

Supplemental Justification
Passenger Facility Charge (PFC) Application
OMB Clearance 2120-0557

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

49 U.S.C. 40117 authorizes airports to impose passenger facility charges (PFC). The final rule (14 CFR 158) implementing this Act was effective June 28, 1991.

This program requires public agencies and certain members of the aviation industry to prepare and submit applications and reports to the DOT/FAA. This program provides additional funding for airport development which is needed now and in the future.

The information collected from this form allows the FAA to approve the collection of PFC revenue for projects which preserve or enhance safety, security, or capacity of the national air transportation system; or which reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among air carriers. These projects meet the DOT strategic goals of safety, mobility, human and natural environment, and national security.

- 2. Indicate how, by whom, and for what purpose the information is to be used.**

The DOT/FAA will use any information submitted in response to this program to carry out the intent of 49 U.S.C. 40117. Without this information, the Secretary/Administrator cannot carry out the specific legislative directives contained in the statute. The collection of information will be required by three groups - air carriers, public agencies, and FAA.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

The application form is available electronically and the FAA is working to provide for electronic submission of applications. The FAA has deployed a web-based database that allows public agencies to enter the quarterly report collection and disbursement information into the FAA's database on the internet. This eliminates the requirement for the public agency to submit a paper copy to the FAA and the FAA no longer is required to enter this information into a separate database. The database is able to then track

the public agency's PFC program, ensuring the program is in compliance with requirements and aid in the management of the program.

The next phase of this database is being designed to allow air carriers to upload quarterly report information. When this is accomplished, the requirement for air carriers and public agencies participating in the database to submit paper copies of quarterly reports to each other and the FAA will be eliminated.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.

No other similar program currently exists.

5. If the collection of information has a significant impact on a substantial number of small businesses or other small entities (item 5 of OMB Form 83-I), describe the methods used to minimize burden.

Public agencies are able to request that certain classes of carriers not collect PFC's (Section 158.11). This could reduce the burden on small carriers. In addition, Section 158.69, Recordkeeping and Auditing, relieves carriers collecting less than 50,000 PFC's annually from providing an audit of their PFC account.

There will be some small business involvement (air taxi operators). However, the burden associated with them would be kept to a minimum and in proportion to the size of their business.

Vision 100—Century of Aviation Reauthorization Act (Vision 100) revised Part 158, implementing a 3-year non-hub pilot program (NHPP) and related streamlining provisions (Section 158.30). The NHPP allows non-hub airports (commercial service airport that has less than 0.05 percent of the passenger boardings in the U.S.) to file a notice of intent to charge a PFC. The pilot program does not require the non-hub airports to provide as much information in its notice of intent to collect as in a PFC application.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The intent of the statute for DOT/FAA program oversight could not be accomplished. DOT/FAA will keep the frequency of burden on respondents to a

minimum. The public agencies and carriers must report to the FAA quarterly, yearly and with each application action.

7. **Explain any special circumstances that require the collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2)(i)-(viii).**

This information is collected in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2)(i)-(viii).

8. **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.**

A notice was published in the Federal Register on October 16, 2009, vol. 74, no. 199, page 53312 to allow 60 days for comment. No comments were received. A copy of the notice is attached for your convenience.

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There are no payments or gifts to respondents

10. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

No assurance of confidentiality is given.

11. **Provide additional justification for any questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No personal information is collected.

12. Provide estimates of the hour burden for the collection of information.

FAR Part 158 recordkeeping/reporting requirements affect two groups of respondents - air carriers and public agencies. There are 450 respondents who will respond an estimated 2,400 times annually. It should be noted that air carriers have been collecting, keeping records and reporting on other aviation related fees (passenger tax, customs user fees, international transportation tax and immigration user fees) for many years. As a result, various sophisticated manual and computer systems are currently in place that were modified to implement the PFC program.

Specific requirements are prescribed by the following:

Section 158.25. Paragraph (b) requires public agencies to submit an application for approval of PFC (FAA Form 5500-1, Passenger Facility Charge (PFC) Application). Time to prepare the application could range from 5-80 hours or more depending on the complexity of the project(s). Approximately 55 applications per year at 50-hour rate = 2,750 hours x \$25 per hour = \$68,750.

Paragraph (b) requires information in addition to that required in paragraph (b) if public agencies apply for advance collection of PFC's. Time to prepare this additional information is included in the hours estimated above for paragraph (b).

Paragraph (c) requires information in addition to that required in paragraph (b) if the public agency applies for project approval. That information includes, among other items, completed written actions such as an Airport Layout Plan, airspace determination, and environmental assessment. This information is already required of public agencies under the AIP which is covered under OMB Clearance No. 2105-0520. Uniform Administrative Requirements for Grants and Operative Agreements, and the burden is included in that clearance.

Section 158.30 allows non-hub public agencies to submit an application for approval of PFC (FAA Form 5500-1, Passenger Facility Charge (PFC) Application). Time to prepare the application could range from 5-40 hours or more depending on the complexity of the projects(s). Approximately 55 notices of intent per year at 25-hour rate = 1,375 hours x \$25 per hour = \$34,375.

Paragraph (b) requires information in addition to that required in paragraph (a) if public agencies apply for advance collection of PFC's. Time to prepare this additional information is included in the hours estimated above for paragraph (a).

Paragraph (c) also requires information in addition to that required in paragraph (b) if the public agency applies for project approval. That information includes, among other items, completed written actions such as an Airport Layout Plan, airspace determination, and environmental assessment. This information is already required of

public agencies under the AIP which is covered under OMB Clearance No. 2105-0520. Uniform Administrative Requirements for Grants and Operative Agreements, and the burden is included in that clearance.

Section 158.35 requires public agencies to submit written requests for extension of time to submit an application to use PFC revenue. Approximately 1 request per year at 10-hour rate = 10 hours x \$25 per hour = \$250.

Section 158.37 requires public agencies to submit written requests for amendment of approved PFC's. Approximately 250 requests per year at 16-hour rate = 4,000 hours x \$25 per hour = \$100,000.

Section 158.43 requires public agencies to provide air carriers with a generic written notification of the requirement to collect the PFC from passengers enplaned by such carrier at the airport. There will be a great variance in the number of air carriers serving each public agency (could vary from 1-80). Approximately 100 notifications per year at 2-hour rate = 200 hours x \$25 per hour = \$5,000.

Section 158.49 requires a covered air carrier segregate PFC revenue in a designated separate PFC account. At least once every business day, the covered air carrier must transfer all PFC revenue into the new PFC account. Approximately 3 air carriers qualify as covered per year at a 168-hour rate = 504 hours x \$25 per hour = \$12,600.

Section 158.63. Paragraph (a) requires each public agency to provide quarterly reports to carriers collecting PFC's for the public agency of PFC revenue, interest, expenses and current project schedule. Approximately 1,200 reports per year at 8-hour rate = 9,600 hours x \$25 per hour = \$240,000.

Paragraph (c) requires public agencies of large and medium hub airports which are receiving PFC revenues, to provide FAA by July 30 of each year an estimate of PFC revenues to be collected in the ensuing fiscal year. Approximately 63 reports per year at 2-hour rate = 126 hours x \$25 per hour = \$3,150.

Section 158.65 requires air carriers which collect PFC's to provide public agencies with quarterly reports providing an accounting of funds collected and disbursed. Approximately 600 reports per year at 2-hour rate = 1,200 hours x \$25 per hour = \$30,000.

Paragraph (b) requires a covered air carrier submit a PFC account statement to be prepared for the FAA's review of its account balance and actions during the previous month. Approximately 36 reports per year at 240-hour rate = 8,640 hours x \$25 per hour = \$216,000.

Section 158.67. Paragraph (b) requires each public agency to maintain a separate accounting record for each application which identifies PFC revenues received

from air carriers and the amounts expended upon each project; paragraph (c) requires each public agency to provide an independent audit at least annually of each project contained in an application upon request, to each air carrier that disbursed PFC's and to FAA. (The regulation allows the public agency to include the PFC audit within the annual audit for the AIP program and this calculation assumes most public agencies will take advantage of this option. The calculation of the AIP audit burden is covered under OMB Clearance No: 2105-0520, Uniform Administrative Requirements for Grants and Operative Agreements.)

For those audits not contained in the AIP program, the burden is estimated to be approximately 310 accounting records per year at 2-hour rate = 620 hours of recordkeeping x \$25 per hour = \$15,500 in (a). Approximately 20 audits per year at 40-hour rate = 800 hours of reports x \$200 per hour = \$160,000(b)

Section 158.69. Paragraph (a) requires issuing air carriers to maintain an accounting record for each public agency for which it collects a PFC; paragraph (b) requires issuing air carriers to provide an independent audit of PFC accounts annually upon request to each public agency. Approximately 300 accounting records per year at 2-hour rate = 600 hours of recordkeeping in (a). Approximately 50 audits per year at 40-hour rate = 2,000 hours of reports x \$200 per hour = 400,000 in (b).

The total reporting burden is 22,805 hours. The total recordkeeping burden is 1,220 hours. A summary of the sections is listed below.

SUMMARY

<u>Section</u>	<u>Burden Hours</u>	<u>Cost Estimate</u>
158.25	2,750	\$ 68,750
158.30	1,375	34,375
158.35	10	250
158.37	4,000	100,000
158.43	200	5,000
158.49	504	12,600
158.63	9,726	243,150
158.65	1,440	246,000
158.67	800	160,000
158.69	<u>2,000</u>	<u>400,000</u>
TOTAL	22,805	\$1,270,125
<u>Recordkeeping Hours</u>		
158.67	620	
158.69	<u>600</u>	
TOTAL	1,220	

Total combined burden hours = 24,025.

13. **Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no additional costs not already included in question 12.

14. **Provide estimates of annualized cost to the Federal Government.**

The total estimated annual cost to the Federal Government is \$1,630,528. The cost was determined as follows:

Section 158.27 will require extensive FAA coordination, review, and approvals, determinations of Airport Layout Plans, airspace actions, and environmental assessments in conjunction with the submittal of applications by public agencies. Such activities are estimated to entail 10 hours per proposed public agency's application per year of an airport planner/ specialists time at an average pay per hour of \$32 (varying amounts of time spent by GS-13 and GS-14 employees). Approximately 55 reviews/approvals per year at 10-hour rate = 550 hours x \$32 per hour = \$17,600.

Paragraph (c)(1) and (2) and (d)(1) require the Administrator to advise the public agency by letter that its application is substantially complete/incomplete. The FAA will publish a notice in the Federal Register for any application containing projects with significant issues or public controversy. Time to review the application, prepare the letter and publish the notice, as necessary is estimated to take 76 hours per proposed public agency's application per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13 and GS-14 employees). Approximately 55 application reviews, letter preparations and notices per year at 76-hour rate = 4,180 hours x \$34 = \$142,120.

Section 158.29 requires the Administrator to issue a final decision approving or disapproving the application. Preparation and coordination of the final decision letter and Final Agency Decision is estimated to take 80 hours per application per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, 14 and 15 employees). Approximately 55 decision letters per year at 80-hour rate = 4,400 hours x \$34 = \$149,600.

Section 158.30. Paragraph (d) requires the FAA determine that the amount and duration of collection will not result in revenue that exceeds the amount necessary; that the projects meet the requirements of §158.15; each project at a PFC level above \$3.00 meets the requirements of §158.17(a)(2) and (3); and coordinate, review, and approval determinations of Airport Layout Plans, airspace actions, and environmental assessments in conjunction with the submittal of applications by public agencies. Such activities are estimated to entail 10 hours per proposed public agency's application per year of an airport planner/ specialists time at an average pay per hour of \$34 (varying amounts of time spent by GS-13 and GS-14 employees). Approximately 55 reviews/approvals per year at 10-hour rate = 550 hours x \$34 per hour = \$18,700.

Paragraph (e) requires the FAA to issue a written acknowledgment of the public agency's notice. Preparation and coordination of the notice of intent is estimated to take 15 hours per application per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, 14 and 15 employees). Approximately 55 decision letters per year at 15-hour rate = 825 hours x \$34 = \$28,050.

Section 158.35. Paragraph (b) requires the Administrator to review requests from public agencies for extensions of time to impose PFC's before using PFC revenue. The time for this review is estimated to take 40 hours per request per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, 14, and 15 employees). Approximately 1 extension request per year at 40-hour rate = 40 hours x \$34 per hour = \$1,360.

Section 158.37. Paragraph (b)(1) and (2) requires the Administrator to review and approve amendment requests with or without public notice and opportunity for comment prior to approving or disapproving amendments. The time for these actions is

estimated to take 20 hours per amendment per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13 and 14 employees). Approximately 250 amendments per year at 20-hour rate = 5,000 hours x 34 per hour = \$170,000.

Section 158.71. Paragraph (a) authorizes the Administrator to audit/review use of PFC revenues by a public agency. Such audit/review is estimated to take 80 hours per year per public agency of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, and 14 employees). Approximately 50 audits/reviews per year at 80-hour rate = 4,000 hours x \$34 per hour = \$136,000.

Paragraph (b) authorizes the Administrator to audit/review use of PFC collection and remittance by an air carrier. Such audit/review is estimated to take 80 hours per year per air carrier of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, and 14 employees). Approximately 5 audits/reviews per year at 80-hour rate = 4,000 hours x \$34 per hour = \$136,000.

Section 158.83-87. These sections authorize the Administrator to terminate the authority to impose a PFC and to reduce Airport Improvement Program (AIP) funds. This includes meetings, informal resolution, publishing a notice of termination, public hearing and a finding in the Federal Register, and notifying all air carriers operating at the airport. Such termination is estimated to take 160 hours per year per termination of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13, 14, and 15 employees). (This time would include the informal resolution process outlined in Section 158.83 and the reduction of grant funds specified in Section 158.87). Approximately 1 termination per year at 160-hour rate = 160 hours x \$34 per hour = \$5,440.

Section 158.91-95 requires the FAA to track and calculation of the reduction in AIP apportionments of approximately 71 public agencies. Such oversight is estimated to take 4 hours per public agency per year of an airport specialist/manager's time at an average pay per hour of \$34 (varying amounts of time spent by GS-13 and 14 employees). Approximately 71 separate recordkeeping systems will be maintained per year at 4-hour rate = 284 hours x \$34 = \$9,656.

Other Federal Burden. It is estimated that in addition to the above requirements there will be a Federal burden associated with administrative functions to generally oversee the entire PFC program; i.e. monitoring, recordkeeping, training of FAA/public agency employees. Such additional oversight is estimated to entail 80 hours per approved PFC location per year of an airport specialist/manager's time (varying amounts of time spent by GS-13, 14, and 15 employees). Oversight of approximately 300 approved locations per year at 80-hour rate = 24,000 hours x \$34 = \$816,000.

15. Explain the reasons for any program changes of adjustments reported in items 13 or 14 of the OMB Form 83-I.

There have been no changes since the previous submission.

16. **For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

There are no publications issued.

17. **If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

FAA Form 5500-1 is a recurring, nonchanging form that is posted on the FAA internet site for continuous use. It is not necessary for this form to be reprinted and stocked. Unused, dated stock may be destroyed.

18. **Explain each exception to the certification statement identified in item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to this certification.

Attachments:

1. Supporting Statement
2. 30 Day Notice
3. 60 Day Notice
4. FAA Form 5500-1
5. 49 USC 40117
6. 14 CFR 158