



CORPORATE TRUST

**CONTINUING DISCLOSURE AS REQUIRED IN THE TRUST INDENTURE
DATED AS OF MARCH 1, 2001, AS SUPPLEMENTED, BETWEEN THE
CITY OF HOUSTON, TEXAS, ISSUER AND THE BANK OF
NEW YORK MELLON TRUST COMPANY, N.A., TRUSTEE**

FOR

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE BONDS (CONSOLIDATED RENTAL CAR
FACILITY PROJECT) SERIES 2001**

AND

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE REFUNDING BONDS (CONSOLIDATED RENTAL
CAR FACILITY PROJECT) SERIES 2014**

**Annual Disclosure Report
For the Calendar Year Ended December 31, 2024**

OUTSTANDING CUSIPS

442348P36

**The Bank of New York Mellon Trust Company National Association,
as Trustee**

DATE June 30, 2025

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE BONDS (CONSOLIDATED RENTAL CAR
FACILITY PROJECT) SERIES 2001
AND**

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE REFUNDING BONDS (CONSOLIDATED RENTAL
CAR FACILITY PROJECT) SERIES 2014**

**Annual Disclosure Report
As of 12/31/2024**

1. The number of Transaction Days at the Airport during 2024:

4,682,127

2. The amount of the Customer Facility Charge in effect during 2024 as reported to the Trustee by the City of Houston:

\$4.00 from January to December 31

3. The total revenues generated by the Customer Facility Charge during 2024:

\$18,728,509.00

4. Reports of the Independent Rate Consultant (Exhibit A):

2025 Annual Rate Report-Consolidated Rental Car Facility

5. The balances in each Fund under the Indenture inclusive of investment earnings at 12/31/2024:

Fund	Balance	Investment Earnings 01/01/2024-12/31/2024
Revenue Fund	\$0.00	\$42,845.41
Debt Service Fund	\$11,131,389.00	\$258,492.66
Debt Service Reserve Fund*	\$0.00	\$0.00
Coverage Fund	\$3,169,143.00	\$162,143.56
Administrative Costs Fund	\$69,900.00	\$2,354.50
Facility Improvement Fund	\$55,303,912.14	\$2,548,652.28
CFC Stability Account	\$300,000.00	\$15,348.95
Project Fund Operators Account	\$0.00	\$0.00
Project Fund City Account	\$0.24	\$0.00

* The Debt Service Reserve Fund requirement is satisfied by the Surety Policy in the amount of \$12,677,000

The Bank of New York Mellon Trust Company National Association, As Trustee

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE BONDS (CONSOLIDATED RENTAL CAR
FACILITY PROJECT) SERIES 2001**

AND

**CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES
TAXABLE REVENUE REFUNDING BONDS (CONSOLIDATED RENTAL
CAR FACILITY PROJECT) SERIES 2014**

**Annual Disclosure Report
As of 12/31/2024 (con't)**

6. CFC Revenues, Transaction Days, and Originating Enplanements at the Airport for the last ten years ending 12/31/2024:

YEAR	CFC Revenue	% Change CFC	Transaction Days	% Change Transaction Days	Originating Enplanements	% Change Originating Enplanements
2024	\$18,728,509	9.81%	4,682,127	9.81%	14,911,000	5.51%
2023	\$17,055,990	15.53%	4,263,997	15.53%	14,132,000	13.89%
2022	\$14,762,769	24.40%	3,690,692	24.40%	12,407,955	28.70%
2021	\$11,866,180	46.50%	2,966,545	46.50%	9,637,830	83.70%
2020	\$8,098,070	-54.20%	2,024,518	-54.20%	5,245,523	-58.90%
2019	\$17,671,464	2.20%	4,417,866	2.20%	12,747,367	6.80%
2018	\$17,284,528	10.00%	4,321,132	4.50%	11,935,541	6.80%
2017*	\$15,713,972	8.30%	4,133,730	3.40%	11,175,027	1.60%
2016	\$14,515,234	-16.00%	4,053,462	-6.10%	10,969,591	0.00%
2015	\$17,275,392	-1.30%	4,318,848	-1.30%	10,973,046	9.50%
2014	\$17,500,143	0.60%	4,375,036	3.20%	10,025,344	6.40%

*Does not include \$300,368 received in 2018 Source: Houston Airport System

The Bank of New York Mellon Trust Company National Association, As Trustee

Exhibit A

Reports of Independent Rate Consultant

**Exhibit A: 2024 Annual Rate Report – Consolidated Rental Car Facility dated
12/20/2024**

ROGER H. BATES

Airport Consultant

December 20, 2024

Mr. Clint Stephen
Chief Financial Officer
Houston Airport System
16930 JFK Boulevard
Houston, TX 77032

Re: 2025 Annual Rate Report—Consolidated Rental Car Facility

Dear Mr. Stephen:

Acting in the capacity of the City of Houston's designated Independent Rate Consultant, I am pleased to submit this annual Rate Report for Calendar Year 2025 regarding the Consolidated Rental Car Facility (the Facility) at George Bush Intercontinental Airport / Houston (the Airport).

In March 2001, the City of Houston (the City) issued *\$130,250,000 City of Houston, Texas, Airport System Special Facilities Taxable Revenue Bonds (Consolidated Rental Car Facility Project), Series 2001* (the Bonds) to finance the Facility. The Bonds are secured in large part by a pledge of CFC Revenues—revenues derived from a Customer Facility Charge imposed by the City and collected by the rental car operators (the Operators). The City imposed a Customer Facility Charge of \$3.00 per transaction day at the Airport as of April 1, 2001. The Operators have been collecting and forwarding CFC revenues to the Trustee since that date. The CFC rate has subsequently been adjusted on several occasions over the years. The current CFC is \$4.00 per transaction day, a rate that has been in effect since April 1, 2017.

Purposes of the Rate Report

In connection with the issuance of the Bonds, the City (as the Issuer of the Bonds) entered into a Trust Indenture, dated March 1, 2001, with Chase Manhattan Bank (now The Bank of New York Mellon Trust Company, N.A.) as Trustee.

The specific requirements for the Rate Report are set forth in Section 7.2 of the Trust Indenture.

Section 7.2.a of the Trust Indenture states:

The City shall cause the Customer Facility Charge to be calculated, established and imposed as herein provided so long as any Bonds remain Outstanding, and the City shall use diligence to cause the Customer Facility Charge to be collected by the Operators in accordance with the terms of the Agreement and deposited with the Trustee directly by the Operators. The Customer Facility Charge shall be established initially and reviewed and adjusted (if necessary) annually by the Director based upon the Rate Reports from the Independent Rate Consultant (or, with the consent of the LLC, by the City) at rates estimated to generate CFC revenues, along with other Pledged Revenues, in such calendar year equal to not less than:

- (1) 125% of the debt service requirements on the Bonds for such calendar year; and
- (2) the amounts necessary to fund in each calendar year all transfers from the Revenue Fund as required by Article IV of this Indenture.

This provision is referred to as the Rate Covenant.

Section 7.2.b of the Trust Indenture goes on to state:

The Director [the City's Director of Aviation] shall cause the Rate Reports to be prepared and to be filed with the Trustee prior to each calendar year, based upon the Transaction Day and other rental information required to be provided annually to the Independent Rate Consultant by the Operators pursuant to the Agreement.

The Trust Indenture defines "Rate Reports" as follows:

"Rate Reports" shall mean the written reports and recommendations of the Independent Rate Consultant...which shall include the following information:

- (1) the recommended Customer Facility Charge for the ensuing calendar year (or other stated period);
- (2) the recommended transfers to the Revenue Fund from the CFC Stabilization Account or from other amounts in the Facility Improvement Fund;
- (3) pro forma Customer Facility Charge collection data for the ensuing calendar year (or other stated period) on a monthly basis, together with calculations showing 90% and 80% of such monthly amounts;
- (4) the estimated Administrative Cost Requirement for the ensuing calendar year (or other stated period); and
- (5) any additional documentation to support the recommended CFC rate and reflecting the anticipated disposition of the CFC revenues among the funds established and maintained under the Indenture.

This Rate Report has been prepared to respond to the requirements of Section 7.2 of the Trust Indenture.

The Houston Rental Car Operators

The Houston rental car market is served by four companies operating 12 brands: *Avis Budget Group, Inc.* (operating Avis, Budget, Payless and Zipcar); *Enterprise Holdings Inc.* (operating Enterprise, Alamo and National); *The Hertz Corporation* (operating Hertz, Dollar and Thrifty) and *Sixt Rent a Car, LLC* (operating Sixt and GO Rentals).

COVID 19 and the Air Transportation Industry

The year 2020 saw a precipitous decline in air traffic and rental car activity at the Airport (and worldwide) as a result of the COVID-19 pandemic. But fortunately, air traffic activity—and with it, rental car demand—have significantly and steadily recovered since the severely depressed levels of 2020.

Air traffic statistics published by the FAA and airport organizations are available only after a significant lag of time. A reliable real time measure of air traffic demand is the number of travelers passing through TSA checkpoints—data which is available with a lag of only a few days. The table below shows the total number of passengers passing through TSA checkpoints by month from January 2019 though November 2024. In April 2020 TSA checkpoint traveler throughput declined over 95% from the previous year, evidencing how hard air travel demand was affected by widespread business closures and lockdowns. By 2023 passenger traffic had fully recovered from pandemic lows, exceeding the 2019 level by 0.6%. Traffic gains have continued in 2024; for the first 11 months passenger traffic is nearly 7% ahead of the same 11-month period of 2019.

TSA Checkpoint Traveler Throughput
Total United States
2019 - 2024 by Month

Date	2019	2020	2021	2022	2023	2024	% Change
January	59,357,493	61,673,279	23,421,229	46,000,046	58,603,981	64,447,237	
February	57,525,435	60,463,775	24,867,048	48,528,013	57,913,402	64,600,292	
March	72,683,832	31,029,383	38,562,607	63,643,054	73,181,158	77,167,666	
April	70,075,772	3,332,788	41,599,455	63,436,314	70,111,486	73,821,334	
May	74,731,369	7,481,008	50,231,199	67,182,736	74,588,923	80,316,911	
June	76,510,126	15,252,076	57,177,210	68,163,881	76,324,227	82,011,371	
July	79,931,926	20,858,398	63,279,389	70,290,673	80,367,079	84,029,018	
August	73,646,197	21,293,376	56,710,858	67,343,384	73,136,649	79,493,447	
September	67,578,986	22,107,158	51,636,312	63,580,597	67,390,313	71,770,210	
October	71,984,802	25,705,632	57,143,187	68,031,983	72,068,718	76,321,249	
November	68,364,056	25,106,377	57,294,066	64,371,135	71,415,621	71,869,129	
December	70,374,968	26,977,997	58,820,299	65,648,031	72,562,140		
Total	842,764,962	321,281,247	580,742,859	756,219,847	847,663,697		0.6%
1st 11 Months	772,389,994					825,847,864	6.9%

Source: Transportation Security Administration

During the recovery from the pandemic, the mix of air travel demand shifted away from business travel and toward leisure travel. The strengthening of leisure travel demand reflected, in part, the release of pent-up demand following two years of lockdowns, restrictions and fear of exposure to the virus. The successful development and distribution of vaccines helped significantly in driving this release. The relatively slower rebound in business travel reflected in part the growing acceptance of video conferencing (with apps such as Zoom) in lieu of face-to-face business meetings.

Recent Trends in Air Traffic Demand

Air traffic demand at the Airport has exhibited significant growth in 2024. Table 1 on the following page shows recent trends in air traffic activity at the Airport by month for calendar year 2023 and year-to-date (January through October) 2024, as obtained from HAS records. For the purposes of documenting the recovery of the air traffic market from the pandemic, columns have been included to show both “% Change from Prior Year” and “% Change from 2019.”

During the first 10 months of 2024 the number of enplaned passengers at the Airport increased by 4.7% over the same period of 2023, indicating continuing strong traffic demand in the Houston market. Also, for that same 10-month period, enplanements were 6.7% above the same period of 2019 indicating a more than complete market recovery from pandemic lows.

More significantly, for the first 10 months of 2024 total passenger originations at the Airport (the driver of rental car activity) increased by 5.1% from the same period of 2023 and 17.7% from the same period of 2019, marking significant growth in air travel demand over pre-pandemic levels.

Table 1

RECENT TRENDS IN AIR TRAFFIC ACTIVITY
Calendar Years 2024 and 2023
George Bush Intercontinental Airport / Houston

Year / Month	Enplaned Passengers			Originating Passengers			
	Number	% Change from Prior Year	% Change from CY 2019	Number	% Change from Prior Year	% Change from CY 2019	% of Total Enplaned Passengers
2024							
Jan	1,759,450	1.0%	0.3%	1,051,107	4.6%	15.9%	59.7%
Feb	1,729,623	3.1%	8.1%	1,007,729	3.5%	20.6%	58.3%
Mar	2,019,544	3.6%	2.4%	1,234,143	3.6%	15.3%	61.1%
Apr	1,959,887	5.0%	5.9%	1,220,315	6.0%	20.8%	62.3%
May	2,145,840	8.0%	7.2%	1,398,022	10.6%	19.8%	65.2%
Jun	2,288,300	11.0%	10.3%	1,472,843	9.4%	20.9%	64.4%
Jul	2,170,157	1.4%	3.1%	1,389,174	2.0%	12.2%	64.0%
Aug	2,095,766	7.3%	7.8%	1,248,539	5.7%	11.9%	59.6%
Sep	1,875,717	1.4%	14.6%	1,143,517	-0.7%	22.3%	61.0%
Oct	2,065,129	4.5%	8.6%	1,274,033	5.3%	19.3%	61.7%
	20,109,413	4.7%	6.7%	12,439,422	5.1%	17.7%	61.9%
Nov							
Dec							
<hr/>							
Total 2024							
<hr/>							
2023							
Jan	1,742,060	31.6%	-0.7%	1,005,188	35.5%	10.8%	57.7%
Feb	1,677,261	24.5%	4.8%	973,375	28.5%	16.5%	58.0%
Mar	1,949,436	14.6%	-1.1%	1,191,533	18.2%	11.3%	61.1%
Apr	1,866,408	11.0%	0.8%	1,151,055	18.4%	13.9%	61.7%
May	1,986,868	7.0%	-0.7%	1,264,521	11.4%	8.4%	63.6%
Jun	2,060,632	13.7%	-0.7%	1,346,443	19.2%	10.5%	65.3%
Jul	2,139,644	14.5%	1.6%	1,361,975	15.5%	10.0%	63.7%
Aug	1,953,876	15.0%	0.5%	1,181,425	14.3%	5.9%	60.5%
Sep	1,849,128	9.0%	13.0%	1,151,503	11.7%	23.2%	62.3%
Oct	1,976,035	5.5%	3.9%	1,209,593	7.2%	13.2%	61.2%
	19,201,348	13.9%	1.9%	11,836,611	17.0%	12.0%	61.6%
Nov	1,912,225	5.3%	4.6%	1,199,932	6.4%	16.6%	62.8%
Dec	1,984,546	5.1%	-3.1%	1,213,614	3.9%	5.4%	61.2%
	3,896,771	5.2%	0.5%	2,413,546	5.2%	10.7%	61.9%
<hr/>							
Total 2023	23,098,119	12.3%	1.7%	14,250,157	14.8%	11.8%	61.7%

Source: Houston Airport System

Recent Trends in Transaction Days and CFC Revenues

Tables 2A and 2B on the following page show (1) rental car transaction days and (2) CFC revenues, respectively, at the Airport for the first 10 months of Calendar Years 2024 and all of 2023. Actual CFC revenues and transaction days for 2024 are then compared with the projections for 2024 prepared in December 2023. (Note that CFC Revenues are shown on an accrual basis; i.e., the revenues *earned* in the particular month.)

Total rental car transaction days and CFC revenues for the first 10 months of 2024 were 5.5% above the totals for the same period of 2019, indicating that rental car demand has now fully recovered to pre-pandemic levels.

For the first 10 months of 2024, the total number of transaction days and CFC revenues are 10.4% ahead of the projections for 2024 prepared in December 2023, suggesting a rebound in business travel activity at the Airport this year.

Table 2A

2024 TRANSACTION DAYS¹
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Applicable Month	Month of Payment	Total Transaction Days		Increase (Decrease)	Percentage Change	2024 Projection ²	Actual vs. Projection	Percentage Change
		Actual 2024	Actual 2019					
Jan	Feb	333,603	319,041	14,562	4.6%	319,000	14,603	4.6%
Feb	Mar	352,172	331,059	21,113	6.4%	334,000	18,172	5.4%
Mar	Apr	414,147	407,095	7,052	1.7%	389,000	25,147	6.5%
Apr	May	444,245	400,206	44,039	11.0%	394,000	50,245	12.8%
May	Jun	422,772	427,931	(5,159)	-1.2%	373,000	49,772	13.3%
Jun	Jul	397,317	373,433	23,884	6.4%	328,000	69,317	21.1%
Jul	Aug	362,244	363,067	(823)	-0.2%	339,000	23,244	6.9%
Aug	Sep	403,239	375,518	27,721	7.4%	357,000	46,239	13.0%
Sep	Oct	363,501	330,749	32,753	9.9%	336,000	27,501	8.2%
Oct	Nov	434,063	393,515	40,548	10.3%	388,000	46,063	11.9%
		3,927,304	3,721,614	205,690	5.5%	3,557,000	370,304	10.4%
Nov	Dec		363,963			354,000		
Dec	Jan		336,504			364,000		
			700,467			718,000		
			4,422,081			4,275,000		

1. Source: Derived from reported CFC revenues by dividing by the \$4.00 CFC rate.

2. Roger H. Bates, "2024 Annual Rate Report--Consolidated Rental Car Facility," dated December 27, 2023.

Table 2B

2024 CFC REVENUES¹
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Month of Accrual	Month of Payment	Total CFC Revenues		Increase (Decrease)	Percentage Change	2024 Projection ²	Actual 2024 vs. Projection	Percentage Change
		Actual 2024	Actual 2019					
Jan	Feb	\$1,334,411	\$1,276,164	\$58,247	4.6%	\$1,276,000	\$58,411	4.6%
Feb	Mar	1,408,689	1,324,236	84,453	6.4%	1,336,000	72,689	5.4%
Mar	Apr	1,656,589	1,628,380	28,209	1.7%	1,556,000	100,589	6.5%
Apr	May	1,776,981	1,600,824	176,157	11.0%	1,576,000	200,981	12.8%
May	Jun	1,691,088	1,711,724	(20,636)	-1.2%	1,492,000	199,088	13.3%
Jun	Jul	1,589,266	1,493,732	95,534	6.4%	1,312,000	277,266	21.1%
Jul	Aug	1,448,978	1,452,268	(3,290)	-0.2%	1,356,000	92,978	6.9%
Aug	Sep	1,612,955	1,502,072	110,883	7.4%	1,428,000	184,955	13.0%
Sep	Oct	1,454,006	1,322,995	131,011	9.9%	1,344,000	110,006	8.2%
Oct	Nov	1,736,252	1,574,060	162,192	10.3%	1,552,000	184,252	11.9%
		\$15,709,214	\$14,886,455	\$822,759	5.5%	\$14,228,000	\$1,481,214	10.4%
Nov	Dec		1,455,852			1,416,000		
Dec	Jan		1,346,015			1,456,000		
			\$2,801,867			\$2,872,000		
			\$17,688,322			\$17,100,000	\$1,481,214	-100.0%

1. Source: As reported by the Operators to the Trustee.

CFC payments are required to be sent to the Trustee by the 20th day of the month following collection.

Therefore, for example, the payments received the Trustee in May represent CFC revenues accrued in April.

2. Roger H. Bates, "2024 Annual Rate Report--Consolidated Rental Car Facility," dated December 27, 2023.

Projection of Rental Car Demand and CFC Revenues in 2024

Table 3, “Estimated Rental Car Transaction Days and CFC Revenues—Calendar Year 2024,” on the following page, shows relationships between air traffic activity, rental car transaction days and CFC revenues and CFC collections for the first 10 months of 2024 and develops projections of CFC revenues and CFC collections for the full year 2024.

In Table 3, CFC revenues are projected for the months of November and December 2024 based on assumptions regarding originating passenger traffic growth (4% increase from 2019), percentage of originating passengers to total enplaned passengers (61%), and transaction days per originating passenger (0.310 and 0.270 respectively), as highlighted in green.

Based on these assumptions, total *CFC revenues* are projected to be \$18,573,000 in 2024—9.2% above actual CFC revenues in 2023 and 8.6% above the projection of 2024 CFC revenues made last December. Total *CFC collections* are projected to be \$18,509,000 in 2024—9.4% above actual CFC collections in 2023 and 9.3% above the projection of 2024 CFC collections made last December.

How HAS Addressed the 2020 CFC Revenue Shortfall

Under the Trust Indenture, scheduled debt service payments are pre-funded by monthly transfers from the Revenue Fund to the Debt Service Fund. Then, moneys then accumulated in the Debt Service Fund are used to pay annual principal and semi-annual interest on the bonds when due.

During the first half of 2020, HAS adapted its business plan for the enterprise to address the precipitous decline in CFC revenues and collections that began in the wake of the COVID-19 pandemic. HAS’s principal objective in 2020 was to make sure that debt service payments on the outstanding bonds were made on July 2nd and January 2nd each year as required.

Of principal concern in 2020 was the fact that no one knew how long the decline in rental car activity—and with it, CFC revenues—would continue. Rather than attempt to guess the longer term timing and financial consequences of the market decline, HAS decided to *eliminate any risk of default* (due to a revenue shortfall) by *transferring moneys from the Facility Improvement Fund to the Revenue Fund each month to provide for the full amount of required debt service transfers*.

Such transfers are allowable under the Trust Indenture. The Trust Indenture defines “Pledged Revenues” as:

“...the aggregate of (i) the Special Facilities Rent [i.e., Customer Facility Charges] received or receivable; (ii) all investment income of every kind derived from amounts credited to the Pledged Funds..., and (iii) *amounts transferred to the Revenue Fund from the Coverage Fund or [the] Facility Improvement Fund.*” [Italics added.]

Therefore, amounts transferred from the Facility Improvement Fund to the Revenue Fund, for any reason, may be used to pay debt service and counted as Pledged Revenues for the purposes of debt service coverage.

Table 3

ACTUAL AND ESTIMATED RENTAL CAR TRANSACTION DAYS AND CFC REVENUES
Calendar Year 2024

Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

= key assumptions for estimates

Applicable Month	Actual or Estimated	Enplaned Passengers	% Change from Prior Year	Originating Passengers	% Change from Prior Year	Percent Originating	Transaction Days	% Change from Prior Year	Transaction Days per O.P.	% Change from Prior Year	CFC Revenues	CFC Collections	CFC Rate	
													Jan-Mar Apr-Dec	
													\$4.00	\$4.00
Jan	Actual	1,759,450	1.0%	1,051,107	4.6%	59.7%	333,603	11.5%	0.317	6.6%	1,334,411	11.5%	\$1,296,252	8.2%
Feb	Actual	1,729,623	3.1%	1,007,729	3.5%	58.3%	352,172	11.6%	0.349	7.8%	1,408,689	11.6%	1,334,411	11.5%
Mar	Actual	2,019,544	3.6%	1,234,143	3.6%	61.1%	414,147	7.2%	0.336	3.5%	1,656,589	7.2%	1,408,689	11.6%
Apr	Actual	1,959,887	5.0%	1,220,315	6.0%	62.3%	444,245	12.4%	0.364	6.0%	1,776,981	12.4%	1,656,589	7.2%
May	Actual	2,145,840	8.0%	1,398,022	10.6%	65.2%	422,772	9.7%	0.302	-0.8%	1,691,088	9.7%	1,776,981	12.4%
Jun	Actual	2,288,300	11.0%	1,472,843	9.4%	64.4%	397,317	14.0%	0.270	4.2%	1,589,266	14.0%	1,691,088	9.7%
Jul	Actual	2,170,157	1.4%	1,389,174	2.0%	64.0%	362,244	3.1%	0.261	1.1%	1,448,978	3.1%	1,589,266	14.0%
Aug	Actual	2,095,766	7.3%	1,248,559	5.7%	59.6%	403,239	14.9%	0.323	8.7%	1,612,955	14.9%	1,448,978	3.1%
Sep	Actual	1,875,717	1.4%	1,143,517	-0.7%	61.0%	363,301	6.8%	0.318	7.6%	1,454,006	6.8%	1,612,955	14.9%
Oct	Actual	2,065,129	4.5%	1,274,033	5.3%	61.7%	434,063	12.4%	0.341	6.7%	1,736,252	12.4%	1,454,006	6.8%
		20,109,413	4.7%	12,439,422	5.1%	61.9%	3,927,304	10.3%	0.316	5.0%	15,709,214	10.3%	15,269,215	9.9%
Nov	Estimated	1,989,000	4.0%	1,213,000	1.1%	61.0%	376,000	1.8%	0.310	0.7%	1,504,000	1.8%	1,736,252	12.4%
Dec	Estimated	2,064,000	4.0%	1,259,000	3.7%	61.0%	340,000	4.9%	0.270	1.1%	1,360,000	4.9%	1,504,000	1.8%
Total	Estimated	24,162,000	4.6%	14,911,000	4.6%	61.7%	4,643,000	9.2%	0.311	4.3%	\$18,573,000	9.2%	\$18,509,000	9.4%
2024 Projection (Dec 2023)		23,853,000		14,312,000										
Change from Projection		309,000	1.3%	599,000	4.2%									
% Change														

Source: Houston Airport System (input data)

In April 2020, HAS began making such transfers in the amount of *\$1,250,000 a month*. That practice continued throughout 2020. Beginning in January 2021 the monthly amount was reduced to \$1,000,000 a month and gradually reduced thereafter as the recovery in air traffic demand and CFC revenues continued:

**MONTHLY TRANSFERS FROM THE FACILITY IMPROVEMENT FUND
TO THE REVENUE FUND
Calendar Years 2020 - 2024**

	2020	2021	2022	2023	2024
Jan	\$0	\$1,000,000	\$500,000	\$250,000	\$125,000
Feb	0	1,000,000	500,000	250,000	100,000
Mar	0	1,250,000	500,000	250,000	0
Apr	1,250,000	1,000,000	500,000	250,000	0
May	1,250,000	750,000	500,000	250,000	0
Jun	1,250,000	750,000	500,000	250,000	0
Jul	1,250,000	750,000	500,000	250,000	0
Aug	1,250,000	500,000	500,000	250,000	0
Sep	1,250,000	500,000	500,000	250,000	0
Oct	1,250,000	500,000	500,000	250,000	0
Nov	1,250,000	250,000	500,000	250,000	0
Dec	1,250,000	250,000	500,000	250,000	0
Total	\$11,250,000	\$8,500,000	\$6,000,000	\$3,000,000	\$225,000

Transfers *from* the Facility Improvement Fund *to* the Revenue Fund were made toward the middle of each month. Then, at the end of each month, the amount by which CFC collections plus FIF transfers exceed the cash flow requirements of the enterprise (including required debt service transfers) were transferred *back to* the FIF from the Revenue Fund. Throughout 2023 and into 2024, the month-end transfers from the Revenue Fund back to the FIF exceeded the early-in-the-month transfers from the FIF to the Revenue Fund, contributing to moderately increasing balances of cash reserves in the FIF as the recovery continued.

Because the recovery of the Airport rental car market from the COVID pandemic is now complete, HAS ceased making further monthly transfers from the FIF to the Revenue Fund after February 2024.

Availability of Funds for Upcoming Debt Service Payment

Projected CFC collections for November and December of 2024, together with moneys currently available in the Debt Service Account are projected to be more than sufficient to provide for the debt service payments coming due on January 2, 2025:

Funds Available for January 2, 2025 Debt Service Payment

Balance in Debt Service Fund - October 31, 2024	\$9,025,926
CFC Collections - November	\$1,684,928
CFC Collections - December	<u>\$1,504,000</u>
Total Funds Available	<u>\$12,214,854</u>

Debt Service Requirements--January 2, 2025

Remaining 2001 Bonds	
Principal (annual)	\$9,630,000
Interest (semiannual)	<u>1,501,388</u>
Total Debt Service Payment--January 2, 2025	<u>\$11,131,388</u>

Trends in Transaction Days per Originating Passenger

Table 4 shows historical patterns in monthly transaction days per enplaned passenger for calendar years 2019-2023 and year-to-date 2024, and projections for the last two months of 2024 and all of calendar year 2025. For the purposes of projecting CFC revenues in 2025, it is assumed that the monthly transaction days per originating passenger in 2025 would be the same as in 2024, reflecting a continuation current market trends.

Table 4

Trends in Transaction Days per Originating Passenger Rental Car Market

George Bush Intercontinental Airport / Houston

	Actual						Projected 2025 <small>assume no change from actual 2024</small>
	2019	2020	2021	2022	2023	2024	
Jan	0.352	0.345	0.829	0.331	0.298	0.317	0.317
Feb	0.396	0.386	0.985	0.339	0.324	0.349	0.349
Mar	0.380	0.425	0.669	0.318	0.324	0.336	0.336
Apr	0.396	1.099	0.643	0.343	0.344	0.364	0.364
May	0.367	0.794	0.491	0.306	0.305	0.302	0.302
Jun	0.307	0.680	0.407	0.263	0.259	0.270	0.270
Jul	0.293	0.381	0.330	0.257	0.258	0.261	0.261
Aug	0.336	0.356	0.456	0.295	0.297	0.323	0.323
Sep	0.354	0.362	0.448	0.288	0.295	0.318	0.318
Oct	0.368	0.376	0.469	0.306	0.319	0.341	0.341
						Estimated	
Nov	0.354	0.314	0.290	0.300	0.308	0.310	0.310
Dec	0.292	0.277	0.264	0.256	0.267	0.270	0.270
Annual Average	0.347	0.384	0.465	0.297	0.311	0.311	0.311

Assumptions regarding transaction days per originating passenger are the principal drivers of the projection of transaction days and, in turn, CFC revenues. Monthly transaction days per originating passenger fluctuated widely from historical patterns in the aftermath of the pandemic compared to 2019. Those patterns have now stabilized, albeit at somewhat lower levels (an average of 0.311 in 2024 versus an average of 0.347 in 2019, as highlighted above). The lower levels of monthly transaction days per originating passenger are likely attributable to a slower recovery in business travel compared to leisure travel in the Houston market and the rise in popularity of ride share services. It is difficult to anticipate when or if business travel will fully recover--i.e., if transaction days per originating passenger will return fully to pre-pandemic patterns.

Projected CFC Revenues and Collections at the Current CFC Rate

Table 5, “Projection of Rental Car Transaction Days and CFC Revenues—Calendar Year 2025,” extrapolates the historical relationships shown in Table 3 to produce a projection of CFC revenues and CFC collections for 2025 *assuming continuation of the current \$4.00 CFC Rate*. The forecast of CFC revenues is also based on the following key assumptions:

- Overall air traffic activity (passenger enplanements) would increase by 3.0% in 2025 over 2024.
- Originating passengers would account for an average of 61% of enplanements in 2025, the average level sustained during 2024.
- Monthly transaction days per originating passenger in 2025 would be the same as in 2024 and consistent with the seasonal patterns of the past year.

Assuming no change in the CFC rate, CFC *revenues* are projected to be \$18,892,000 and CFC *collections* are projected to be \$18,852,000 in 2025.

Although not shown in this report, based on the above assumptions the computed “breakeven” CFC rate for 2025 (the rate required to cover only debt service requirements and fund replenishments, without any supplemental transfers from the FIF) is **\$2.51**—significantly less than the \$4.00 rate currently in place.

Recommended CFC Rate

As noted above, the current \$4.00 CFC rate exceeds the minimum “breakeven” rate. However, HAS historically has pursued rate stability as a goal, even where moderate rate reductions or increases might otherwise be supportable. This has allowed HAS to maintain CFC rate stability and demonstrate debt service coverage margins well in excess of the minimum requirements of the Trust Indenture. The Operators and the Trustee have concurred with this policy.

In addition, in past years HAS has kept the CFC rate above minimum “breakeven” rates in order to accumulate reserves in the Facility Improvement Fund for potential future Facility expansion and improvement. (Those reserves were available to help HAS address the COVID-19 market disruption without having to resort to increasing costs to rental car customers.) As described later in this report, HAS expects to start another major shuttle bus replacement cycle in the next year or two. In addition, HAS believes there may be a need to improve the Customer Service Building at some point to better accommodate the changing market shares of the current Operators. For these reasons, HAS has decided to *keep the current \$4.00 CFC rate in place in 2025*. I concur with this decision.

Table 5

PROJECTION OF RENTAL CAR TRANSACTION DAYS AND CFC REVENUES
Calendar Year 2025
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Applicable Month	Actual or Projection	2025 Assumptions:		3.0%			61.0%			CFC Rate		
		Enplaned Passengers	% Change from Prior Year	Originating Passengers	% Change from Prior Year	Percent Originating	Transaction Days	% Change from Prior Year	Transaction Days per O.P.	% Change from Prior Year	CFC Revenues	% Change from Prior Year
Jan	Projected	1,812,000	3.0%	1,105,000	61.0%	61.0%	351,000	0.317	\$1,404,000	\$1,360,000		
Feb	Projected	1,782,000	3.0%	1,087,000	61.0%	61.0%	380,000	0.349	1,520,000	1,404,000		
Mar	Projected	2,080,000	3.0%	1,269,000	61.0%	61.0%	426,000	0.336	1,704,000	1,520,000		
Apr	Projected	2,019,000	3.0%	1,232,000	61.0%	61.0%	448,000	0.364	1,792,000	1,704,000		
May	Projected	2,210,000	3.0%	1,348,000	61.0%	61.0%	408,000	0.302	1,632,000	1,792,000		
Jun	Projected	2,357,000	3.0%	1,438,000	61.0%	61.0%	388,000	0.270	1,552,000	1,632,000		
Jul	Projected	2,235,000	3.0%	1,363,000	61.0%	61.0%	355,000	0.261	1,420,000	1,552,000		
Aug	Projected	2,159,000	3.0%	1,317,000	61.0%	61.0%	425,000	0.323	1,700,000	1,420,000		
Sep	Projected	1,932,000	3.0%	1,179,000	61.0%	61.0%	375,000	0.318	1,500,000	1,700,000		
Oct	Projected	2,127,000	3.0%	1,297,000	61.0%	61.0%	442,000	0.341	1,768,000	1,500,000		
Nov	Projected	2,049,000	3.0%	1,250,000	61.0%	61.0%	388,000	0.310	1,552,000	1,768,000		
Dec	Projected	2,126,000	3.0%	1,297,000	61.0%	61.0%	350,000	0.270	1,400,000	1,552,000		
Total - 2025		24,888,000	3.0%	15,182,000	1.8%	61.0%	4,736,000	2.0%	0.311	0.0%	\$18,944,000	2.0%
											\$18,904,000	2.0%

Total - 2025

Assuming no change in the CFC rate, projected monthly CFC collections in 2025 are summarized in Table 6 below:

Table 6

PROJECTED CFC COLLECTIONS
Calendar Year 2025
George Bush Intercontinental Airport / Houston

	Projected CFC Collections		
	100.0%	90.0%	80.0%
January	\$1,360,000	\$1,224,000	\$1,088,000
February	1,404,000	1,263,600	1,123,200
March	1,520,000	1,368,000	1,216,000
April	1,704,000	1,533,600	1,363,200
May	1,792,000	1,612,800	1,433,600
June	1,632,000	1,468,800	1,305,600
July	1,552,000	1,396,800	1,241,600
August	1,420,000	1,278,000	1,136,000
September	1,700,000	1,530,000	1,360,000
October	1,500,000	1,350,000	1,200,000
November	1,768,000	1,591,200	1,414,400
December	1,552,000	1,396,800	1,241,600
Total	\$18,904,000	\$17,013,600	\$15,123,200

Operating Cash Flow

Table 7 shows actual (2022 and 2023), estimated (2024) and projected (2025) operating cash flow associated with the Consolidated Rental Car Facility *assuming continuation of the current \$4.00 CFC rate in 2025.*

Table 7

PROJECTED ANNUAL CFC REQUIREMENT AND CASH FLOWS
For Calendar Years Ending December 31
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

CFC Rate:		Actual	Actual	Estimated	Projected 2025
		2022	2023	2024	
		\$4.00	\$4.00	\$4.00	
CFC Collections (from Tables 3 and 5)		\$14,634,186	\$16,912,440	\$18,509,000	\$18,904,000
Transfers from CFC Rate Stabilization Account		0	0	0	0
Transfers from Facility Improvement Fund					
<i>Amount of monthly transfer:</i>		\$500,000	\$250,000	various	
<i>Months of transfers:</i>		Jan-Dec	Jan-Dec	Jan & Feb	
<i>Total amount transferred:</i>	D	6,000,000	3,000,000	225,000	0
Investment Income		127,263	448,355	482,000	500,000
Total Revenues and Transfers	A	\$20,761,449	\$20,360,795	\$19,216,000	\$19,404,000
Replenish Administrative Costs Account		78,420	52,700	50,000	50,000
Replenish CFC Rate Stabilization Account (to \$300,000)		0	0	0	0
Transfers to Debt Service Fund					
Principal		8,165,000	8,870,000	9,630,000	10,445,000
Interest		4,174,784	3,613,032	3,002,776	2,340,000
		12,339,784	12,483,032	12,632,776	12,785,000
Total Requirement	B	\$12,418,204	\$12,535,732	\$12,682,776	\$12,835,000
Projected surplus @ proposed CFC rate (= estimated transfers back to Facility Improvement Fund)	C = A-B	\$8,343,245	\$7,825,063	\$6,533,000	\$6,569,000
Net Transfers from the FIF (subsidy)	C-D	\$0	\$0	\$0	\$0
Net Transfers to the FIF (surplus)	C-D	\$2,343,245	\$4,825,063	\$6,308,000	\$6,569,000

In 2024, CFC collections, together with *\$0.225 million* of monthly transfers from the FIF and other available resources, are estimated to be sufficient to cover all the funding requirements under the Trust Indenture and generate net transfers to the FIF of *\$6.3 million*.

In 2025, CFC collections, assuming no transfers from the FIF, are projected to be sufficient to cover all funding requirements and generate net transfers to the FIF of nearly *\$6.6 million*.

Other Capital Needs

HAS and the Operators have developed a four-year (2025-2028) capital improvement program for the Facility. In addition, certain other projects are currently in progress or have been completed in 2024. These capital projects are summarized in Table 8 below. The total cost of these projects is estimated by HAS to be approximately \$35.0 million over the five-year period, 2024-2028.

Table 8

2024 - 2028 CAPITAL IMPROVEMENTS

Consolidated Rental Car Facility

George Bush Intercontinental Airport / Houston

Project	Actual 2024 and Prior	Projected				2024-2028 Total
		2025	2026	2027	2028	
Projects in Process or Completed in 2024						
Building Automation System	188,892	60,588	0	0	0	249,480
Design	50,922	49,752	0	0	0	100,674
Construction	0	795,000	0	0	0	795,000
CSB Restroom Renovations - Design	94,185	47,415	0	0	0	141,600
CSB Restroom Renovations - Construction	0	636,000	0	0	0	636,000
Electric Vehicle Charging Stations	1,308,037	300,000	0	0	0	1,608,037
Fire Alarm Panel Replacement	89,213	49,772	0	0	0	138,985
	\$ 1,731,249	\$ 1,938,526	\$ -	\$ -	\$ -	\$ 3,669,775
Projects Planned for 2025-2028						
Alternative Fuel Shuttle Buses	0	8,500,000	17,000,000	-	0	25,500,000
Bus/Vehicle Safety Barrier Wall - Design	0	53,000	0	0	0	53,000
CSB & BMF Roof Replacement	0	663,000	0	0	0	663,000
CSB New Vertical Transportation Equipment						
Design	0	80,000	0	0	0	80,000
Construction	0	0	4,245,000	0	0	4,245,000
Electric Vehicle Infrastructure	0	500,000	0	0	0	500,000
Escalator Pit Fireproofing	0	0	248,000	0	0	248,000
	\$ -	\$ 9,796,000	\$ 21,493,000	\$ -	\$ -	\$ 31,289,000
Total	\$ 1,731,249	\$ 11,734,526	\$ 21,493,000	\$ -	\$ -	\$ 34,958,775

Source: CBRE (Rental Car Center facility operator) and Houston Airport System.

The major element of the capital improvement program is the replacement of the shuttle bus fleet with new “clean energy” vehicles powered by alternative fuel (\$25.5 million). HAS has decided to purchase compressed natural gas (CNG) powered vehicles, and procurement is anticipated to begin in 2025. Federal grant funding is being pursued for this project. In addition, HAS anticipates replacing certain elevators and escalators in the Customer Service Building. The budget for this project (\$4.25 million) is simply an allowance for now. All of these projects are anticipated to be funded from the Facility Improvement Fund (FIF), the fund in which internally generated cash flow is retained. The balance in

the FIF as of October 31, 2024 (\$53.6 million) is more than sufficient to fund the currently anticipated near term capital needs of the Facility (the 2024-2028 capital improvement program).

In 2022, HAS undertook a planning study of long-term Facility expansion needs (the Capacity Study.) The principal findings of the study, as set forth in the consultants' final summary report, summarized below:

FINDINGS / NEXT STEPS / AREAS FOR FURTHER STUDY
Capacity Study
Consolidated Rental Car Facility

Findings

Ready/Return Garage - The capacity of the garage is expected to be sufficient for demand until at least 2035, based on analysis of rental transactions. However, a larger footprint may be required for operational improvements, such as the ability to co-locate brands from the same brand-family on the same floor. Areas for planned expansion are available if needed. A reallocation of space may be appropriate at this time to align with changing market share numbers for each company.

Customer Service Center – The overall capacity is expected to be sufficient now until 2035, unless the number of operators increases. Space can be reallocated to align with changing market share numbers for each company. If additional counter space is required, the option of utilizing non-rental car customer counter areas (building manager, storage) for RAC use could be explored.

Maintenance Service Sites – There is plentiful land area for service site expansion if required in future. No consideration was given at this time for the addition of a consolidated Quick Turnaround Area (QTA) located adjacent to the ready / return garage.

Employee Parking – Currently there is sufficient capacity in the Ready/Return Garage for it to accommodate some RAC employee parking, if that is the approach preferred by the operators. However, if capacity concerns arise in future it is recommended that RAC employees park in the designated employee parking area rather than in the garage.

Recommended Next Steps

- Revisit assessment of requirements with consideration of post-pandemic trends for air travel and rental car demand
- Revisit reallocation options with consideration of new transaction data and market shares based on data from a period after demand picked up following the worst phase of the pandemic
- A cost/benefit analysis of estimated construction costs for both reallocation and expansion options and their overall impact on CFCs and the facility
- Select a preferred alternative and schedule for expansion / reallocation of the ready/return garage, customer service center and service site.

Planning Study Areas for Further Study

Electric Vehicles – By 2035, the majority of privately owned vehicles are expected to be electric. Hertz recently announced they are acquiring 100,000 Tesla Model 3 sedans. This introduces a new set of challenges and considerations for the RCC:

- Power requirements will increase, especially if it is necessary to upgrade from Level 2 to Level 3 to expedite charging time.
- Garage capacity requirements may increase if cars may need to sit longer in the garage to charge, impacting capacity requirements and vehicle turns, especially if limited to using Level 2 chargers due to existing power availability in the garage.
- Refueling system for limited remaining amount of gas vehicles, may not be able to mix high voltage electric plug with gas fuel
- Less maintenance bays may be needed as electric fleet grows and less need for oil changes

TNCs and P2P – TNCs and P2P currently enjoy direct access to the airport curb, whereas RAC customers must take a bus to the RCC. There could be a need to address parity of curb access, or at least the price that these competing modes pay for this access.

Other Emerging Technologies and Trends – Other emerging trends such as automated vehicle parking technology and mobile apps could influence design and reduce staffing requirements.

Source: Leigh Fisher / PGAL, 2022.

In general, the Capacity Study concludes that the Facility should be adequate in size and capacity to accommodate projected growth through the year 2035, although some (as yet undefined) improvement of the Customer Service Building and the Parking Structure could be needed to address shifts in Operator market shares and allow more efficient co-location of corporate brands.

Status of the Facility Improvement Fund

As of October 31, 2024 the balance in the FIF was \$53.6 million. These funds represent moneys available for planned capital projects and for capital improvements, contingencies, debt retirement, or, if needed, rate stabilization.

Table 9 shows the projected flows in the FIF in 2024 and 2025. The balance in the FIF is projected to be approximately \$55.2 million at the end of 2024 and \$62.4 million at the end of 2025.

Table 9

PROJECTED CASH FLOWS IN THE FACILITY IMPROVEMENT FUND
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston
For Years Ending December 31

	10 Mos YTD 2024	Estimated 2024	Projected 2025
<u>Facility Improvement Fund (FIF)</u>			
Beginning balance	\$47,315,864	\$47,316,000	\$55,242,000
Transfers out (to Revenue Fund)	(225,000)	(225,000)	0
Transfers in (from Revenue Fund)	5,346,348	6,579,000	6,569,000
Capital Expenditures (from CIP)	(942,649)	(993,000)	(1,731,000)
Investment income	2,129,023	2,565,000	2,354,000
Ending Balance	\$53,623,587	\$55,242,000	\$62,434,000

Actual as of 1/1/24

\$53,623,587

per Trustee Statement

Projected Debt Service Coverage

Table 10 shows the calculation of debt service coverage on the outstanding 2001 Bonds for actual 2022, actual 2023, estimated 2024, and projected 2025

Pledged Revenues include CFC collections, investment income on certain funds and accounts, and transfers from the Rate Stabilization Account, the Coverage Account and the Facility Improvement Fund (if any).

Table 10

CALCULATION OF DEBT SERVICE COVERAGE
Consolidated Rental Car Facility
 George Bush Intercontinental Airport / Houston
 For Years Ending December 31

<u>CFC Rate:</u>	Jan - Mar	\$4.00	\$4.00	\$4.00	\$4.00
	Apr - Dec	\$4.00	\$4.00	\$4.00	
	Actual 2022	Actual 2023	Estimated 2024	Projected 2025	
CFC Collections		\$14,634,186	\$16,912,440	\$18,509,000	\$18,904,000
Investment Income	127,263	448,355	481,972	500,000	
Transfers from Facility Improvement Fund		6,000,000	3,000,000	225,000	0
Transfers from Rate Stabilization Account	0	0	0	0	
Transfers from Coverage Account	3,169,143	3,169,000	3,169,000	3,169,000	
Total Resources available for Debt Service	A	\$23,930,592	\$23,529,795	\$22,384,972	\$22,573,000
Total Annual Debt Service ¹					
2001 Bonds		\$12,339,784	\$12,483,032	\$12,632,776	\$12,785,232
2014 Refunding Bonds (retired)		\$0	\$0	\$0	\$0
	B	\$12,339,784	\$12,483,032	\$12,632,776	\$12,785,232
Debt Service Coverage Ratio	A / B	1.94	1.88	1.77	1.77

1. Debt service is shown on an accrual basis. For example, 2023 debt service equals the sum of the July 2, 2023 and January 2, 2024 interest and principal payments.

The Trust Indenture requires that Pledged Revenues provide at least 1.25x coverage of debt service each year. Debt service coverage is projected to be **1.77x in 2024** (based on extrapolating 10 months year-to-date actual results) and **1.77x in 2025**—ratios that substantially exceed the 1.25x Trust Indenture requirement. The projected decline in debt service coverage in 2024 (from 1.88x in 2023) is attributable to the ending (in March 2024) of monthly transfers from the FIF to the Revenue Fund.

Conclusions

1. The COVID-19 pandemic led to a precipitous reduction of air traffic and rental car demand at the Airport in the spring of 2020, declines that gradually moderated and then fully recovered over the next four years. Both air traffic demand and rental car demand at the Airport are now above 2019 (pre-COVID) levels.
2. HAS implemented an effective strategy to mitigate the financial risks of COVID-related market decline by transferring funds monthly (April 2020 to February 2024) from the FIF to the Revenue Fund to ensure that payments of debt service were made as required. Those transfers are no longer needed and have been discontinued.
3. The current CFC rate of \$4.00 per transaction day substantially exceeds the “breakeven” rate required by the enterprise to meet debt service and other annual funding requirements.
4. The near-term capital needs of the Facility can adequately be met from available resources in the Facility Improvement Fund. But given the substantial capital needs of the enterprise over the next few years, further accumulation of reserves in the FIF—by leaving the current CFC rate in place—is a prudent course of action.

Recommendations

I concur with HAS’s decision to leave the CFC rate at the current \$4.00 per transaction day in 2025.

Respectfully submitted,



Roger H. Bates