(a) The costs of investigating and remediating environmental contamination caused by aeronautical operations at the airport at least to the extent that such investigation or remediation is required by or consistent with local, state or federal environmental law, and to the extent such requirements are applied to other similarly situated enterprises.

(b) The cost of mitigating the environmental impact of an airport development project (if the development project is one for which costs may be included in the users' rate base), at least to the extent that these costs are incurred in order to secure necessary approvals for such projects, including but not limited to approvals under the National Environmental Policy Act and similar state statutes;

(c) The costs of aircraft noise abatement and mitigation measures, both on and off the airport, including but not limited to land acquisition and acoustical insulation expenses, to the extent that such measures are undertaken as part of a comprehensive and publicly-disclosed airport noise compatibility program; and

(d) The costs of insuring against future liability for environmental contamination caused by current aeronautical activities. Under this provision, the costs of self-insurance may be included in the rate-base only to the extent that they are incurred pursuant to a self-insurance program that conforms to applicable insurance industry standards for self-insurance practices.

2.3.3 Airport proprietors are encouraged to establish fees with due regard for economy and efficiency.

2.3.4 The airport proprietor may include in the rate base amounts needed to fund debt service and other reserves and to meet cash flow requirements as specified in financing agreements or covenants (for facilities in use); to fund cash reserves to protect against the risks of cash-flow fluctuations associated with normal airport operations; and to fund reasonable cash reserves to protect against other contingencies.

2.3.5 The airport proprietor may include in the rate base capital costs in accordance with the following guidance, which is based on the principle of cost causation:

(a) Costs of facilities directly used by the aeronautical users may be fully included in the rate base, in a manner consistent with this policy. For example, the capital cost of a runway may be included in the rate base used to establish landing fees.

(b) Costs of airport facilities used for both aeronautical and non-aeronautical uses (shared costs) may be included in a particular aeronautical rate base if the facility in question supports the aeronautical activity reflected in that rate base. The portion of shared costs allocated to aeronautical users should not exceed an amount that reflects the aeronautical purpose and proportionate aeronautical use of the facility in relation to nonaeronautical use of the facility, unless the affected aeronautical users agree to the allocation. Aeronautical users may not be allocated all costs of facilities that are used by both aeronautical and nonaeronautical users unless they agree to that allocation.

2.4 Airport proprietors must comply with the following practices in establishing the rate base, provided, however, that one or more aeronautical users may agree to a rate base that deviates from these practices in the establishment of those users' fees.

2.4.1 Airport assets included in the rate base must be valued according to their historic cost to the original airport proprietor. Subsequent airport proprietors generally shall acquire the cost basis of an asset at the original airport proprietor's historic cost.

(a) For facilities other than airfield facilities and land, an airport proprietor may use valuation methodologies other than historic cost valuation as set forth above, so long as total aeronautical revenues do not exceed the total costs (based on historic costs) included in the aeronautical rate base, and so long as the valuation method is justified and applied on a consistent basis to comparable facilities.

(b) Where comparable assets, e.g., two runways or two terminals, were built at different times and have different historic costs, the airport proprietor may combine the cost basis of the comparable assets to develop a single cost basis applicable to all such facilities.

2.4.2 The costs of facilities not yet built and operating may not be included in the rate base. However, the debt-service and other carrying costs incurred by the airport proprietor during construction may be capitalized and amortized once the facility is put in service. The airport proprietor may include in the rate base the costs of land that facilitates the current operations of the airport.

2.4.3 The rate base of an airport may include costs associated with another airport currently in use only if: (1) The proprietor of the first airport is also the proprietor of the second airport; (2) the second airport is currently in use; and (3) the costs of the second airport to be included in the first airport's rate base are reasonably related to the aviation benefits that the second airport provides or is expected to provide to the aeronautical users of the first airport.

(a) Element no. 3 above will be presumed to be satisfied if the second airport is designated as a reliever airport for the first airport in the FAA's National Plan of Integrated Airport Systems (NPIAS).

2.5 At all times, airport proprietors must comply with the following practices:

2.5.1 Indirect costs may not be included in the rate base unless they are based on a reasonable, transparent cost allocation formula calculated consistently for other units or cost centers of government.

2.5.2 The costs of airport development or planning projects paid for with government grants and contributions and passenger facility charges (PFCs) may not be included in the rate base.

2.5.2(a) In the case of a PFC-funded project for terminal development, for gates and related areas, or for a facility that is occupied by one or more carriers on an exclusive or preferential use basis, the fees paid to use those facilities shall be no less than the fees charged for similar facilities that were not financed with PFC revenue.

Prohibition on Unjust Discrimination

3. Aeronautical fees may not unjustly discriminate against aeronautical users or user groups.

3.1 Unless aeronautical users agree, aeronautical fees imposed on any aeronautical user or group of aeronautical users may not exceed the costs allocated to that user or user group under a cost allocation methodology adopted by the airport proprietor that is consistent with this guidance.

3.1.1 The prohibition on unjust discrimination does not prevent an airport proprietor from making reasonable distinctions among aeronautical users (such as signatory and non-signatory carriers) and assessing higher fees on certain categories of aeronautical users based on those distinctions (such as higher fees for non-signatory carriers, as compared to signatory carriers).

3.2 A properly structured peak pricing system that allocates limited resources using price during periods of congestion will not be considered to be unjustly discriminatory. An airport proprietor may, consistent with the policies expressed in this policy statement, establish fees that enhance the efficient utilization of the airport.

3.3 Relevant provisions of the Convention on International Civil