



Federal Aviation Administration

Memorandum

Date: February 4, 2009

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

From: Manager, Financial Analysis and Passenger Facility Charge Branch, APP-510

Prepared by: Sheryl Scarborough, Management and Program Analyst, APP-510

Subject: PFC Update, PFC 57-09

PFC 09-57.1. Annual request for PFC collections data. Once again, it is approaching that time to report annual PFC collections to Congress and others. The quarterly reports for the fourth quarter of CY 2008 were due to be input in SOAR by January 31, 2009. As of 7 AM on February 4, numerous airports are missing, at a minimum, their 4th quarter collections amounts. This data must be input into SOAR no later than midnight on February 14, 2009 in order to meet the FAA's reporting requirements. Attachment 1 is a listing by region of airports with missing collections data. The number in the "missing quarters" column refers to the particular calendar quarter that is lacking. If the column indicates "missing all", there has been no collections data input for that location for calendar year 2008.

If you have questions about this request for data, please contact Sheryl Scarborough at 202-267-8825.

PFC 09-57.2. Interest earned on PFC collections. APP-510 has recently received a few inquiries regarding the fact that SOAR will not allow a public agency to input negative interest on the revenue page.

Section 158.67(a) requires that public agencies keep any unliquidated PFC revenue on deposit in an interest bearing account or in other interest bearing instruments used by the public agency's airport capital fund. "Unliquidated PF revenue" is defined in §158.3 as PFC revenue received by the public agency but not yet used on approved projects. Furthermore, the discussion of §158.67 in the preamble to the original rule states that "[W]hile a segregated PFC account is not required by the rule, an amount equal to the PFC revenue remitted by carriers and any interest earned must be retained in an airport's capital account until used on an approved project."

It is the public agency's responsibility to invest their unliquidated PFC revenue in an interest bearing account. Some public agencies choose to deposit their unliquidated PFC revenue in a high interest bearing account. These types of accounts have certain risks associated with them. The public agency is not encouraged to invest in these types of investment accounts and the FAA should be cautioning public agencies that, by depositing their unliquidated PFC revenue in such accounts, they must also accept the risk associated with these investments. The FAA will not approve the collection of additional PFCs to recover a public agency's losses due to bad investments. Therefore, the interest earned column on the revenue page in SOAR must be either zero (if there is no unliquidated PFC revenue in the account) or a positive amount.

As soon as a public agency notices that the PFC account is earning "negative interest," the public agency should move that revenue to a different form of investment even if that investment is low yield, such as a savings account. The public agency is responsible for making the PFC account whole (using other public agency revenues) from any "negative interest charges."

If you have any questions on this item, please contact Jane Johnson at (202) 267-5878 or Sheryl Scarborough at (202) 267-8825.

Original signed by Joe Hebert

Joe Hebert

Attachment