

**Section 04**

**14 CFR Ch. II (1–1–11 Edition)**

and other passengers and cargo carried for token service charges, are not considered as revenue traffic.

*Transportation, free.* The carriage of any person or cargo (other than cargo owned by the air carrier) without compensation.

*Unit basis (in depreciation accounting).* A plan under which depreciation expenses is accrued upon the basis of the book cost of the individual item of property in relation to the service life and salvage value of the particular item.

*Value, service.* The difference between the book cost and the residual value of property and equipment.

*Weight, allowable gross.* The maximum gross weight (of the aircraft and its contents) which an aircraft is licensed to carry into the air on each flight stage.

*Weight, average available.* The average capacity available for revenue traffic, determined by dividing available ton-miles by aircraft miles in revenue service.

*Weight, empty.* The weight of the airframe, engines, propellers, and fixed equipment of an aircraft. Empty weight excludes the weight of the crew and payload, but includes the weight of all fixed ballast, unusable fuel supply, undrainable oil, total quantity of engine coolant, and total quantity of hydraulic fluid.

*Weight, passenger.* For the purposes of this part, a standard weight of 200 pounds per passenger (including all baggage) is used for all civil operations and classes of service. Other weights may be prescribed in specific instances upon the initiative of the Department of Transportation or upon a factually supported request by an air carrier.

*Wet-Lease Agreement* means an agreement under which one carrier leases an aircraft with flight crew to another air carrier.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by Amdt. 241-58, 54 FR 5590, Feb. 89, 1989]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting Section 03, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.fdsys.gov](http://www.fdsys.gov).

**Section 04 Air Carrier Groupings**

(a) All large certificated air carriers are placed into three basic air carrier groupings based upon their level of operations and the nature of these operations. In order to determine the level of operations, total operating revenues for a twelve-month period are used. The following operating revenue ranges are used to establish air carrier groupings:

Carrier Group	Total Annual Operating Revenues
I .....	0–\$100,000,000
II .....	\$100,000,001–\$1,000,000,000
III .....	\$1,000,000,001+

For reporting purposes, Group I air carriers are further divided into two subgroups: (1) Air carriers with total annual operating revenues from \$20,000,000 to \$100,000,000 and (2) Air carriers with total annual operating revenues below \$20,000,000.

(b) Both the criteria for establishing air carrier groupings and the assignment of each air carrier to a specific group of carriers will be reviewed periodically by the Director, Office of Airline Information, to assure the maintenance of appropriate standards for the grouping of carriers. When an air carrier's level of operations passes the upper or lower limit of its currently assigned carrier grouping, the carrier is not automatically transferred to a different group and a new level of reporting. The Office of Airline Statistics will issue an updated listing of the carrier groups on an annual basis. A carrier may petition for reconsideration of its assigned carrier grouping or request a waiver from the accounting and reporting requirements that are applicable to a particular group under the provisions of section 1–2 of this Uniform System of Accounts and Reports.

[Amdt. 241-60, 56 FR 12658, Mar. 27, 1991, as amended at 60 FR 66723, Dec. 26, 1995]

**GENERAL ACCOUNTING PROVISIONS**

**Section 1 Introduction to System of Accounts and Reports**

**Sec. 1-1 Applicability of system of accounts and reports.**

Each large certificated air carrier shall keep its books of account, records and memoranda and make reports to the BTS in accordance with this system of accounts and reports. The BTS reserves the right, however, under the provisions of sections 49 U.S.C. 41701 and 41708, to expand or otherwise modify the classes of carriers subject to this system of accounts and reports.

[ER-1400, 50 FR 11, Jan. 2, 1985, as amended at 60 FR 66723, Dec. 26, 1995]

**Sec. 1-2 Waivers from this system of accounts and reports.**

A waiver from any provision of this system of accounts or reports may be made by the BTS upon its own initiative or upon the submission of written request therefor from any air carrier, or group of air carriers, provided that such a waiver is in the public interest and each request for waiver expressly demonstrates that: existing peculiarities or unusual circumstances warrant