

work factor to determine the hourly inspector billing rate. This is necessary for the following reasons:

(1) Inspectors spend a significant amount of time in indirect work to support their inspection activities, much of which cannot be allocated to any one client.

(2) Not all 2,087 annual paid hours are available as work hours because training, providing technical assistance, leave, and

other indirect work activities reduce the work time that may be directly billed. Consequently, the hourly cost per inspector must be adjusted upwards by an indirect work factor. The calculation of an indirect work factor is discussed in paragraph (f) of this appendix.

(f)(1) The indirect work factor is determined using the following formula:

$$\left(1 + \sum_{i=1}^k a_i\right)(1 + b) = \text{indirect work factor}$$

where:

a=indirect work rate, and

b=leave usage (total leave hours divided by total hours available for work).

(2) The components of the formula are derived as follows:

(i) *a=indirect work rate.* Indirect work rate is taken from the Flight Standards Staffing Standard Order and is used to project the amount of time an aviation safety inspector spends in indirect activities, as opposed to certification and surveillance work. The indirect work activities are:

(A) Development of master minimum equipment lists on Flight Operations Evaluation Board.

(B) Development of aircraft training documents on Flight Standardization Board.

(C) Development of Maintenance program documents on Maintenance Review Board.

(D) Providing technical assistance.

(E) Assisting legal counsel.

(F) Evaluation of technical documents.

(G) Leave (all types).

(H) Training.

(I) Administrative time.

(J) Travel for indirect work.

(ii) *b=leave usage (total leave hours divided by total hours available for work).* This is computed by using OMB guidelines of 280 average annual leave hours and 1,800 average annual hours available for work for computer manpower requirements.

(g) The hourly inspector cost, when multiplied by the indirect work factor, yields the hourly inspector billing rate and ensures full cost recovery by incorporating the total amount of FAA paid hours needed to produce one hour of direct billable inspector time.

(h) Certifications and approvals for which there are fixed times, such as airman tests, are determined by multiplying the time used in the Flight Standards Staffing Standard or airman test guidelines by the inspector hourly billing rate.

(i) Certifications and approvals for which there are no fixed work rates, such as airman

and repair station facilities (air agencies), are billed at the hourly inspector billing rate.

(j) Actual transportation and subsistence expenses incurred in certification or approval actions will be billed in addition to the hourly inspector billing rate, where such expenses are incurred.

(k) In no event will the fees exceed the actual costs of providing certification or approval services.

(l) The methodology for computing user fees is published in this Appendix. The User fee schedule is published in an FAA Advisory Circular entitled "Flight Standards Service Schedule of Charges Outside the United States." A copy of this publication may be obtained from: New Orders, Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954.

(m) Fees will be reviewed every year, at the beginning of the fiscal year, and adjusted either upward or downward in order to reflect the current costs of performing tests, authorizations, certifications, permits, or ratings.

(n) Notice of each change to a fee for a service described in the user fee schedule will be published in the "Notices" section of the FEDERAL REGISTER.

[Amdt. 187-5, 60 FR 19631, Apr. 19, 1995]

APPENDIX B TO PART 187—FEES FOR FAA SERVICES FOR CERTAIN FLIGHTS

(a) *Applicability.* Except as provided in paragraphs (b) and (c) of this appendix, this appendix applies to any person who conducts a flight through U.S.-controlled airspace that does not include a landing or takeoff in the United States. U.S.-controlled airspace is defined as all U.S. airspace either directly owned by the United States or allocated to the United States by the International Civil Aviation Organization (ICAO) or by other countries. This is further defined, for this

section only, as Enroute and Oceanic airspace. Enroute airspace is defined, for this section only, as airspace where primarily radar-based air traffic services are provided. Oceanic airspace is defined, for this section only, as airspace where primarily procedural air traffic services are provided.

(b) *Governmental flights.* This appendix does not apply to any military or civilian flight operated by the United States Government or by any foreign government.

(c) *Canada-to-Canada flights.* This appendix will not apply to any operator of a flight that takes off and lands in Canada, without an intermediate stop outside Canada, that operates in U.S.-controlled airspace.

(d) *Services.* Persons covered by paragraph (a) of this appendix must pay a fee for the FAA's rendering or providing certain services, including but not limited to the following:

- (1) Air traffic management.
- (2) Communications.
- (3) Navigation.
- (4) Radar surveillance, including separation services.
- (5) Flight information services.
- (6) Procedural control.
- (7) Emergency services and training.

(e) *Methodology for the computation of fees.* (1) For the services listed in paragraph (d) of this appendix, the fee is computed based on the distance flown in either enroute or oceanic airspace (U.S.-controlled airspace.) Distance flown is based on the great circle distance (GCD) for the point of entry and the point of exit of U.S.-controlled airspace based on FAA flight data. Fees are assessed using the methodology presented in paragraph (e)(2) of this appendix. Where actual entry and exit points are not available, the best available FAA flight data will be used to calculate the entry and exit points.

(2) A User (operator of an overflight) is assessed a fee for each 100 nautical miles (or portion thereof) flown in each segment and type of U.S.-controlled airspace. Separate calculations are made for transiting Enroute and Oceanic airspace. The total fee charged for an Overflight between any entry and exit points is equal to the sum of these two charges. This relationship is summarized as:

$$R_{ij} = \$15.94 * DO_{ij} + \$33.72 * DE_{ij},$$

Where

R_{ij} = the fee charged to aircraft flying between entry point i and exit point j,

DO_{ij} = total great circle distance traveled in each segment of U.S.-controlled oceanic airspace expressed in hundreds of nautical miles for aircraft flying between entry point i and exit point j for each segment of oceanic airspace.

DE_{ij} = total great circle distance traveled in each segment of U.S.-controlled enroute airspace expressed in hundreds of nautical miles for aircraft flying between entry

point i and exit point j for each segment of enroute airspace.

(f) *Billing and payment procedures—(1) Billing.* The FAA will send an invoice to each user that is covered by this appendix when fees are owed to the FAA. If the FAA cannot identify the user, then an invoice will be sent to the registered owner. No invoice will be sent unless the monthly (based on Greenwich Mean Time) fees for service equal or exceed \$250. Users will be billed at the address of record in the country where the aircraft is registered, unless a billing address is otherwise provided.

(2) *Payment.* Payment must be made by one of the methods described in §187.15(d).

(g) *Review of rule.* The rule prescribed in this appendix will be reviewed at least once every 2 years and adjusted to reflect the current costs of the services covered by this appendix.

[Amdt. 187-12, 66 FR 43718, Aug. 20, 2001]

APPENDIX C TO PART 187—FEES FOR PRODUCTION CERTIFICATION-RELATED SERVICES PERFORMED OUTSIDE THE UNITED STATES

(a) *Purpose.* This appendix describes the methodology for the calculation of fees for production certification-related services outside the United States that are performed by the FAA.

(b) *Applicability.* This appendix applies to production approval holders who elect to use manufacturing facilities or supplier facilities located outside the United States to manufacture or assemble aeronautical products after September 30, 1997.

(c) *Definitions.* For the purpose of this appendix, the following definitions apply:

Manufacturing facility means a place where production of a complete aircraft, aircraft engine, propeller, part, component, or appliance is performed.

Production certification-related service means a service associated with initial production approval holder qualification; ongoing production approval holder and supplier surveillance; designee management; initial production approval holder qualification and ongoing surveillance for production certificate extensions outside the United States; conformity inspections; and witnessing of tests.

Supplier facility means a place where production of a part, component, or sub-assembly is performed for a production approval holder.

Production approval holder means a person who holds an FAA approval for production under type certificate only, an FAA approval for production under an approved production inspection system, a production certificate, a technical standard order authorization, or a parts manufacturer approval.