



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: PFC Update, PFC-38-02

Date: December 18, 2001

From: Manager, Airports Financial
Assistance Division, APP-500

Reply to: Joe Hebert, APP-530
Attn. of:

To: All Regional Airports Division Managers
and AMA-620
Attention: PFC Contacts

PFC-38-02. Temporary Emergency Authority To Use Unliquidated PFC Revenue For Interest Bearing Loans to Fund Other Airport Expenses – Extension of

Application Deadline. On October 5, 2001, the FAA issued PFC-35-02, Temporary Emergency Authority To Use Unliquidated PFC Revenue For Interest Bearing Loans to Fund Other Airport Expenses, permitting public agencies, on a limited emergency basis, to use unliquidated PFC revenue on deposit in airport capital accounts pursuant to 14 C.F.R. § 158.67(a), for interest bearing loans to cover other airport expenses. The authority was granted to assist public agencies in responding to short-term cash flow disruptions resulting from the recent terrorist attacks. In order for a public agency to use this authority, it must apply to the FAA in writing, and the FAA must approve the application in writing before the authority becomes effective.

In PFC-35-02, the FAA required that requests for the emergency authority be submitted to it by December 31, 2001. The FAA has been contacted informally by various public agencies contemplating applications for this authority. These public agencies have indicated that the December 31 deadline did not allow for the full assessment of the impacts of the emergency situation within the public agencies' fiscal planning cycle. Accordingly, the FAA has decided to extend this deadline to March 31, 2002.

All other provisions and conditions for the emergency authority noted in PFC-35-02 remain in effect. Nothing in this or the PFC-35-02 memorandums relieves a public agency from its responsibility to meet the requirements of the PFC regulation or statute.

Failure to comply with the terms of approved PFC borrowing authority could lead to enforcement actions by the FAA under the PFC regulation. Please refer any questions from public agencies about the above authority and conditions to APP-530.

Original signed by

Barry L. Molar