

DEPARTMENT OF TRANSPORTATION
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION
BUREAU OF TRANSPORTATION STATISTICS
ACCOUNTING AND REPORTING DIRECTIVE

No. 289

Issue Date: 02-20-09 Effective Immediately Schedules P-1.1 and P-1.2

Reporting Ancillary Revenues on Form 41

The purpose of this Accounting and Reporting Directive is to assist carriers with reporting their ancillary revenues in a like manner. Recently, some carriers have unbundled their passenger fares by going to a type of a la carte pricing plan. For example, some carriers now charge a fee for all checked baggage, some carriers charge extra for window or aisle seats, and most carriers now charge for food and drink.

All revenues derived from charges for passenger baggage are reported in account 3906.2 Property-Excess Passenger Baggage on Schedule P-1.2. Any passenger baggage which is not transported free-of-charge is considered excess passenger baggage. For carriers submitting Schedule P-1.1, report the baggage fees on Line 2, Scheduled Service – Other or on Line 3, Nonscheduled Service depending on the type of service operated.

All charges for seating assignments are considered a part of the ticket price and are reported in either Account 3901, Transport Revenues-Passenger or account 3907.1 - Transport Revenues - Charter Passengers. For carriers submitting Schedule P-1.1, report the seating assignment fees on Line 1, Scheduled Service – Passenger or on Line 3, Nonscheduled Service depending on the type of service operated.

Rebooking and ticket cancellation fees are reported in account 3919.1, Reservation Cancellation Fees. For carriers submitting Schedule P-1.1, report the rebooking or cancellation fees on line 1 Scheduled Service – Passenger or on Line 3, Nonscheduled Service depending on the type of service operated.

Revenues generated from code-share operations that are operated by your code-share partner are reported in Account 4898, Transport-Related Revenues. For Schedule P-1.1 filers, report these revenues on Line 5, Transport Related Revenue – Other.

Revenues generated from code-share passenger operations where you are the operating carrier are reported in Account 3901, Transport Revenues-Passenger or Account 3907.1 Transport Revenues – Charter Passenger depending on the type of service sold to the passenger. Schedule P-1.1 filers report these revenues on either Line 1, Scheduled Service – Passenger or on Line 3, Nonscheduled Service depending on the type of service operated.

On-board sales of food, drink, pillows, blankets, entertainment, or any other ancillary items are reported in Account 4898, Transport-Related Revenues. For Schedule P-1.1 filers, these revenues are reported on Line 5, Transport Related Revenue – Other.

Revenues for transporting pets in the belly of the aircraft are reported in account 3919.2, Miscellaneous Operating Revenue. However, if a passenger pays for a seat for the pet, the revenues are then reported either in account 3901, Operating Revenues - Passenger or 3907.1, Operating Revenues - Charter Passenger. Schedule P-1.1 filers report revenues from transporting a pet in a passenger seat on Line 1, Scheduled Service – Passenger. When the pet is transported in the belly of the aircraft, the revenues are reported either on Line 2 Transport Revenue – Other or Line 3, Transport Revenue – Nonscheduled Service.

Revenues generated from gift-shop sales, restaurant sales, fuel sales, rental revenues, maintenance conducted for other carriers, etc. are reported in Account 4898, Transport-Related Revenues.

Passenger Facility Charges (PFCs) and other taxes are not regarded as revenue to the collecting carriers. They are funds held in trust by collecting carriers who serve as an agent for the beneficial interest of the public agencies imposing the fees. All such collections held by the carriers are property in which the carriers hold only a possessory interest and not an equitable interest. These items are not reported on either Schedules P-1.1 or P-1.2. PFCs are classified as a Collection as Agent –Other and reported on the Balance Sheet in Account 2190, Other Current Liabilities. The small fees paid to the air carriers for collecting the PFCs are recorded as revenue and reported on Scheduled P-1.2 in Account 3919.2, Miscellaneous Operating Revenues. P-1.1 filers report these revenues on Line 2, Transport Revenues – Other.

See Table below for quick reference to reporting various revenue items. You should e-mail jeff.gorham@dot.gov for questions regarding this directive. This action is taken under 14 CFR Section 385.19(b).

Anne Suissa
Director
Office of Airline Information

Table for Reporting Operating Revenues

Schedule P-1.2

<u>Type of Revenue</u>	<u>Account Number</u>
Baggage Fees	Acct. 3906.2
Seating Assignment Fees – Scheduled Service	Acct. 3901
Seating Assignment Fees – Nonscheduled Service	Acct. 3907.1
Rebooking Fees	Acct. 3919.1
Cancellation Fees	Acct. 3919.1
Code-Share Revenues (by the non-operator)	Acct. 4898
Code Share Revenues –scheduled service by the operator	Acct. 3901
On-board sales of food, drink, blankets, pillows & entertainment	Acct. 4898
Transport of pets (carried in aircraft belly)	Acct. 3919.2
Transport of pets (seat in scheduled service)	Acct. 3901
Transport of pets (seat in non-scheduled service)	Acct. 3907.1
Gift shop sales	Acct. 4898
Restaurant sales	Acct. 4898
Fuel sales	Acct. 4898
Rental Revenues	Acct. 4898
Maintenance conducted for other carriers	Acct. 4898
Passenger Facility Charges (Collection Compensation)	Acct. 3919.2
Passenger Facility Charges	Not reported*

Schedule P-1.1

<u>Type of Revenue</u>	<u>Line Number</u>
Baggage Fees	Line 2 or 3
Seating Assignment Fees – Scheduled Service	Line 1
Seating Assignment Fees – Nonscheduled Service	Line 3
Rebooking Fees	Line 1 or 3
Cancellation Fees	Line 1 or 3
Code-Share Revenues (by the non-operator)	Line 5
Code Share Revenues –scheduled service by the operator	Line 1
On-board sales of food, drink, blankets, pillows & entertainment	Line 5
Transport of pets (carried in aircraft belly)	Line 2
Transport of pets (seat in scheduled service)	Line 1
Transport of pets (seat in non-scheduled service)	Line 3
Gift shop sales	Line 5
Restaurant sales	Line 5
Fuel sales	Line 5
Rental Revenues	Line 5
Maintenance conducted for other carriers	Line 5

Passenger Facility Charges (Collection Compensation)	Line 3
Passenger Facility Charges	Not Reported*

* Passenger facility Charges that are collected as agent for public agencies are classified as (Collection as Agent – Other) are reported on the Balance Sheet in Other Current Liabilities.