Executive Summary

This report provides an update to FAA's document title "*Economic Values For Investment and Regulatory Decisions, A Guide"*. Economic values, often referred to as "critical values," are used in the conduct of benefit-cost and other evaluations of investments, including certain Airport Improvement Program (AIP) grants, and regulations subject to FAA decision-making. They are also used by others, including airports, in benefit-cost analysis of proposed investments. Application of these values to their corresponding physical quantities permits valuation of the physical quantities in dollars. Conceptually, they can be thought of as measures of the dollar sacrifice associated with each physical quantity outcome—avoided fatality, airframe damage, etc.—resulting from a potential investment or regulatory action that society and users should be willing to make to undertake that investment or regulatory action.

Values presented fall into three general groups: passenger related values, aircraft related values, and labor related values.

1. Passenger related values consist of the value of passenger time, the value of an avoided fatality, and the value of avoided injury.

2. Aircraft related values include aircraft capacity and utilization factors, aircraft operating and ownership costs, and aircraft replacement and restoration costs.

3. Labor related values include hours associated with activities (both public and private sector) affected by FAA investments or regulations

Passenger related values are established by Department of Transportation policy, which is applicable to all Modal Administrations within the Department. Aircraft and labor related values have been developed by the Office of Aviation Policy and Plans from public and proprietary data sources.

This report also provides estimated accident investigation costs that are incurred by industry and government. Delay propagation multipliers are included in Section10 of this publication titled *Other Economic Values*. These values were developed in collaboration with the Mitre Corporation and can be used to help evaluation changes in downstream passenger delay as a result a change in initial passenger delay at a particular airport.