



Docket Management System
US Department of Transportation
Room Plaza 401
400 Seventh Street S.W.
Washington DC 20590-0001

16 January 2003

Dear Sir or Madam,

RE: Docket No. FAA-2002-13918

The International Air Transport Association (IATA) is pleased that the comment period has been extended. This provides IATA the opportunity of expressing a concern unique to foreign airlines with respect to the costs associated with passenger facility charges (PFC).

For the most part foreign airlines serve relatively few airports in the United States. The collection and remittance of passenger facility charges for these major hub airports are no different from those of US airlines. IATA will make no comment with respect to compensation levels as the ATA has previously submitted comments on this, which IATA supports.

One aspect of the air transportation business that makes it unique is that a ticket for transportation between two points anywhere in the world can be sold virtually anywhere in the world. In addition, the development of airline alliances results in foreign airlines selling air transportation to which PFC's are applicable to airports they do not serve. Often, especially in the case of smaller regional airports, a foreign airline may collect only one or two PFC's for a certain airport in a month.

14 CFR Chapter I Part 158 Section 158.51 requires that PFC's collected in a particular month be remitted to the public agency by the last day of the following month. For foreign airlines, this requires significant administrative costs to process the payment. Clearly, for those airports where a foreign airline has a presence, even if it is only one flight per day, the compensation provided assists in reducing the costs of processing the remittance and the other costs associated with PFC's. However, where a foreign airline collects a PFC for an airport it doesn't serve, the amount of the monthly PFC payment can be less than the cost of processing the payment, often reflecting sales to just a few passengers in the month. Given the large number of airports with PFC's

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and the relatively few airports served by foreign airlines, one can easily see that a foreign airline is often processing payments for a significant number of public agencies for relatively small amounts of money.

IATA urges the FAA to consider amending Section 158.51 to permit a deferral of the monthly remittance to a quarterly remittance where the monthly collection for a specific public agency does not exceed \$300.00. This reduces the number of payments to be processed thereby reducing the costs. In addition, the amount is sufficiently small that the public agency will not face a significant financial hardship if the payment is slightly delayed.

Very truly yours,

A large, stylized lowercase letter 'g' in a serif font, which is the handwritten signature of Howard P. Goldberg.

Howard P. Goldberg
Director, Taxation and Insurance