

**DEPARTMENT OF TRANSPORTATION
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION
BUREAU OF TRANSPORTATION STATISTICS
OFFICE OF AIRLINE INFORMATION**

ACCOUNTING AND REPORTING DIRECTIVE

**No. 324 Issue Date: 12/1/2016 Effective Date: Immediately
Part: 241
Section: 8, 14, 24**

**REPORTING OF FUEL COSTS AND CONSUMPTION BY ENTITY
ON THE BTS SCHEDULE P-12(a)**

CFR Title 14, Part 241 defines the classification of fuel costs and consumption. This Directive clarifies and elaborates on Part 241, the compilation of fuel inventories and consumption, and the reporting of fuel by operating entity on the Form 41 reports and especially BTS Schedule P-12(a).

Accounting for Fuel

Objective account 45 - Aircraft Fuels and Oils is used to record the cost of fuels and oils issued from stocks of the air carrier, or delivery directly by others, to aircraft for use in flight operations. Adjustments of inventories "shrinkage" of aircraft fuel and oil shall also be entered in this account.

Objective account 43.9 - Other Services, Outside is used to record "through-put" and "in to plane fees" (service charges or gallonage levies assessed by or against the fuel vendor or concessionaire and passed on to the carrier in a separately identifiable form).

Objective account 49 - Shop and Servicing Supplies is used to record the cost of fuels and oils used in repairs and maintenance services.

Objective account 69 - Taxes Other Than Payroll is used to record nonrefundable fuel and oil taxes.

Computation of Fuel Inventories and Consumption

Section 24 of Part 241 requires that each air carrier shall maintain records for each station showing the computation of fuel inventories and consumption for each fuel type. The periodic average cost method shall be used in computing fuel inventories and consumption. Under this method, an average unit cost shall be computed by dividing the total cost of fuel available (Beginning Inventory plus Purchases) by the total gallons available. The resulting unit cost shall then be used to determine the ending inventory and the total consumption costs to be reported.

Reporting of Fuel by Entity

This data shall be reported separately by entity in which it was consumed. The **Scheduled Domestic** entity shall include all operations within and between the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands and **Canadian trans-border** operations. The Scheduled Atlantic entity shall include all operations over the Atlantic Ocean including operations to India and Pakistan. The Scheduled Pacific entity shall include all operations over the Pacific Ocean, including Australia and the Trust Territories. Scheduled Latin American entity shall include operations to the Caribbean (including Bermuda and the Guiana's), Mexico, and Central & South America.

The Nonscheduled Domestic entity shall include all operations within and between the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands. The **Nonscheduled Atlantic, Pacific and Latin entities and Canadian trans-border** operations shall all be lumped into a single **"International"** entity.

For the purposes of the BTS **Schedule P-12(a)**, since the Nonscheduled International subtotal is the sum of Atlantic, Latin, Pacific & MAC categories, **Nonscheduled Canadian trans-border operations shall be included in the Nonscheduled Atlantic entity.**

The following example illustrates the reporting of fuel in the "Domestic" and "International" operations:

EXAMPLE

The carrier issues or purchases fuel for a flight to be operated ATL-JFK-LHR and return to ATL via JFK.

1. The cost of all fuel loaded at ATL and consumed on the ATL-JFK segment should be reported as Domestic.
2. The cost of all fuel loaded at JFK and consumed on the JFK-LHR segment should be reported as Atlantic.
3. The cost of all fuel loaded at LHR and consumed on the LHR/JFK segment should be reported as Atlantic.
4. If the carrier continues on the JFK-ATL segment with no additional fuel uploaded, the fuel consumed on this segment should be reported as Domestic with the costs calculated based on the periodic average cost method.

If you have any questions regarding this directive, please contact Jeff Gorham at (202) 366-4406 or jeff.gorham@dot.gov.

This action is taken under authority delegated in 14 CFR Part 385.19(b) of the Department's Organizational Regulations.

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