

Airport and Seaport User Fee Advisory Committee (UFAC)
October 2014

Report of the Work of the UFAC Subcommittee on Financial Assessment and Options
Co-Chair Matthew J. Cornelius

1. Background:

On August 29, 2014, during a public meeting call of the Airport and Seaport User Fee Advisory Committee (UFAC), the UFAC announced the creation of the Financial Assessment and Options Subcommittee. The Financial Assessment and Options Subcommittee objectives and scope are consistent with the official charter of the UFAC.

2. Objectives and Scope of Activities

It is expected that, during the lifespan of this subcommittee, the focus will be on providing advice and recommendations on the financial performance of the agency as it pertains to user fee income and its use in the agency's operations. The subcommittee has undertaken a number of activities to support the objective of the group, including:

1. Study of the overall financial environment of CBP

The subcommittee, along with CBP, is recommending an independent review of the agency's financial performance to include a detailed study of revenues and expenses as well as financial operations impacted by user fees. Once completed, the subcommittee will evaluate the results of the independent assessment and communicate the results to the entire UFAC for consideration and future recommendations.

Update:

- A scope of work has been developed and reviewed with CBP. The subcommittee will recommend to the UFAC, to recommend to CBP, to fund and procure a third party contractor that will implement the agreed scope of work. The subcommittee will continue to review and provide guidance to CBP as the study begins work.

2. Inventory of User Fees

Update:

- An initial structure for identifying various user fees in the air environment was compiled. The group reviewed the document and CBP identified 20 markets it would like the structure to include. The subcommittee is working to develop the document further.

3. Mapping of the Collection and Transmission of Fees

Update:

- IATA and A4A provided an initial map for the aviation sector to the subcommittee and CBP. CBP has several questions about the document, which the subcommittee will review and discuss before moving forward. The land and sea modes will begin developing a similar document.

4. Impact of User Fees on Industry

Update:

- The subcommittee discussed approaches to evaluating the potential impacts from user fees on industry and consumer behavior. The subcommittee incorporated this effort as a tasking in the study on agency revenues and expenses.

3. Next Steps

The scope of activities may include the following areas:

- CBP will advise UFAC on the progress to fund, procure and launch the study of the agency's financial environment.
- The subcommittee will continue to develop the inventory of user fees and the mapping of the collection and transmission of fees.