

ORDER

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

2500.33A

5/15/69

SUBJ: FURNISHING SERVICES AT FAA ACTIVITIES OUTSIDE THE 48 CONTIGUOUS STATES

1. PURPOSE. This order establishes agency policy and procedures covering the furnishing or sale of subsistence, domestic, commissary, aeronautical, and related services including medical, at FAA activities outside the 48 contiguous states.
- * 2. CANCELLATION. Order 2500.33, Furnishing Services at FAA Activities Outside the 48 Contiguous States, is cancelled. *
3. BACKGROUND. Dual authority exists for the conduct of some of the activities discussed in this order. Pertinent provisions of these authorities are:
 - a. Section 10 of Public Law 647, 80th Congress (62 Stat. 450), authorizes the Administrator to:
 - (1) Provide, administer and maintain air navigation facilities and services outside the continental limits of the United States, including foreign territory.
 - (2) Operate airports and provide all supporting services, such as the sale of fuel, oil, equipment, food and supplies, hotel accommodations, and other facilities and services for the operation and maintenance of these properties.
 - (3) Provide services through contracts with private enterprise or directly by the FAA.
 - (4) Make just and reasonable charges for aeronautical services.
 - b. Section 9(1) of Public Law 670, 89th Congress (80 Stat. 931) authorizes the Secretary of the Department of Transportation to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

Distribution: ZBU-323; RACD (3 cys ea);
CACD (3 cys); HQ-200 (3 cys)

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- (1) Emergency medical services and supplies.
- (2) Food and other subsistence supplies.
- (3) Messing facilities.
- (4) Motion picture equipment and film for training, etc.
- (5) Reimbursement to employees for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons.
- (6) Living and working quarters and facilities.

4. POLICY.

- a. Public Law 80-647 Activities. It is agency policy to conduct these activities, wherever possible, through contract or concessionaires. If this is not practicable, FAA may conduct them directly.
- b. Commissary, Messing and Domestic Services. Where required, it is agency policy to provide these services directly. However, messing facilities may be provided by contract under authority of Public Laws 81-390 and 89-670.

5. FUNDING PROCEDURES.

- a. Public Law 80-647 Activities.

* (1) General. Activities of a recurring nature, that fall within the scope of Section 10 of Public Law 80-647 in the States of Alaska and Hawaii and in territories and possessions of the United States outside the 48 contiguous states, are generally financed with appropriated funds. Exceptions to this policy cover (a) emergency projects where the nature of the requirement will not permit the delay encountered under normal budgetary procedures, and (b) projects not budgeted for because of their non-recurring nature or unpredictable scope. *

(2) Emergency Projects.

- (a) Costs of emergency projects that cannot await normal budgetary authorization may be financed initially from appropriated funds with subsequent reimbursement from revenue accrued under Public Law 80-647.
- (b) Where practicable, emergency projects shall be authorized by the Washington Office of Budget prior to commencement of work.

- (3) Fiscal Programs. Normally, funding and manpower authorizations for Public Law 80-647 activities are included in the direct fiscal programs for the functions involved (e.g., operation and maintenance of airfields where landing and parking fees are collected); therefore, separate fiscal programs will not usually be issued. Reimbursable programs may be issued to cover emergency projects and projects not budgeted and approved in direct appropriations (e.g., relocation of state or municipally-owned electronic receiving and transmitting equipment). When an FAA organization desires to credit the funding appropriation with Public Law 80-647 revenues for projects or activities not contained in direct programs and make the revenues available for obligation, a request to accomplish this shall be submitted to the Office of Budget with full justification, including a statement to substantiate the fact that the project or activity has not been provided for in FAA direct programs. *

- b. Commissary, Messing and Domestic Services. Insofar as possible, commissary activities are funded from receipts obtained through the resale of subsistence supplies; and messing and domestic services are financed from collections received for these services.

6. USE OF REVENUES.

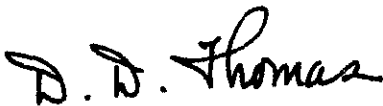
- * a. Public Law 80-647 Activities. Revenues from Public Law 80-647 activities, for which funding was not provided in direct appropriations, shall be credited to the appropriation which bore the cost (normally the Operations appropriation), with the balance, if any, credited to miscellaneous receipts. Amounts credited to the appropriation shall not be made available for obligation without prior approval of the Office of Budget. Revenues from Public Law 80-647 activities which are conducted with direct appropriated funds shall be deposited to miscellaneous receipt accounts. *
- b. Commissary, Messing and Domestic Services. Proceeds from sales of commissary supplies and collections from messing and domestic services shall be applied to the cost of these programs. If amounts received from sales and collections do not equal the cost, the difference shall be financed by appropriated funds.

7. ESTABLISHMENT OF RATES.

- a. Regional directors are delegated authority to prescribe fees to be charged for use of facilities or services provided; except, where fees have been established by the Administrator and published in the Federal Register (e.g., landing and parking fees), or as may be required by other agency directives.

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- b. As a general policy, regional directors shall establish rates that will reimburse the Government for the cost of supplies, services and facilities, including estimated interest and depreciation. Directors may deviate from this general rate-fixing policy when, in their judgment, adherence to the policy would result in unreasonable charges to employees or lessees and other elements of the general public who are required to pay for facilities or services; and when such deviation does not violate other existing agency directives.
- c. Services supplied to other Federal agencies, under the public law authorities referenced in this order, shall be on a reimbursable basis with the charges based on recoupment of all direct FAA costs including overhead and such other costs as may be prescribed by the Office of Budget.
- d. Regional directors are responsible for insuring a continuous surveillance of all rates and for adjusting or making recommendations for adjustments of these rates as considered necessary. Copies of revised rate schedules shall be forwarded to the Office of Budget in those instances where rate adjustments are made within delegated authority. In the case of new or adjusted rates which require the Administrator's approval and are published in the Federal Register, regional directors are responsible for initiating and submitting to the Administrator recommendations for changes.



D. D. Thomas
Deputy Administrator