

**CHANGE**

**U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION**

ORDER  
2500.36N  
CHG 5

National Policy

Effective Date:  
11/18/13

**SUBJ:** Application of Flight-Hour Rates

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- 1. Purpose:** To update flight-hour rates for Hangar 6
- 2. Who this change affects:** This order is distributed to organizations involved in the formulation of budget/program estimates, formulation of cost comparison rates, administration of fiscal programs, utilization of agency resources, and in accounting and financial reporting as contained in the ZBU-323 distribution list.
- 3. Description of change:** This revision moves reimbursement rates for Hangar 6 from Appendix 1, which contains rates for all other flight programs, to Appendix 2, which contains rates for Hangar 6 only. This revision also updates the rates charged by Hangar 6 to reflect cost and flight hour data from FY2010-11.
- 4. Disposition of Transmittal.** Retain this transmittal with the base directive after you insert the changed pages.

**PAGE CHANGE CONTROL CHART**

<b>Remove Pages</b>	<b>Dated</b>	<b>Insert Pages</b>	<b>Dated</b>
<b>Appendix 1</b>	<b>07/17/08</b>	<b>Appendix 1</b>	<b>11/18/13</b>
		<b>Appendix 2</b>	<b>11/18/13</b>



Victoria Wassmer  
Assistant Administrator  
for Finance and Management, AFN-1

**CHANGE**

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

ORDER  
2500.36N  
CHG 4

National Policy

Effective Date:  
07/17/08

**SUBJ:** Application of Flight-Hour Rates

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- 1. Purpose.** This change revises Appendix 1, Reimbursable Flight-hour Rate Table.
- 2. Who this change affects.** This order is distributed to organizations involved in the formulation of budget/program estimates, formulation of cost comparison rates, administration of fiscal programs, utilization of agency resources, and in accounting and financial reporting as contained in the ZBU-323 distribution list.
- 3. Disposition of Transmittal Paragraph.** This revision updates Appendix 1, Reimbursable Flight-Hour Rate Table, to include reimbursement rates for Flight Inspection aircraft. This revision is to adjust the reimbursable rates to reflect inflation from 2003 to 2007, where applicable. This revision also reflects the aircraft that are currently being used for flight inspection activity.

**PAGE CHANGE CONTROL CHART**

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APPENDIX 1	12/31/02	APPENDIX 1	7/17/08



**Ramesh K. Punwani**  
Assistant Administrator for Financial Services  
and Chief Financial Officer, ABA-1

**CHANGE**

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

2500.36N CHG. 3

3/4/03

**SUBJ: APPLICATION OF FLIGHT-HOUR RATES**

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- PURPOSE.** This change revises Appendix 1, Reimbursable Flight-Hour Rate Table.
- DISTRIBUTION.** This order is distributed to organizations involved in the formulation of budget/program estimates, formulation of cost comparison rates, administration of fiscal programs, utilization of agency resources, and in accounting and financial reporting as contained in the ZBA-323 distribution list.
- EXPLANATION OF CHANGES.** This revision updates Appendix 1, Reimbursable Flight-Hour Rate Table, to include reimbursement rates for Flight Inspection aircraft. This revision is to adjust the reimbursable rates to reflect inflation from 1993 to 2002, where applicable. This revision also reflects the aircraft that are currently being used for flight inspection activity.

**PAGE CONTROL CHART**

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Appendix 1, Page 1	1/22/98	Appendix 1, Page 1	12/31/02

  
John F. Hennigan

Acting Assistant Administrator for Financial Services/CFO

**CHANGE**

1/22/98

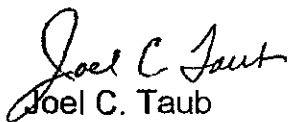
SUBJ: APPLICATION OF FLIGHT-HOUR RATES

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1. **PURPOSE.** This change revises Appendix 1, Reimbursable Flight-Hour Rate Table.
  
2. **DISTRIBUTION.** This order is distributed to organizations involved in the formulation of budget/program estimates, the formulation of cost comparison rates, the administration of fiscal programs, the utilization of agency resources, and in accounting and financial reporting as contained in the ZBA-323 distribution list.
  
3. **EXPLANATION OF CHANGES.** This revision updates Appendix 1, Reimbursable Flight-Hour Rate Table, to include reimbursement rates for Flight Inspection Aircraft. The revision is to establish flight-hour rates for a newly acquired Challenger 601 and a Beech Baron that will be used for flight inspection activity.

**PAGE CONTROL CHART**

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Appendix 1, Page 1	7/18/96	Appendix 1, Page 1	1/22/98

  
Joel C. Taub

Acting Chief Financial Officer, ABA-1

**CHANGE**

2500.36N, CHG 1

7/18/96

SUBJ: **APPLICATION OF FLIGHT-HOUR RATES**

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1. **PURPOSE.** This change revises Appendix 1, Reimbursable Flight-Hour Rate Table.
2. **DISTRIBUTION.** This order is distributed to organizations involved in the formulation of budget/program estimates, the formulation of cost comparison rates, the administration of fiscal programs, the utilization of agency resources, and in accounting and financial reporting as contained in the ZBA-323 distribution list.
3. **EXPLANATION OF CHANGES.** This revision updates Appendix 1, Reimbursable Flight-Hour Rate Table, to include reimbursement rates for Flight Inspection Aircraft. The revision is to establish flight-hour rates for a newly acquired Learjet 60 that will be used for flight inspection activity.

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Appendix 1, Page 1	2/1/93	Appendix 1, Page 1	7/18/96

  
Ruth A. Leverenz  
Chief Financial Officer, ABA-1

**ORDER**

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

2500.36N

2/1/93

APPLICATION OF FLIGHT-HOUR RATES

SUBJ:

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1. **PURPOSE.** This order prescribes and transmits revised FY 1993 flight-hour rates to be used for estimating and billing purposes in connection with facility flight inspection, transportation, or other services performed for Federal and non-Federal, domestic and overseas users. Rates have been determined on the basis of cost to operate a specific aircraft type and may be used for cost reimbursement and for cost comparison purposes.

2. **DISTRIBUTION.** This order is distributed to organizations involved in the formulation of budget/program estimates, the formulation of cost comparison rates, the administration of fiscal programs, the utilization of agency resources, and in accounting and financial reporting as contained in the ZBU-323 distribution list.

3. **CANCELLATION.** Order 2500.36M, Application of Flight-Hour Rates, dated October 1, 1992, is canceled.

4. **EXPLANATION OF CHANGES.** This revision updates Appendix 1, Reimbursable Flight-Hour Rate Table, to include rental rates for Flight Inspection Aircraft.

5. **REFERENCES.**

- a. OMB Circular A-126, Improving the Management and use of Government Aircraft.
- b. Order 4040.9D, FAA Aircraft Management Program.
- c. Order 2500.35C, Reimbursable Agreements Covering Services and Materiel Provided by the Federal Aviation Administration.
- d. Order 3140.2, Flight Training of Agency Personnel.
- e. OMB Circular A-25, User Charges.
- f. Order 2700.31, Uniform Accounting Operating System Manual.

6. COST RECOVERY.

a. Non-Federal Parties. It is the policy of the FAA to recover the full cost of providing services to non-Federal parties and foreign countries, unless a waiver has been granted in accordance with the procedures outlined in Order 2500.35C. This policy is in line with OMB Circular A-25, recommendations of the General Accounting Office, and commitments by the agency that the principal of full-cost recovery will be adhered to for non-Federal parties.

b. Other Federal Government Agencies. It is the policy of the FAA to recover the full cost of providing services to Federal Government agencies, unless reimbursement is waived pursuant to the provisions of Order 2500.35C.

7. COST COMPARISON. When the use of an FAA aircraft for the primary purpose of transportation of passengers and/or cargo is considered, an advance written cost comparison shall be performed in accordance with procedures outlined in Appendix 6, Order 4040.9D. The headquarters office requesting use of the aircraft is responsible for performing the cost comparison in coordination with the agency element controlling the aircraft. Cost comparisons are not required provided:

a. The determination is made that no commercial airline or aircraft service is reasonably available to effectively fulfill the transportation requirements; and

b. The flight record contains adequate written justification showing clearly the reasons for use of FAA aircraft under these conditions.

8. RATE DERIVATION. The following costs have been included to determine operating costs for use of all aircraft in the FAA fleet:

a. Operations and maintenance of aircraft, depot stocks and stores, fuel tax, major inspection and engine overhaul, and flight crew.

b. These rates were developed based on the use and actual modifications and services of the jets, helicopters, and aircraft in the fleet as of June 1992. Fuel tax was computed using fuel averages for FY 1989 through FY 1992. Crew costs were compiled, separating flight inspection crew costs from non-flight-inspection costs. Indirect costs were developed from historical data.

9. APPLICATION.

a. The hourly rates published in Appendix 1 are applicable as indicated.

b. Establishment of reimbursable flight-hour rates is governed by the provisions of Order 2500.35C.

c. Aircraft flight time shall be determined as follows:

(1) Facility Flight Inspection. Flight time spent in actual flight inspection, enroute time, and instrument calibration. Charges will be made for "flight time" as recorded on the Flight Inspection Daily Flight Log, FAA Form 4040.5 per Order 4040.9D.

(2) Transportation or Other Services. Flight time involved in performing the service, including enroute time to and from the base of operations. Charges will be made for "Flight Time" as recorded on FAA Form 4040-6, FAA Aircraft Request and Use Record.

d. The following guidance applies in determining the rate in Appendix 1 to be charged the various users:

(1) FAA Users: Column A of the FY 1993 Reimbursable Flight-Hour Rate Table.

(2) Non-Federal Users in the United States: Column B of the FY 1993 Reimbursable Flight-Hour Rate Table.

(3) All Users in Foreign Areas: Foreign rate for British Aerospace (BAe) 800, Column B of the FY 1993 Reimbursable Flight-Hour Rate Table.

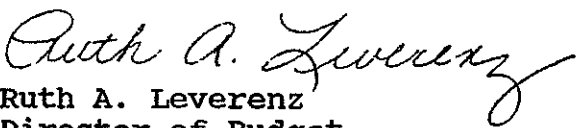


(4) Other Federal (Non-FAA) Users in the United States:  
Column B of the FY 1993 Reimbursable Flight-Hour Rate Table.

e. Reimbursements collected in connection with flight inspection, transportation, or other services performed for foreign or domestic users, must be credited as revenue to the same appropriation which received the customer order and incurred the obligation to fill the order. This should be the Operations appropriation.

f. The administrative charges required by Order 2500.35C are not included in the rate table in Appendix 1. These charges must be added as appropriate.

g. The flight hour rates prescribed in Appendix 1 are effective February 1, 1993. Any current reimbursable agreements which will continue to be in effect on and after February 1, 1993, will be amended as soon as possible to reflect these new rates. All agreements must indicate clearly that the rate cited will be revised by the amendment process to correspond to any subsequent revisions or changes to Order 2500.35C and Order 2500.36N.

  
Ruth A. Leverenz  
Director of Budget

**APPENDIX 1. FLIGHT HOUR RATES FOR FLIGHT INSPECTION SERVICES', FLIGHT STANDARDS', AND TECHNICAL CENTER AIRCRAFT**

Flight Program	Aircraft Description	Flight Crews	Fuel	Operations and Maintenance	Parts	Major Inspection and Engine Overhaul	Total Operating Costs Reimbursement Rate	Footnotes
AVN - Flight Inspection								
Domestic Rate								
	Beechcraft BE-300	\$555	\$418	\$597	\$205	\$143	<b>\$1,918</b>	
	Hawker BAe 800	\$549	\$1,035	\$716	\$369	\$311	<b>\$2,980</b>	
	Learjet 60	\$537	\$858	\$651	\$905	\$373	<b>\$3,324</b>	
	Challenger 600 Series	\$571	\$1,205	\$1,041	\$1,005	\$244	<b>\$4,066</b>	
Foreign Rate								
	Beechcraft BE-300	\$576	\$418	\$596	\$205	\$143	<b>\$1,938</b>	
	Hawker BAe 800	\$682	\$1,035	\$728	\$369	\$311	<b>\$3,125</b>	
	Learjet 00	\$557	\$858	\$651	\$905	\$373	<b>\$3,344</b>	
	Challenger 600 Series	\$704	\$1,205	\$1,070	\$1,005	\$244	<b>\$4,228</b>	
AFS Flight Program								
	Beechcraft A200	\$0	\$384	\$495	\$201	\$188	<b>\$1,268</b>	
	Beechcraft C-90	\$0	\$313	\$174	\$201	\$172	<b>\$860</b>	
	Beechcraft F-90	\$0	\$405	\$207	\$222	\$368	<b>\$1,202</b>	
Technical Center								
	Aero Commander AC-680E	\$143	\$79	\$951	\$217	\$1,200	<b>\$2,590</b>	<b>Note 1</b>
	Convair CV-580	\$158	\$202	\$382	\$229	\$147	<b>\$1,118</b>	
	Sikorsky SK-76	\$151	\$34	\$559	\$237	\$219	<b>\$1,200</b>	
	Beechcraft BE-200	\$160	\$80	\$511	\$168	\$213	<b>\$1,132</b>	
	BD-700-1A11 Bombardier	\$146	\$171	\$416	\$112	\$99	<b>\$944</b>	

- Notes: General: Rates are based on variable costs in accordance with OMB Circular A-126, Attachment A. AVN and Technical Center have elected to include some fixed crew costs.
- The Flight Programs above reserve the right to add a fuel surcharge in addition to the Reimbursement Rate if actual fuel prices significantly exceed the average fuel costs on which the Reimbursement Rates are based as follows: AVN and AFS - \$4.30/gallon, Technical Center - \$3.12/gallon.
- 1 Technical Center: The AC-680E aircraft experienced very low flight and R&D hours with significant calendar maintenance costs resulting in increased maintenance costs per hour. This cost per hour is expected to reduce in the future if the number of hours of utilization increases.
- 2 Technical Center: The Boeing 727 aircraft is excluded from the Reimbursable Rate table. It has been permanently grounded and is being held for sale.

**APPENDIX 2. FLIGHT HOUR RATES FOR WASHINGTON FLIGHT PROGRAM (HANGAR 6) AIRCRAFT**

Flight Program	Aircraft Description	Variable Costs					Fixed Costs				External Rate
		Maintenance	Pilots	Fuel	Lease	Internal Rate	Maintenance	Pilots	Depreciation	Lease	
Hangar 6	Gulfstream G-IV	\$1,563	\$203	\$1,582	\$0	<b>\$3,347</b>	\$373	\$678	\$1,247	\$0	<b>\$5,644</b>
	Cessna CE-560 XL	\$0	\$203	\$734	\$31	<b>\$967</b>	\$37	\$678	\$0	\$3,240	<b>\$4,922</b>

Notes:

1. The fuel charge in the reimbursement rate assumes an average cost of \$3.22/gallon. The hangar reserves the right to add a fuel surcharge in addition to the reimbursement rate if actual fuel prices exceed this rate.
2. Variable crew costs overtime, night & weekend differential, travel, etc. are not included in the rates. Actual variable crew costs are billed to reimbursable customers in addition to flight-hour charges.
3. Rates based on cost and aircraft operation data from FY2010-11
4. The internal rate is the rate charged to FAA's internal reimbursable customers. The internal rate is also used by the Office of the FAA Administrator (AOA), the Office of the ATO Chief Operations Officer (COO), and the Office of the DOT Secretary (OST) for cost comparison purposes when considering the use of Hangar 6 aircraft for transportation in lieu of commercially available travel.
5. The external rate is the hourly rate at which non-FAA reimbursable customers will be billed for use of Hangar 6 aircraft.
6. Volume 4, Chapter 6, Reimbursable Agreements of the FAA Financial Manual provides the policy and processes for entering into InterAgency (IAA) and Reimbursable Agreements (RA) with external customers.
7. The applicable Agency administrative overhead rate will be applied to billings for services provided under InterAgency (IAA) and Reimbursable Agreements (RA).
8. Wherever language in this order concerning Hangar 6 disagrees with this appendix, defer to this appendix.