

retirement gain or loss shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to others shall be charged to this account at cost without adjustment of related obsolescence or depreciation allowances.

(c) This account shall be subdivided as follows by all air carrier groups:

- 14.1 Associated companies—gross revenues.
- 14.2 Outside—gross revenues.
- 14.3 Associated companies—depreciation expense.
- 14.4 Associated companies—other expense.
- 14.5 Outside—depreciation expense.
- 14.6 Outside—other expense.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977]

16 Substitute (replacement) Service.

(a) Record here revenues from and expenses related to substitute service. This account shall include as revenues all monies received from substitute carriers and as expense all monies paid to substitute carriers.

(b) This account shall be subdivided as follows by all air carrier groups:

- 16.1 Gross revenue.
- 16.2 Expense.

17 Air Cargo Services.

(a) Record here fees and other revenues from and expenses related to incidental services performed in connection with cargo shipments such as pickup and delivery fees, shipper's interest insurance charges, storage and handling fees, etc.

(b) This account shall be subdivided as follows by all air carrier groups:

- 17.1 Gross Revenues.
- 17.2 Depreciation Expense.
- 17.3 Other Expenses.

18 Other Transport-Related Revenues and Expenses.

(a) Record here revenues from and expenses related to transport-related services not provided for in profit and loss accounts 10 through 17, inclusive, such as revenues and expenses incident to the operation of flight facilities by the accounting air carrier, except those operated under aircraft interchange agreements, where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transpor-

tation is that of, other air carriers; and the revenues and expenses incident to vending machines, parcel rooms, storage facilities, etc.

(b) [Reserved]

(c) Revenues from the renting or leasing of property and equipment to others shall not be included in this account but in profit and loss account 11 Rents.

(d) This account shall be subdivided as follows by all air carrier groups:

- 18.1 Gross Revenues.
- 18.2 Depreciation Expense.
- 18.3 Other Expenses.

19 Air Transport—Other.

(a) Record here revenues associated with air transportation conducted by the air carrier, not provided for in profit and loss accounts 01 through 09, inclusive, such as revenue from (1) airline employees, officers and directors, or other persons, except for ministers of religion, who are traveling under reduced-rate transportation authorized by 49 U.S.C. 41511(a) and 14 CFR part 223, as well as travel agents, cargo agents and tour conductors traveling at reduced fares, (2) service charges for failure to cancel or for late cancellation of air transportation reservations, and (3) nontransportation service charges collected on both revenue and nonrevenue flights.

(b) Revenues derived from sightseeing, aerial photography, advertising, or other special flights shall not be included in this account but in account 07 Charter.

(c) This account shall be subdivided as follows by all air carrier groups:

- 19.1 Reservations Cancellation Fees.
- 19.9 Miscellaneous Operating Revenue.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-820, 38 FR 24352, Sept. 7, 1973; ER-841, 39 FR 11997, Apr. 2, 1974; ER-980, 42 FR 37, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

TRANSPORT EXPENSES

20 General Instructions.

(a) Each element of expense ordinarily associated with air transportation services shall be charged to the accounts established in this section in accordance with the objectives served by each expenditure. Basic objective accounts, applicable to all air carrier