

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

2500.36N

2/1/93

APPLICATION OF FLIGHT-HOUR RATES

SUBJ:

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.

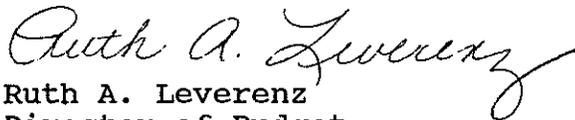
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(4) Other Federal (Non-FAA) Users in the United States:
Column B of the FY 1993 Reimbursable Flight-Hour Rate Table.

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

FY 1998 REIMBURSABLE FLIGHT-HOUR RATE TABLE

Office	Aircraft	Flight Crews	A				B		
			Operation and Maintenance	Stocks and Stores	Major Inspection and Engine Overhaul	Fuel Tax	Operating Costs for Federal Reimbursement	Operating Costs for Non-Federal Reimbursement	
AVN Flight Inspection	Boeing B-727	389	2,525	417	1403	229	4,963	281	5,244
	Sabre 80	359	697	466	670	59	2,251	281	2,532
	Sabre 40	359	759	466	441	59	2,084	281	2,365
	Convair CV-580	359	1,182	230	92	58	1,921	281	2,202
	Beechcraft F-90	359	304	265	106	14	1,048	281	1,329
	Beechcraft BE-300	359	399	293	122	18	1,191	281	1,472
	BAe 800	359	514	207	209	37	1,326	281	1,607
	Learjet 60	359	793	0*	295	35	1,482	281	1,763
	Challenger 601	359	1,452	0*	106	64	1,981	281	2,262
	Beech Baron	239	357	0*	0	6	602	28	630
Rental	239	197	0	0	0	436	28	464	
Foreign Rate	BAe 800	398	692	250	209	37	1,586	281	1,867
	Challenger 601	398	1,526	0*	106	64	2,094	281	2,375
Support	Douglas DC-3	125	321	230	54	16	746	281	1,027
	Douglas DC-9	a/	1,719	425	486	151	2,781	281	3,062
FAA Academy	Beechcraft F-90	a/	227	265	106	13	611	281	892
	Sabre 40	a/	599	466	441	59	1,565	281	1,846
	Rockwell AC-1121	a/	586	0	73	58	717	281	998
	Cessna CE-560 (Leased)	a/	1,688	0	0	34	1,722	0	1,722
	Gulfstream GIV	105	1,980	0	44	92	2,221	244	2,465
Hangar 6	Grumman G-159	70	1,124	0	80	37	1,311	244	1,555
	Learjet 31A (Leased)	70	1,441	0	0	29	1,540	0	1,540
	Beechcraft C-90	b/	199	0	21	13	233	0	233
Regional Rate	Boeing B-727	153	1,382	504	1403	229	3,671	0	3,671
	Aero Commander AC-680	102	196	34	135	7	474	0	474
	Convair CV-580	102	591	243	92	58	1,086	0	1,086
	Sikorsky SK-76	102	542	52	30	8	734	0	734
	Beechcraft BE-200	102	256	12	30	4	404	0	404
	UH-1H	51	399	0	0	15	465	0	465
Technical Center	Boeing B-727	153	1,382	504	1403	229	3,671	0	3,671
	Aero Commander AC-680	102	196	34	135	7	474	0	474
Regional Rate	Convair CV-580	102	591	243	92	58	1,086	0	1,086
	Sikorsky SK-76	102	542	52	30	8	734	0	734
	Beechcraft BE-200	102	256	12	30	4	404	0	404
	UH-1H	51	399	0	0	15	465	0	465

* AVN will acquire and maintain all commercial spare parts through a contractor. The stocks and stores program will not support the Learjet 60, Challenger 601, nor the Beech Baron.

The above types of aircraft are used in the performance of the majority of reimbursable and refund (among FAA appropriations) workloads.

Flight hour rate elements "Depot Stocks and Stores" are to cover costs funded from the aircraft stocks and stores program at the Aeronautical Center.

These rates will be used as prescribed in Order 2700.31, when computing local limitation transfers and appropriation adjustments.

Flight Crews

a/ Academy.

Charges for Academy instructors for training flights vary according to the ground instruction time required by the applicable course syllabus and must be added to the rates shown for training aircraft. If the aircraft is used for transportation, a rate of \$35.00 per hour will be used for each crew member assigned and any per diem when appropriate.

b/ Other.

Charges for flight crews will be added when FAA pilots are used. Amounts will be determined by the number of crew members assigned to the mission. A rate of \$35.00 per hour will be used for each crew member assigned and any per diem when appropriate.

CHANGE

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

2500.36N CHG 2

1/22/98

SUBJ: APPLICATION OF FLIGHT-HOUR RATES

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PAGE CONTROL CHART

Remove Page	Date	Insert Page	Date
Appendix 1, Page 1	7/18/96	Appendix 1, Page 1	1/22/98


Joel C. Taub

Acting Chief Financial Officer, ABA-1

CHANGE

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

2500.36N, CHG 1

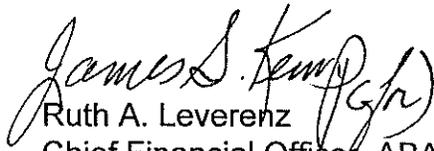
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Remove Page	Date	Insert Page	Date
Appendix 1, Page 1	2/1/93	Appendix 1, Page 1	7/18/96


Ruth A. Leverenz
Chief Financial Officer, ABA-1