

August 24, 2006

Re: PFC Application No. 92-01-C-00-LAS (as amended)

Clark County Department of Aviation's notice for public comment prior to submitting an application to amend the passenger facility charge (PFC) collection level from \$3.00 to \$4.00 at McCarran International Airport (LAS)

The Clark County Department of Aviation (CCDOA) is posting this public notice as part of the passenger facility charge (PFC) amendment process under 14 CFR § 158.37(b)(1). As part of this process, the CCDOA is providing you with the following information regarding a proposed amendment to PFC Application No. 92-01-C-00-LAS (PFC Application No. 1, as amended):

Background

Since receiving FAA approval on August 16, 2004 to adjust its PFC collection level to \$4.50, the CCDOA has been collecting PFCs at the \$4.50 level since November 1, 2004.

In accordance with 14 CFR § 158.37, the CCDOA submitted a proposed sixth amendment to PFC Application No. 1 to the FAA on May 22, 2006. This proposed amendment only included changes to projects under the following situations:

- To institute a decrease in total PFC revenue
- To institute an increase in total PFC revenue of 25 percent or less
- To delete an approved PFC project

In accordance with 14 CFR § 158.37, proposed amendments to projects under these situations are processed by the FAA as administrative amendments and do not require further consultation with air carriers, opportunity for public comment, or justification.

There were two primary reasons for the proposed amendment to PFC Application No. 1: (1) The costs of the principal on the projects have been established through actual construction costs and could replace the estimates provided by the CCDOA nearly 15 years ago; and (2) the Series 1992 Bonds used to finance PFC Application No. 1 have been refunded by the CCDOA numerous times since being issued in 1992. Consequently, the approved financing costs are no longer accurate.

The FAA subsequently reviewed and administratively approved the amendment to PFC Application No. 1 on July 5, 2006. As a result of the revised project costs and the elimination of four projects that were never implemented, the FAA determined that only 29 percent of the total remaining value of the approved projects in PFC Application No. 1 was now collectible at a \$4.50 level, which is below the minimum threshold of 33 percent required for this collection level. As a result, PFC Application No. 1 was no longer eligible to be collected at the \$4.50 level and is now required by the FAA to be reduced to a \$3.00 collection level, effective September 1, 2006. PFC Application Nos. 2 through 6 in the CCDOA's PFC Program remain approved at the \$4.50 collection level.

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In the future, the CCDOA will submit another amendment to PFC Application No. 1 that institutes an increase in total PFC revenue of more than 25 percent for approved projects to the FAA following further consultation with air carriers and opportunity for public comment. It is not being included as part of this amendment due to time constraints.

PFC Collection Level – this Seventh Amendment

A PFC application can be authorized for collection at a \$4.00 level if more than 25 percent of the total value of the approved projects is collectible at a \$4.00 level. As stated above, the FAA has determined that 29 percent of the total remaining value of the approved projects in PFC Application No. 1 is collectible at a \$4.50 level and, therefore, is also collectible at a \$4.00 level. The CCDOA, therefore, is seeking approval from the FAA to increase the PFC collection level from the approved amount of \$3.00 to \$4.00 for PFC Application No. 1.

Charge Effective Date

In accordance with 14 CFR § 158.37, the charge effective date for the \$4.00 PFC collection amount will be January 1, 2007.

Estimated Charge Expiration Date

In the sixth amendment, the CCDOA recommended to the FAA that the charge expiration date for PFC Application No. 1 remain at its existing date until the projects requiring further consultation with the air carriers and opportunity for public comment are amended. The amendment application for these projects would then provide for a revised estimated charge expiration date for PFC Application No. 01. In its July 5, 2006 Final Agency Decision, the FAA concurred and kept the charge expiration date at July 1, 2011. The CCDOA will recommend that the FAA adopt a similar action for this amendment.

Estimated Total PFC Revenue for this Application

Total PFC revenue to be collected for PFC Application 1 is estimated to be approximately \$833.7 million. This total estimated amount is unchanged from the sixth amendment to PFC Application No. 1.

CCDOA Point of Contact

As required under 14 CFR § 158.24, the CCDOA will be accepting public comments on the proposed amendment to PFC Application No. 1 up to 30 days after the August 24, 2006 date of posting this public notice on our Web site (i.e., up to September 22, 2006). Any public comments should be sent to Alan W. Stewart, Clark County Department of Aviation, 5757 Wayne Newton Boulevard, Las Vegas, Nevada 89119. If there are any questions regarding this proposed amendment to PFC Application No. 1, Mr. Stewart can also be reached at 702-261-5170 or at alanst@mccarran.com.