

Flight Department Company

FEDERAL AVIATION DECISIONS

Interpretation 1982-12

FAD Digest of Interpretations:

FAR 135.1

A corporation whose sole purpose is to provide air transportation to its 10 owner corporations, providing both the plane and the pilot, is required to hold a Part 135 Certificate.

FAR 91.Subpart D; FAR 135.1

If all owners of a corporation whose sole purpose is to provide air transportation to the owners are listed as owners of the particular airplanes involved and are members of the Business Aircraft Owners Association, and thus entitled to an exemption permitting small aircraft to operate under FAR § 91.181, the corporation may conduct its operation under Part 91 rather than Part 135.

Source of Interpretation: Letter to H.S. Demmerly from Dwight L. Larison, dated November 1, 1982.

This will refer to your memorandum of September 14, 1982, regarding the proposed operation of an aircraft for airplanes by Linn Photo Company of Cedar Rapids, Iowa. The inquiry apparently was made by Mr. Robert Priborsky of that company.

In reviewing the materials, which you forwarded, it would appear that this would violate Part 135, since the corporation to be formed would be formed for the sole purpose of providing air transportation. That corporation would be providing both pilot and plane to the 10 owner corporations and that particular corporation providing same would have to meet the requirements of Part 135.

One possibility for this operation in a slightly different form would be to proceed under Section 91.181. In that instance, however, each of the owning corporations would have to be listed as owner of the particular airplanes involved and they would have to be members of the Business Aircraft Owners Association in order to take advantage of their exemption permitting small aircraft to operate under this section.

This is the only way we can conceive at this time that they could accomplish much the same purpose and still be within the Section 91 operations and avoid the necessity of obtaining an ATCO certificate under Section 135.