

DEPARTMENT OF TRANSPORTATION
BUREAU OF TRANSPORTATION STATISTICS
OFFICE OF AIRLINE INFORMATION

ACCOUNTING AND REPORTING DIRECTIVE

No. 294 Issue Date: 12/30/10 Effective Date: Immediately Part: 374a
Section: 374a.6 and .7

REPORTING UNDER PART 374a OF THE DOT'S SPECIAL REGULATIONS WITH RESPECT
TO EXTENSION OF CREDIT BY AIRLINES TO FEDERAL POLITICAL CANDIDATES

Since 2010 is a Federal election year, this directive is to remind air carriers of the reporting requirements of 14 CFR Part 374a of the DOT's Special Regulations.

EXTENSION OF CREDIT BY AIRLINES TO FEDERAL POLITICAL CANDIDATES

Part 374a requires air carriers operating under a certificate of public convenience and necessity under 49 U.S.C. 41102 (formerly Section 401 certificates, which includes both large and small certificated air carriers) to file reports on credit extended to political candidates for Federal Office, or to persons acting on behalf of such candidates. This credit information is reported to the Department on DOT Form 183, "Report of Extension of Credit to Political Candidates."

REPORTING BEFORE NOMINATION OR ELECTION

Pursuant to Section 374a.6(a), air carriers must report on DOT Form 183 the credit for transportation furnished to candidates or persons acting on behalf of candidates that are due on the last day of a month during the six months before nomination or election.

During the six months before nomination or election, Section 374a.6(b) and (c) requires air carriers to file DOT Form 183 only when the indebtedness for transportation furnished to a candidate or a person acting on the candidate's behalf exceeds \$5,000 on the last day of a month to which the report pertains. Once activated, the reporting requirement continues on a monthly basis until a negative report is filed showing that no debt for such an extension of credit is owed to the air carrier

REPORTING AFTER ELECTION OR NOMINATION

After the nomination or election, air carriers are required to file reports only when changes occur in the indebtedness balance. Also, a final (negative report) must be filed when the indebtedness balance reaches zero.

DUE DATE FOR SUBMITTING FORM 183

Submissions of Form 183 must be filed with the Bureau of Transportation Statistics not later than

the 20th day following the end of the calendar month to which the report pertains.

BTS Form 183 should be filed by the 20th day following the end of the calendar month to which it relates. If any reports are past due, we request that they be filed immediately. Send can be sent to:

Office of Airline Information, RTS-42
Bureau of Transportation Statistics, E-34
U.S. Department of Transportation
1200 New Jersey Ave. S.E.
Washington D.C. 20590-0001

Or, emailed to:

Form183.Support@dot.gov

A copy of Form 183 can be found at http://www.bts.gov/programs/airline_information/forms/ in several formats including PDF, HTML, and Excel. The reporting requirements of Part 374a have been approved by OMB under OMB Clearance No. 2138-0016. A copy of Part 374a, which includes the reporting requirements for Form 183, is included as Attachment A to this Directive.

Section 374a.7 requires air carriers to retain for two years documents such as statements, invoices, and bills, relating to the furnishing of air transportation to candidates for political office or persons acting on the candidate's behalf.

Accounting and Reporting Directive Number 273 dated February 20, 2004, is hereby rescinded.

Questions about this directive or the Form 183 reporting requirements can be directed to Bernie Stankus at (202) 366-4387 or bernard.stankus@dot.gov or to Form183.Support@dot.gov.

This action is taken pursuant to delegated authority as set forth in section 385.27(b) of the DOT's Organization Regulations (14 CFR 385.27(b)).



Anne Suissa
Director
Office of Airline Information

ATTACHMENT A

CODE OF FEDERAL REGULATIONS

Volume: 4 Date: 2010-01-01

TITLE 14 - AERONAUTICS AND SPACE

**CHAPTER II - OFFICE OF THE SECRETARY, DEPARTMENT OF
TRANSPORTATION (AVIATION PROCEEDINGS).**

SUBCHAPTER D - SPECIAL REGULATIONS.

**PART 374a—EXTENSION OF CREDIT BY AIRLINES TO FEDERAL POLITICAL
CANDIDATES**

Section.

374a.1 Purpose.

374a.2 Applicability.

374a.3 Definitions.

374a.4 Conditions governing extension of unsecured credit.

374a.5 Exemption authority.

374a.6 Reporting requirements.

374a.7 Record retention requirements.

374a.8 Prospective application of part.

(Authority: 49 U.S.C. chapters 401, 411, 415, 417. Source: SPR-53, 37 FR 9388, May 10, 1972, unless otherwise noted.)

§ 374a.1 Purpose.

Section 401 of the Federal Election Campaign Act of 1971 (Pub. L. 92-225, 86 Stat. 19, 2 U.S.C. 451, enacted February 7, 1972, and hereafter referred to as the “Election Campaign Act”) directs the Civil Aeronautics Board to promulgate, within 90 days after enactment, regulations with respect to the extension of unsecured credit by any person regulated by the Board to any candidate for Federal office, or to any person on behalf of such a candidate, for goods furnished or services rendered in connection with the campaign of such candidate for nomination for election, or election, to such office. The purpose of this part is to issue rules pursuant to said section 401 of the Election Campaign Act in accordance with the Civil Aeronautics Board's responsibility thereunder.

§ 374a.2 Applicability.

This regulation shall be applicable to all air carriers as defined herein. Code of Federal Regulations / Title 14 - Aeronautics and Space / Vol. 4 / 2010-01-01391

§ 374a.3 Definitions.

Adequate security means (a) a bond, issued by a surety meeting the standards prescribed for sureties in part 380 of this chapter, in an amount not less than one hundred and fifty percent (150%) of the credit limit established by the air carrier for the candidate, or the person acting on behalf of the candidate, as the case may be, by the terms of which bond the surety undertakes to pay to the air carrier any and all amounts (not exceeding the face amount of the bond) for which the assured candidate or the assured person acting on behalf of a candidate, as the case may be, is or may become legally liable to the air carrier for transportation, as defined in this part; or (b) collateral with a market value equal to one hundred and fifty percent (150%) of the established credit limit for such account, which collateral must be deposited in escrow and must consist of Federal, State, or municipal bonds or other negotiable securities which are publicly traded on a securities exchange.

Air carrier means any air carrier holding a certificate of public convenience and necessity issued under section 401 of the Federal Aviation Act of 1958, as amended.

Candidate means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected. For purposes of this part, an individual shall be deemed to seek nomination for election, or election, if he has (a) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office; or (b) received contributions or made expenditures, or given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office.

Election shall have reference to (a) a general, special, primary, or runoff election; (b) a convention or caucus of a political party held to nominate a candidate; (c) a primary election held for the selection of delegates to a national nominating convention of a political party; or (d) a primary election held for the expression of a preference for the nomination of persons for election to Federal office.

Established credit limit means the dollar limit of credit established by the carrier extending credit.

Federal office means the office of President or Vice President of the United States, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

Person acting on behalf of a candidate means (a) a political committee acting on behalf of, or a person employed by such candidate or by such political committee to act on behalf of, such candidate in connection with such candidate's campaign for nomination for election, or election, to Federal office; (b) a person acting under a contract with, or as an agent of, such candidate or political committee to engage in activities in connection with such candidate's campaign for nomination for election, or election, to Federal office; or (c) a person for whom such candidate or political committee pays, directly or indirectly, for services purchased by such person. The term includes persons acting on behalf of more than one candidate.

Payment in advance means payment by cash, check, money order, or by credit card (if the issuer of such card is not an air carrier or a subsidiary, parent, or affiliate thereof) prior to performance of such transportation by an air carrier.

Political committee means any committee, association, corporation, or organization which accepts contributions, or makes expenditures, for the purpose of supporting a candidate or candidates for nomination for election, or election, to Federal office.

Transportation means (a) the carriage of persons or property (including services connected therewith) for compensation or hire to or from any place in the United States, or (b) the lease or rental of aircraft, with or without crew.

[SPR-53, 37 FR 9388, May 10, 1972, as amended by SPR-173, 45 FR 80099, Dec. 3, 1980]

§ 374a.4 Conditions governing extension of unsecured credit.

(a) Unless adequate security is posted, or full payment in advance is made, no air carrier shall provide transportation to any person it knows, or has reasons to know, is a candidate or a person acting on behalf of such candidate, in connection with the campaign of such candidate, except in accordance with, and subject to, the following conditions:

(1) At least once a month the air carrier shall submit to each such candidate or person a statement covering all unsecured credit extended to such candidate or person, as the case may be (whether in connection with the campaign of such candidate or otherwise.)

(2) Such statements shall be mailed no later than the second business day following the last day of the billing period, covered by the statement.

(3) The amount of indebtedness shown on each such statement shall be payable in full no later than 25 days after the last day of the billing period, after which time the indebtedness shall be overdue.

(4)(i) Unsecured credit shall not be extended by an air carrier to a candidate, or to any person acting on his behalf in connection with the campaign of such candidate, so long as any overdue indebtedness of such candidate to such air carrier shall remain unpaid, in whole or in part, or so

long as such air carrier shall know that any overdue indebtedness of such candidate to any other air carrier remains unpaid, in whole or in part.

(ii) Unsecured credit shall not be extended by an air carrier to a person acting on behalf of a candidate, for transportation in connection with the campaign of such candidate, so long as any overdue indebtedness of such person to such carrier shall remain unpaid, in whole or in part, or so long as such air carrier shall know that any overdue indebtedness of such person to any other air carrier remains unpaid, in whole or in part.

(5)(i) With respect to transportation in connection with the campaign of any candidate to be performed after June 1, 1972, unsecured credit shall not be extended by an air carrier to any person acting on behalf of such candidate unless the carrier is authorized in writing by such candidate to extend such credit. The foregoing sentence shall not be construed as requiring the candidate to assume liability to the carrier for credit so extended.

(ii) Within 7 days after indebtedness becomes overdue for any unsecured credit extended by an air carrier to a person acting on behalf of a candidate in accordance with paragraph (a)(5)(i) of this section, the carrier shall notify the candidate in writing of the amount of the overdue indebtedness, and, unless paid in full within 25 days after the date of such notice, the overdue indebtedness shall be deemed to be the overdue indebtedness of the candidate, for the purposes of paragraph (b)(4)(i) of this section.

(b) It shall be presumed that a candidate or person acting on behalf of a candidate intends to use transportation in connection with the campaign of such candidate for nomination for election, or election, to Federal office.

(Secs. 204, 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1377. Sec. 401 of the Federal Election Campaign Act of 1971, 86 Stat. 19, 2 U.S.C. 451)[SPR-53, 37 FR 9388, May 10, 1972, as amended by SPR-169, 45 FR 25796, Apr. 16, 1980; SPR-172, 45 FR 53454, Aug. 12, 1980]

§ 374a.5 Exemption authority.

Air carriers are exempt from the following provisions of Title IV of the Federal Aviation Act of 1958, as amended: (a) Section 403, (b) section 404(b), and any and all other provisions of Title IV of the Federal Aviation Act of 1958, as amended, to the extent necessary to enable air carriers to comply with the provisions of this part.

§ 374a.6 Reporting requirements.

(a) Air carriers shall make monthly reports to the Bureau of Transportation Statistics with respect to the credit for transportation furnished to candidates, or persons acting on behalf of candidates, during the period from 6 months before nomination, if any, or from 6 months before election, until the date of election. After that 6-month period, air carriers shall file such a report with the

Bureau of Transportation Statistics not later than the 20th day following the end of the calendar month in which the election or nomination takes place, and thereafter when any change occurs in that report, until a negative report is filed showing that no debt for such extension of credit is owed to the carrier.

(b)(1) A separate report shall be filed for each candidate with an aggregate indebtedness balance of over \$5,000 on the last day of the month to which the report pertains. The report shall cover all debts incurred by the candidate, whether or not incurred in connection with his campaign, and all debts incurred by persons acting on his behalf in connection with such campaign. The indebtedness accounts reported shall be those which the air carrier knows, or has reason to know, have been incurred by or on behalf of a candidate; and it shall be presumed that the transportation for which the indebtedness has been incurred is intended to be used in connection with the campaign of such candidate for nomination for election, or election, to Federal office.

(2) The reports required by this paragraph (b) shall be filed with the Office of Airline Information not later than the 20th day following the end of the calendar month to which the report pertains. They shall include the following data: (i) Name of account; (ii) the credit limit established for such account; (iii) the balance, if any, of the amount payable for transportation not paid for in advance; (iv) any unpaid balance of the charges for such transportation as of the last day of the month covered by the report, and the length of time that such balance has remained unpaid; and (v) a description of the type and value of any bond, collateral, or other security securing such unpaid balance.

(c) A separate report shall be filed for each person acting on behalf of any candidate, if the aggregate indebtedness balance of such person to the reporting air carrier (including all debts incurred by such person, whether or not incurred in connection with the campaign of a candidate, as defined in this part) is over \$5,000 on the last day of the month to which the report pertains. The report shall be filed with the Office of Airline Information not later than the 20th day following the end of the calendar month to which the report pertains and shall include (1) the credit limitation established for such person; (2) the balance, if any, of the amount payable for transportation not paid for in advance; (3) any unpaid balance of the charges for such transportation as of the last day of the month covered by the report, and the length of time that such balance has remained unpaid; and (4) a description of the type and value of any bond, collateral, or other security securing such unpaid balance.

[SPR-53, 37 FR 9388, May 10, 1972, as amended by SPR-190, 47 FR 32414, July 27, 1982; 60 FR 66726, Dec. 26, 1995]

§ 374a.7 Record retention requirements.

(a) Every air carrier subject to the part shall retain for 2 years after a Federal election true copies of the following documents at its principal or general office in the United States:

(1) All documents which evidence or reflect the furnishing of transportation to a candidate for political office or a person acting on his behalf;

(2) All statements, invoices, bills, and receipts with respect to the furnishing of such transportation referred to in paragraph (a)(1) of this section.

(b) Every air carrier shall make the documents listed in this section available in the United States upon request by an authorized representative of the DOT and shall permit such representative to make such notes and copies thereof as he deems appropriate.

[SPR-53, 37 FR 9388, May 10, 1972, as amended at 60 FR 66726, Dec. 26, 1995]

§ 374a.8 Prospective application of part.

The provisions of this part shall apply only to the extension of credit by an air carrier to a candidate, or to a person acting on his behalf, which is made subsequent to the effective date of this part, and shall not be applicable to debts incurred prior to such date but which are unpaid as of the effective date of this part. The provisions of this part will be applicable, however, to all credit transactions which occur subsequent to the effective date of the part even though the credit account in which the transaction takes place was opened prior to the effective date of the part.