- (c) A participating State shall not use any monies distributed pursuant to a State block grant agreement for integrated airport system planning, projects related to any primary airport, or any airports—
- (1) Outside the State's boundaries; or (2) Inside the State's boundaries that are not included in the National Plan of Integrated Airport Systems.

# §156.5 Project cost allowability.

- (a) A participating State shall not use State block grant funds for reimbursement of project costs that would not be eligible for reimbursement under a project grant administered by the FAA.
- (b) A participating State shall not use State block grant funds for reimbursement or funding of administrative costs incurred by the State pursuant to the State block grant program.

#### § 156.6 State program responsibilities.

- (a) A participating State shall comply with the terms of the State block grant agreement.
- (b) A participating State shall ensure that each person or entity, to which the State distributes funds received pursuant to the State block grant pilot program, complies with any terms that the State block grant agreement requires to be imposed on a recipient for airport projects funded pursuant to the State block grant pilot program.
- (c) Unless otherwise agreed by a participating State and the Administrator