

Section 04

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.

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]

14 CFR Ch. II (1-1-16 Edition)

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 a departure from a prescribed procedure or technique; a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts and reports; and the application of such alternative procedure will maintain or improve uniformity in substantive results as between air carriers.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

Sec. 1-3 General description of system of accounts and reports.

(a) This system of accounts and reports is designed to permit limited contraction or expansion to reflect the varying needs and capacities of different air carriers without impairing basic accounting comparability as between air carriers. In its administration three air carrier groups, designated Group I, Group II, and Group