

Certification of Commercial Aircraft Operations – Which Rules Apply?

I. Executive Summary

Upon first entering the world of commercial aviation, new charter companies and aircraft owners often ask what regulatory requirements will apply to their operation. Similar questions are posed by aircraft charter brokers inquiring as to what type of operator they will need to work with to meet the demands of a particular client. Typical commercial operations are generally conducted under either Part 135 or Part 121 of the Federal Aviation Regulations (“FARs”),¹ depending on a variety of factors. Although not authorized to provide service to the general public, some operators—especially those with large aircraft—operate under Part 125 of the FARs. The purpose of this article is to provide a bird’s eye view of the differences between operations conducted under Parts 135, 121 and 125 of the FARs and to highlight some of the key issues affecting operators under each of those Parts.

As an initial matter, it must be clarified that the regulations provided in Parts 135, 121 and 125 are merely operating rules that largely relate to the technical aspects of an aircraft operation, such as maintenance and inspection requirements, and required equipment and training; they are not the rules under which an operator is licensed. Rather, it is Part 119 of the FARs that serves as the principal tool that operators must use to determine the appropriate authority needed for their operation and the rules under which they will operate. As will be clarified in the following sections, resolving which set of operating rules apply to a particular operation is not a cut and dry decision based only on the size of the aircraft itself, but also requires consideration of frequency of operation, aircraft payload and seating capacity, and whether or not the operator plans to offer scheduled service. By way of comparison, it may be helpful to liken Part 119 to a sorting program, and each set of the operating rules in Parts 135, 121 and 125 as boxes. All different types of operations are entered in to the program and after the application of the prescribed sorting criteria, are distributed into the correct boxes depending on their individual characteristics.

In addition to the Federal Aviation Administration (“FAA”), whose principal responsibilities are operator safety certification and oversight, most commercial operations are also regulated by the Department of Transportation (“DOT”), which addresses economic regulatory issues as well as unfair and deceptive trade practices involving the sale of air transportation to the public. As is the case with the FAA, the type of DOT license required depends on the type of operation that will be conducted. To help explain the differences between the rules that govern each type of operation, this article will look at both the FAA and DOT perspectives and how they interrelate. This article will also examine the key aspects and applicability of the regulations that will help guide an operator to ensure that it is appropriately licensed in setting up a commercial operation.

II. Federal Aviation Administration

From the FAA’s perspective, safety is the ultimate concern. As such, FAA issues and enforces a wide range of regulations and requirements governing matters such as aircraft operations,

¹ This article does not address operations by foreign air carriers which would also be considered commercial.

air carrier certification, and maintenance requirements and standards. Acting as a roadmap of sorts, FAR Part 119 prescribes the certification requirements for air carriers and operators transporting persons and property by air for compensation or hire, and further designates under what Part of the operating rules—135, 121 or 125, a particular operation should be conducted. In addition to the description set forth below, the table attached as Appendix 2 provides an easy reference guide to the types of operations that fall under each Part.

A. *Part 119 – The Roadmap to FAA Operating Rules*

Part 119 applies to each person operating or intending to (1) operate civil aircraft as an air carrier or commercial operator, or both, in air commerce or (2) when common carriage is not involved, operate U.S. registered civil airplanes with a seating configuration of 20 or more passengers, or a maximum payload capacity of 6,000 pounds or more.² As described in the following paragraphs, Part 119 sets out the basic criteria that help to determine which operating rules will apply to a particular operation. It is the result of this determination that gives rise to commonly used terms, such as “Part 135 carrier,” “Part 121 carrier” or “Part 125 operator.” Part 119 also prescribes the rules generally applicable to commercial operations, outlines the required authority and application process for certification, specifies the minimum personnel and level of experience required for certification and distinguishes between on-demand and scheduled service based on operation and aircraft type. Air carrier operations under Parts 121 and 135 require the issuance of an FAA Air Carrier Certificate and associated operations specifications under Part 119, whereas Part 119 requires certain “Private Carriage for Hire” operations (discussed below) under Parts 125, and to a limited extent Part 135, to be conducted pursuant to an Operating Certificate and associated operations specifications.

B. *Common Carriage vs. Private Carriage for Hire*

Before exploring the contours of Part 119, it is important to understand the “common carriage”³ element of commercial operations. Engaging in common carriage is generally defined as holding oneself out, directly or indirectly, to the public to provide air transportation of persons or property for compensation or hire. Common carriage does not require that the operation be profitable. Part 119 does not define common carriage; however, it does define Noncommon Carriage. Noncommon Carriage (referred to as “Private Carriage for Hire” for the purposes of this discussion) means an aircraft operation for compensation or hire that does not involve a holding out to the public.⁴ “Holding out” is essentially demonstrating a “willingness to serve members of the general public indiscriminately,” but even instances where an operator has done so to a discreet segment of the public or has gained the reputation for doing so have been found by the FAA and DOT to constitute holding out.⁵ The key point is that Private Carriage for Hire operations are the exception to the rule, and that most situations where an operator receives compensation for carrying

² 14 C.F.R. § 119.1 (2006).

³ It is important to note that the classification of an operation as being in “common carriage” and what constitutes “holding out,” involve fact-based determinations and have been the subject of numerous interpretations and enforcement proceedings. By its nature, this article is providing a general overview and is not intended to provide standards for determining whether an operation is common carriage or whether a holding out has occurred.

⁴ 14 C.F.R. § 119.3 (2006).

⁵ See e.g., *FAA Chief Counsel Interpretation*, dated September 5, 1991; *Classic Limited Air, Violations of 49 U.S.C. §§ 41101 and 41712*, Order 2004-1-23, dated January 29, 2004.

persons and property would be viewed as common carriage. In order to engage in common carrier operations, an operator needs to hold the proper authority from both the FAA and DOT.

C. *On-Demand and Commuter Operations – Part 135*

A vital component of Part 119 is the distinction between “scheduled” and “on-demand” operations. Intertwined with factors relating to aircraft size, this determination is often controlling when adjudging the Part of the FARs under which a particular operation should be conducted. A seemingly illogical aspect of the classification of on-demand and scheduled operations is the fact that on-demand operations, which are generally conducted under Part 135, include not only what can be referred to as both “true” on-demand flights, but also “scheduled” on-demand flights.⁶ “True” on-demand service are those operations where the departure time and location and the arrival location are specifically negotiated with the passenger and does not include any regularly scheduled flights between two points. This type of on-demand service may be flown with aircraft having 30 passenger seats or less and a payload capacity of 7,500 pounds or less, or with any rotorcraft aircraft. “Scheduled” on-demand service, on the other hand, consists of regularly scheduled flights that are operated with a frequency of no more than four weekly round trips between any two points pursuant to a published schedule with aircraft having a maximum passenger-seat configuration of 9 passenger seats or less and a maximum payload capacity of 7,500 pounds or less.⁷ This “scheduled” on-demand service marks the limits of on-demand service. Scheduled flights beyond these limits would be defined as a “commuter” and/or other type of scheduled operation, which are discussed below.

Commuter operations are those in which the certificate holder or its representative offers in advance the departure location, departure time, and arrival location, terms of service and aircraft type, and where frequency of operations is at least five round trips per week on at least one route between two or more points. Under current regulations, commuter operations may only be conducted under Part 135 in non-turbojet powered airplanes having a maximum passenger-seat configuration of 9 seats or less, excluding each crewmember seat, and a maximum payload capacity of 7,500 pounds or less, or with any rotorcraft aircraft.⁸ Within the limitations described above, commuter operations require different economic authority from DOT than what is required for on-demand operations, as will be discussed in the next section. An easy way to distinguish the typical commuter operation from an on-demand operation is to look at the former as more of a typical airline model—with established schedules and routes, whereas the typical on-demand operation has its schedules and routes set by its customers.

D. *Domestic, Flag and Supplemental Operations – Part 121*

Should an operator wish to conduct scheduled service using turbojet aircraft of any size, or any airplane with 10 or more seats or a payload capacity exceeding 7,500 pounds, it would be engaging in what are classified by FAA as domestic or flag operations. Similarly, those operators seeking to offer on-demand charter service with an aircraft having an actual passenger-seat configuration greater than 30 seats, excluding each crewmember seat, or a payload capacity

⁶ 14 C.F.R. § 119.21 (2006). Also, the descriptions of certain on-demand operations as “scheduled” and “true” are not provided for in Part 119, but rather have been used here for the sake of clarity and explanation.

⁷ 14 C.F.R. § 119.3.

⁸ *Id.*

exceeding 7,500 pounds, are conducting what are defined as supplemental operations.⁹ Representative of the type of operations of large airlines, domestic, flag and supplemental operations must be conducted under Part 121 and require the issuance of economic authority from DOT.¹⁰

E. *Private Carriage for Hire Operations – Part 125 and 135*

Although not necessarily subject to all of the same rules or level of scrutiny as common carriers, Private Carriage for Hire operations involve a limited sale of transportation to the public as described in more detail below. These operators are regulated by the FAA and are required to operate under Part 125 or Part 135 depending on aircraft size. Private Carriage for Hire operations with airplanes having a seating configuration of 20 or more passengers or a maximum payload capacity greater than 6,000 pounds are required to be conducted under Part 125, whereas such operations with smaller aircraft fall under Part 135.¹¹ These Private Carriage for Hire operations require the issuance of an FAA Operating Certificate under Part 119 and associated operations specifications, but do not require the operator to receive any economic authority from DOT.¹²

Private Carriage for Hire operations typically involve either the operator providing air transportation to one person or company, or to a particular few persons or companies who contract with the carrier, and are most often used in highly specialized contexts, such as the automotive industry or to transport professional sports teams. Although a Part 125 operator may be compensated in any amount, Part 125 prohibits an operator from conducting any operation that results directly or indirectly from any person's holding out to the public to furnish transportation.¹³ In this respect, Part 125 operators may only enter into a limited number of contracts, although these contracts may be long term in nature. Despite there being no published limit in the regulations, or formal order setting such a limit, some indications from DOT put the maximum number of permissible contracts at around 3 or 4, although this would most likely be evaluated on a case-by-case basis. As such, Private Carriage for Hire operations frequently occur when there is a specific outstanding need, or when requested as part of a pre-existing relationship.

III. Department of Transportation

Somewhat parallel to FAA, DOT also requires certification of air carriers engaging in common carriage. DOT is principally responsible for issuing and enforcing economic regulations that relate to air carrier licensing and related citizenship issues, and prevention of unfair trade practices. This results in three forms of economic authority generally corresponding to on-demand, commuter and domestic/flag/supplemental operations – namely, On-Demand Air Taxi Registration, Commuter Air Carrier Authorization (“CACA”), and a Certificate of Public Convenience and Necessity (“CPCN”). As is the case with FAA, the type of authority required depends both on the nature of the operation and the size of the aircraft. Based on the type of economic authority sought, the process can range from the submission of a simple registration application form to a formal air carrier fitness process that can take up to several months. Pursuant

⁹ 14 C.F.R. § 119.3.

¹⁰ 14 C.F.R. § 119.21 (2006).

¹¹ *Id.*

¹² 14 C.F.R. § 125.1 (2006).

¹³ *See e.g.*, 14 C.F.R. § 125.11 (2006).

to Part 205 of its regulations, a copy of which is attached as Appendix 3 (along with the required form), DOT also requires varying levels of insurance for each of these types of operations.

A. *The Certificate of Public Convenience and Necessity – Domestic, Flag and Supplemental Carriers, and Large Aircraft*

Pursuant to Title 49 of United States Code, an operator must obtain a CPCN from DOT in order to engage in interstate or foreign passenger and/or cargo air transportation.¹⁴ The statute, however, permits DOT to issue exemptions from this requirement which the DOT has done for air taxi and commuter air carrier operations that meet the criteria set forth in Part 298 of its economic regulations. Based on the standards contained in Part 298, commuter and on-demand operators are in most cases specifically exempted from this requirement. However, the application process to obtain the necessary DOT economic authority to conduct commuter operations—the CACA, is nearly identical in many respects to that for obtaining a CPCN. Also, and as discussed in the following section, On-Demand Air Taxi Operators and Commuter Air Carriers would have to undergo this process specifically in regards to any large aircraft (hereinafter defined) they desired to operate.

Prior to issuing a CPCN, DOT must find that the operator is “fit, willing and able” to perform the proposed service, and in cases where the operator is seeking a grant of authority to engage in foreign operations, that such a grant would be “consistent with the public convenience and necessity.”¹⁵ The determination that an operator is eligible to receive a CPCN is commonly referred to as the “fitness finding.” In making a fitness determination, DOT will evaluate several aspects of the operator itself and its ability to carry out the proposed operation, including an operator’s citizenship,¹⁶ managerial competence, financial fitness and the compliance history of both the operator and its key personnel in regards to certain regulatory and legal matters. Perhaps the most stringent requirement, however, is that related to the DOT’s financial fitness test, which requires an applicant to provide third-party verification that it has resources available to cover all of its pre-operating costs plus the operating costs that it will incur during one quarter of its first normalized year of operations, without factoring in projected revenues from the operation for which authority is requested.¹⁷

A full description of the information DOT requires from applicants for CPCN or CACA is provided in Appendix 4.

B. *Part 298 – On-demand Air Taxi Operators and Commuter Air Carriers*

As noted above, although air carriers are required to have a CPCN by statute, Part 298 of DOT regulations provides exemptions for a certain class of air carriers engaging in on-demand and

¹⁴ 49 U.S.C. § 41102 (2006).

¹⁵ 49 U.S.C. §§ 41108; 41302 (2006).

¹⁶ A “citizen of the United States” is defined as “a corporation or association organized under the laws of the United States or a State, the District of Columbia, or a territory or possession of the United States, of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States.” 49 U.S.C. § 40101(a)(15).

¹⁷ 14 C.F.R. § 204.3(t)(2).

commuter operations from this requirement that would otherwise be applicable to their operations.¹⁸ Part 298 also provides relief from some of the administrative requirements applicable to air carriers, such as tariff filings. Practically speaking, Part 298 allows most Part 135 operators to operate as air carriers without the burden of having to undergo a fitness proceeding and obtain a CPCN. In fact, the DOT license for an On-demand Air Taxi Operator is a simple two-page registration form identifying the operator and its Flight Standards District Office, FAA certificate number, and type of aircraft and operation. An example of the registration form is attached as Appendix 5. While Commuter Air Carriers do not have to obtain a CPCN, they are required to establish their fitness in order to obtain a CACA from DOT. Although a CPCN will not be issued, the application process for a CACA is nearly identical to the process required for a CPCN.

The other key difference is that On-Demand Air Taxi Operators and Commuter Air Carriers are not permitted by DOT to operate large aircraft absent their undergoing what essentially amounts to a fitness determination in respect to that particular aircraft. DOT, however, does not use the same size criterion as the FAA in distinguishing the different types of authority. Instead, DOT defines large aircraft as any aircraft originally designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.¹⁹ By contrast, the FAA's cutoff for what aircraft size can be used in on-demand operations (either "true" or "scheduled") conducted under Part 135 is an actual passenger-seat configuration of not greater than 30 seats, excluding crewmember seats, and a payload capacity not exceeding 7,500 pounds.²⁰ Thus, if an On-Demand Air Taxi Operator or a Commuter Air Carrier wants to operate an aircraft that had been modified to the 30-seat/7,500 pound payload limit, and that aircraft had originally been designed with a configuration exceeding 60 seats/18,000 pound payload (a Boeing Business Jet for example), it could not do so under Part 298—the operator would instead have to obtain economic authority from DOT in the form of a CPCN to operate that aircraft, even though it could do so under Part 135 of FAA's operating rules.

By any substantial measure, the DOT definitions for On-demand Air Taxi Operator and Commuter Air Carrier mirror the FAA's definitions of on-demand and commuter operations, respectively, as provided for in Part 119 of the FARs. For example, both the FAA and the DOT prohibit on-demand operators from engaging in the type of scheduled service that defines a commuter air carrier or commuter operation – namely, carrying passengers on "at least five round trips per week on at least one route between two or more points according to published flight schedules that specify the times, days of the week, and place between which those flights are performed."²¹ In other words, under DOT's rules an On-demand Air Taxi Operator is permitted to engage in up to four round trips per week according to a published flight schedule, thus echoing the distinction between "scheduled" as opposed to "true" on-demand operations, and commuter operations discussed in relation to Part 119.

IV. Conclusions

Determining the appropriate set of operating rules for a particular operation requires an evaluation of multiple factors. In addition to aircraft size and type, an operator must look at the

¹⁸ 14 C.F.R. § 298.3 (2006).

¹⁹ 14 C.F.R. § 298.2 (2006).

²⁰ 14 C.F.R. § 119.3.

²¹ 14 C.F.R. § 298.1 (2006); § 119.3.

characteristics of its operation to establish how it would be classified by FAA under Part 119 of the FARs, as well as how it would be classified by the DOT under its economic regulations. Generally speaking, from an FAA perspective, on-demand and commuter operations will be conducted under Part 135, whereas domestic, flag and supplemental operations will fall under Part 121. Because all of these operations involve common carriage, the operator is also required to obtain economic authority from DOT prior to operating. It is also important to remember that, like FAA, DOT takes aircraft size into account, albeit with somewhat different standards and size limitations. Private Carriage for Hire operations, which do not involve common carriage or require DOT authority, will fall under Part 125 or Part 135 depending on aircraft size.

In sum, the key to getting started in the world of commercial aircraft operations and resolving what rules will apply to a particular operation, is to lay out all of its characteristics, including aircraft size and type, and examine them thoroughly under both the FAA and the DOT regulations. Only then will the operator be able to prepare for what lies ahead.

V. Acknowledgements

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Appendix 1

Air Carrier - a person who undertakes directly by lease, or other arrangement, to engage in air transportation.

Air Commerce - interstate, overseas, or foreign air commerce or the transportation of mail by aircraft or any operation of aircraft within the limits of any Federal airway or any operation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

Air taxi operator – a classification of air carriers which directly engage in the air transportation of persons, property, mail, or in any combination of such transportation, and which:

- (1) Do not directly or indirectly utilize large aircraft in air transportation;
- (2) Do not hold a certificate of public convenience and necessity and do not engage in scheduled passenger operations as specified by the definition of commuter air carrier;
- (3) Have and maintain in effect liability insurance coverage in compliance with the requirements set forth in Part 205 and have and maintain a current certificate of insurance evidencing such coverage on file with the Department of Transportation;
- (4) If operating in foreign air transportation or participating in an interline agreement, subscribe to Agreement 18900 (OST Form 4523 or OST Form 4507) and comply with all other requirements of Part 203; and
- (5) Have registered with the Department of Transportation in accordance with subpart C of Part 298.

Air transportation - interstate, overseas, or foreign air transportation or the transportation of mail by aircraft.

Certificate authority – authority to provide air transportation granted by the Department of Transportation or Civil Aeronautics Board in the form of a certificate of public convenience and necessity under section 41102 of the Statute or an all-cargo air transportation certificate to perform all-cargo air transportation under section 41103 of the Statute. *Certificated carriers* are those that hold certificate authority.

Certificate of Public Convenience and Necessity – a certificate issued to an air carrier under 49 U.S.C. 41102, by the Department of Transportation authorizing the carrier to engage in air transportation.

Certificated air carrier – a U.S. direct air carrier holding a certificate issued under 49 U.S.C. 41102.

Citizen of the United States (DOT):

- (1) An individual who is a citizen of the United States;
- (2) A partnership each of whose partners is an individual who is a citizen of the United States; or
- (3) A corporation or association organized under the laws of the United States or a State, the District of Columbia, or a territory or possession of the United States, of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States.

Commercial operator - a person who, for compensation or hire, engages in the carriage by aircraft in air commerce of persons or property, other than as an air carrier or foreign air carrier or under the authority of Part 375. Where it is doubtful that an operation is for “compensation or hire”, the test applied is whether the carriage by air is merely incidental to the person's other business or is, in itself, a major enterprise for profit.

Commuter air carrier – an air carrier as established by §298.3(b) that directly engage in the air transportation of persons, property or mail, and which:

- (1) Do not directly or indirectly utilize large aircraft in air transportation;
- (2) Do not hold a certificate of public convenience and necessity;
- (3) Carry passengers on at least five round trips per week on at least one route between two or more points according to its published flight schedules that specify the times, days of the week, and places between which those flights are performed;
- (4) Have and maintain in effect liability insurance coverage in compliance with the requirements set forth in Part 205 and have and maintain a current certificate of insurance evidencing such coverage on file with the Department;
- (5) Have and maintain in effect and on file with the Department a signed counterpart of Agreement 18900 (OST Form 4523) and comply with all other requirements of Part 203; and
- (6) Hold a Commuter Air Carrier Authorization issued in accordance with subpart E of Part 298.

Commuter operation - any scheduled operation conducted by any person operating one of the following types of aircraft with a frequency of operations of at least five round trips per week on at least one route between two or more points according to the published flight schedules:

- (1) Airplanes, other than turbojet powered airplanes, having a maximum passenger-seat configuration of 9 seats or less, excluding each crewmember seat, and a maximum payload capacity of 7,500 pounds or less; or
- (2) Rotorcraft.

Domestic operation – any scheduled operation conducted by any person operating any airplane described in paragraph (1) of this definition at locations described in paragraph (2) of this definition:

- (1) Airplanes:
 - (i) Turbojet-powered airplanes;
 - (ii) Airplanes having a passenger-seat configuration of more than 9 passenger seats, excluding each crewmember seat; or
 - (iii) Airplanes having a payload capacity of more than 7,500 pounds.
- (2) Locations:
 - (i) Between any points within the 48 contiguous States of the United States or the District of Columbia; or
 - (ii) Operations solely within the 48 contiguous States of the United States or the District of Columbia; or
 - (iii) Operations entirely within any State, territory, or possession of the United States; or
 - (iv) When specifically authorized by the FAA Administrator, operations between any point within the 48 contiguous States of the United States or the District of Columbia and any specifically authorized point located outside the 48 contiguous States of the United States or the District of Columbia.

Flag operation – any scheduled operation conducted by any person operating any airplane described in paragraph (1) of this definition at the locations described in paragraph (2) of this definition:

- (1) Airplanes:
 - (i) Turbojet-powered airplanes;
 - (ii) Airplanes having a passenger-seat configuration of more than 9 passenger seats, excluding each crewmember seat; or
 - (iii) Airplanes having a payload capacity of more than 7,500 pounds.
- (2) Locations:
 - (i) Between any point within the State of Alaska or the State of Hawaii or any territory or possession of the United States and any point outside the State of Alaska or the State of Hawaii or any territory or possession of the United States, respectively; or
 - (ii) Between any point within the 48 contiguous States of the United States or the District of Columbia and any point outside the 48 contiguous States of the United States and the District of Columbia.
 - (iii) Between any point outside the U.S. and another point outside the U.S.

Foreign Air Carrier – a non-U.S. air carrier holding a foreign air carrier permit or exemption authority from the Department of Transportation.

Foreign air carrier permit – a permit authorizing foreign air transportation by a foreign air carrier pursuant to section 402 of the Act.

Foreign air transportation – as defined in section 40102(a)(23) of the Statute, the transportation of passengers or property by aircraft as a common carrier for compensation, or the transportation of mail by aircraft, between a place in the United States and a place outside the United States when any part of the transportation is by aircraft.

Interstate air transportation – as defined in section 40102(a)(25), the transportation of passengers or property by aircraft as a common carrier for compensation, or the transportation of mail by aircraft

- (1) between a place in
 - (i) A State, territory, or possession of the United States and a place in the District of Columbia or another State, territory, or possession of the United States;
 - (ii) Hawaii and another place in Hawaii through the airspace over a place outside Hawaii;
 - (iii) The District of Columbia and another place in the District of Columbia; or
 - (iv) A territory or possession of the United States and another place in the same territory or possession; and
- (2) When any part of the transportation is by aircraft. **Note:** Operations wholly within the geographic limits of a single State are not considered interstate air transportation if in those operations the carrier transports no more than a *de minimus* volume of passengers or property moving as part of a continuous journey to or from a point outside the State.

Key personnel – includes the directors, president, chief executive officer, chief operating officer, all vice presidents, the directors or supervisors of operations, maintenance, and finance, and the chief pilot of the applicant or air carrier, as well as any part-time or full-time advisors or consultants to the management of the applicant or air carrier.

Large Aircraft - any aircraft originally designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.

Large Aircraft – aircraft with a maximum certificated takeoff weight of more than 12,500 pounds.

Maximum certificated takeoff weight – the maximum takeoff weight authorized by the terms of the aircraft airworthiness certificate. This weight may be found in the airplane operating record or in the airplane flight manual, which is incorporated by regulation into the airworthiness certificate.

Maximum passenger capacity – the maximum number of passenger seats for which an aircraft is configured.

Maximum payload capacity:

- (1) The maximum certificated take-off weight of an aircraft, less the empty weight (the weight of the airframe, engines, propellers, fixed equipment, all fixed ballast, unusable fuel supply, undrainable oil, total quantity of engine coolant, and total quantity of hydraulic fluid), less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward's supplies, etc.). For purposes of this part, the allowance for the weight of the crew, oil, and fuel is as follows:
 - (i) Crew—200 pounds per crew member required under FAA regulations,
 - (ii) Oil—350 pounds,
 - (iii) Fuel—the minimum weight of fuel required under FAA regulations for a flight between domestic points 200 miles apart, assuming VFR weather conditions and flights not involving extended overwater operations.
- (2) *Provided, however,* that in the case of aircraft for which a maximum zero fuel weight (the maximum permissible weight of an airplane with no disposable fuel or oil which may be found in the FAA's type certificate data sheets, and/or in FAA-approved flight manuals) is prescribed by the FAA., maximum payload capacity means the maximum zero fuel weight, less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum flight crew, steward's supplies, etc., but not including disposable fuel or oil).

Noncommon carriage – an aircraft operation for compensation or hire that does not involve a holding out to others. When common carriage is not involved or operations not involving common carriage means any of the following:

- (1) Noncommon carriage.
- (2) Operations in which persons or cargo are transported without compensation or hire.
- (3) Operations not involving the transportation of persons or cargo.
- (4) Private carriage.

Normalized operations – those which are relatively free of start-up costs and temporary barriers to full-scale operations posed by the carrier's limited experience.

On-demand operation – any operation for compensation or hire that is one of the following:

- (1) Passenger-carrying operations conducted as a public charter under Part 380 or any operations in which the departure time, departure location, and arrival location are specifically negotiated with the customer or the customer's representative that are any of the following types of operations:
 - (i) Common carriage operations conducted with airplanes, including turbojet-powered airplanes, having a passenger-seat configuration of 30 seats or fewer, excluding each crewmember seat, and a payload capacity of 7,500 pounds or less, except that operations using a specific airplane that is also used in domestic or flag operations and that is so listed in the operations specifications as required by §119.49(a)(4) for those operations are considered supplemental operations;
 - (ii) Noncommon or private carriage operations conducted with airplanes having a passenger-seat configuration of less than 20 seats, excluding each crewmember seat, and a payload capacity of less than 6,000 pounds; or
 - (iii) Any rotorcraft operation.
- (2) Scheduled passenger-carrying operations conducted with one of the following types of aircraft with a frequency of operations of less than five round trips per week on at least one route between two or more points according to the published flight schedules:
 - (i) Airplanes, other than turbojet powered airplanes, having a maximum passenger-seat configuration of 9 seats or less, excluding each crewmember seat, and a maximum payload capacity of 7,500 pounds or less; or
 - (ii) Rotorcraft.
- (3) All-cargo operations conducted with airplanes having a payload capacity of 7,500 pounds or less, or with rotorcraft.

Point – when used in connection with any territory or possession of the United States, or the States of Alaska and Hawaii, means any airport or place where aircraft may be landed or taken off, including the area within a 25-mile radius of such airport or place; when used in connection with the continental United States, except Alaska, it shall have the same meaning except be limited to the area within a 3-mile radius of such airport or place: Provided, That for the purposes of this part, West 30th Street Heliport and Pan Am Building Heliport, both located in New York City, shall be regarded as separate points.

Scheduled operation – any common carriage passenger-carrying operation for compensation or hire conducted by an air carrier or commercial operator for which the certificate holder or its representative offers in advance the departure location, departure time, and arrival location. It does not include any passenger-carrying operation that is conducted as a public charter operation under Part 380.

Scheduled service – transport service operated over routes pursuant to published flight schedules or pursuant to mail contracts with the U.S. Postal Service.

Small Aircraft (DOT) – any aircraft originally designed to have a maximum passenger capacity of 60 seats or less or a maximum payload capacity of 18,000 pounds or less.

Small Aircraft (FAA) – aircraft with a maximum certificated takeoff weight of 12,500 pounds or less.

Statute (DOT) – Subtitle VII of Title 49 of the United States Code (Transportation).

Supplemental operations – any common carriage operation for compensation or hire conducted with any airplane described in paragraph (1) of this definition that is a type of operation described in paragraph (2) of this definition:

- (1) Airplanes:
 - (i) Airplanes having a passenger-seat configuration of more than 30 seats, excluding each crewmember seat;
 - (ii) Airplanes having a payload capacity of more than 7,500 pounds; or
 - (iii) Each propeller-powered airplane having a passenger-seat configuration of more than 9 seats and less than 31 seats, excluding each crewmember seat, that is also used in domestic or flag operations and that is so listed in the operations specifications as required by §119.49(a)(4) for those operations; or
 - (iv) Each turbojet powered airplane having a passenger seat configuration of 1 or more and less than 31 seats, excluding each crewmember seat, that is also used in domestic or flag operations and that is so listed in the operations specifications as required by §119.49(a)(4) for those operations.
- (2) Types of operation:
 - (i) Operations for which the departure time, departure location, and arrival location are specifically negotiated with the customer or the customer's representative;
 - (ii) All-cargo operations; or
 - (iii) Passenger-carrying public charter operations conducted under Part 380.

Appendix 2

Commercial Operator Certification

Operating Rules	Type of Operation		
	On Demand	Scheduled	Commuter
Part 135	Non-scheduled operations in aircraft with a passenger-seat configuration of 30 or fewer seats and a maximum payload capacity of 7,500 pounds or less or in rotorcraft. Require Air Taxi Registration with DOT.	Scheduled flights with a frequency of no more than four weekly round trips between any two points pursuant to a published schedule in aircraft with a passenger-seat configuration of 9 or fewer seats and a maximum payload capacity of 7,500 pounds or less. Require Air Taxi Registration with DOT.	Operations in non-turbojet aircraft with a passenger-seat configuration of 9 or fewer seats and a maximum payload capacity of 7,500 pounds or less or in rotorcraft where the certificate holder or its representative offers in advance the departure location, departure time, arrival location, terms of service, and aircraft type, and where the frequency of operations is at least five round trips per week on at least one route between two or more points. Require CACA from DOT.
	Private carriage for hire operations, the frequency of which is subject to the limits on the overall number of contracts that the operator may enter into, do not involve any holding out to the public and are those with aircraft that otherwise required to be operated under Part 125 (i.e., 20 or more passenger seats/6,000 pounds payload capacity). No DOT authority is required.		
Part 121	Supplemental operations in aircraft with a passenger-seat configuration greater than 30 seats, excluding each crewmember seat, and a maximum payload capacity exceeding 7,500 pounds. Require CPCN or CACA from DOT depending on aircraft size.*	Domestic or flag operations in turbojet aircraft or in aircraft with a passenger-seat configuration of more than 9 seats or a maximum payload capacity greater than 7,500 pounds. Require CPCN or CACA from DOT depending on aircraft size.*	What would otherwise be defined as Commuter operations by FAA (see above), but using any turbojet aircraft, or those with a passenger-seat configuration of 10 or more seats or a payload capacity of greater than 7,500 pounds, provided such aircraft do not constitute “large aircraft”, which would require a CPCN, may be conducted by Commuter Air Carriers pursuant to a CACA issued by DOT.*
	*Operators of large aircraft, defined by DOT as those originally designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds will require CPCN, as opposed to a CACA, from DOT, to engage in Domestic, Flag or Supplemental operations.		
Part 125	Private carriage for hire operations, the frequency of which is subject to the limits on the overall number of contracts that the operator may enter into, do not involve any holding out to the public, are those with aircraft that in airplanes having a passenger-seat configuration of 20 seats or more or a maximum payload capacity of 6,000 pounds or more. No DOT authority is required.		N/A

Appendix 3

Part 205 of DOT Regulations – Minimum Liability Insurance Coverage

Air Taxi Operators

U.S. air taxi operators are required to maintain the following coverage:

- (1) Third-party aircraft accident liability coverage for bodily injury to or death of persons, including nonemployee cargo attendants, other than passengers, with minimum limits of:
 - (i) \$75,000 for any one person in any one occurrence, and a total of \$300,000 per involved aircraft for each occurrence, and
 - (ii) A limit of a least \$100,000 for each occurrence for loss of or damage to property.
- (2) U.S. air taxi operators carrying passengers in air transportation shall, in addition to the coverage required in paragraph (1), maintain aircraft accident liability insurance coverage for bodily injury to or death of aircraft passengers, with minimum limits of \$75,000 for any one passenger, and a total per involved aircraft for each occurrence of \$75,000 times 75 percent of the number of passenger seats installed in the aircraft.

Coverage for Other Air Carriers

U.S. and foreign direct air carriers, including commuter air carriers but excluding U.S. air taxi operators and Canadian charter air taxi operators, are required to maintain the following liability coverage:

- (1) Third-party aircraft accident liability coverage for bodily injury to or death of persons, including nonemployee cargo attendants, other than passengers, and for damage to property, with minimum limits of \$300,000 for any one person in any one occurrence, and a total of \$20,000,000 per involved aircraft for each occurrence, except that for aircraft of not more than 60 seats or 18,000 pounds maximum payload capacity, carriers need only maintain coverage of \$2,000,000 per involved aircraft for each occurrence.

Any such carrier providing air transportation for passengers shall, in addition to the coverage required in paragraph (1), maintain aircraft accident liability insurance coverage for bodily injury to or death of aircraft passengers, with minimum limits of \$300,000 for any one passenger, and a total per involved aircraft for each occurrence of \$300,000 times 75 percent of the number of passenger seats installed in the aircraft.

DOT Air Carrier Certificate of Insurance Form



**U.S. Department
of Transportation**

Office of the Secretary
of Transportation

AGENCY DISPLAY OF ESTIMATED BURDEN

The public reporting burden for this collection of information is estimated to average 30 minutes per response. If you wish to comment on the accuracy of the estimate or make suggestion to reducing this burden, please direct your comments to the Department of Transportation at the following address:

U.S. Department of Transportation
Office of Aviation Analysis, X-57
400 7th Street S.W.
Washington, D.C. 20590

Omb No. 2106-0030 Expires 2-28-98

U.S. AIR CARRIERS CERTIFICATE OF INSURANCE POLICIES OF INSURANCE FOR AIRCRAFT ACCIDENT BODILY INJURY AND PROPERTY DAMAGE LIABILITY

FLILING INSTRUCTIONS: File an original of this form with: FAA, 222 W. 7th Ave., #14, Anchorage, AK 99513-7587
ATTN: Belinda Eaton (AAL-231)

(Please type information, except signatures.)

THIS CERTIFIES THAT: _____
(Name of Insurer)

has issued a policy or policies of Aircraft Liability Insurance to _____

(Name and address of Insured U.S. Air Carrier)

effective from _____ until ten (10) days after written notice from the insurer or carrier of the intent to terminate coverage is received by the Department of Transportation.

Note: Part 205 of the Department's Regulations does not allow for a predetermined termination date, and a certificate showing such a date is unacceptable.

1. The Insurer (Check One):

- is licensed to issue aircraft insurance policies in the United States.
- is licensed or approved by the government of _____ to issue aircraft insurance policies; or
- is an approved surplus line insurer in the State(s) of _____

2. The insurer assumes, under the policy or policies listed below, aircraft accident liability insured to minimums at least equal to the following during operation, maintenance, or use of aircraft in "air transportation" as that term is defined in the Federal Aviation Act (Complete applicable section(s) below):

A. U.S. AIR TAXI OPERATORS WITH PART 298 AUTHORITY ONLY

The aircraft covered by this policy are SMALL AIRCRAFT (i.e., with 60 or fewer passenger seats or with a maximum payload Capacity of 18,000 pounds or less). (Check separate or combined coverage as appropriate):

Separate Coverages:

Policy No.	Type of Liability	Minimum Limit	
		Each Person	Each Occurrence
_____	Bodily Injury Liability (Excluding passengers)	\$75,000	\$300,000
_____	Passenger Bodily Injury Liability	\$75,000	\$75,000 x 75% of total number of passenger seats installed in the aircraft.
_____	Property Damage		\$100,000

Combined Coverage: This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damage, and passenger bodily injury.

Policy No. _____ Amount of Coverage _____

This policy covers CARGO operations *only* and *excludes* passenger liability insurance.

B. U.S. COMMUTER AND CERTIFICATION AIR CARRIERS OPERATING SMALL AIRCRAFT
The aircraft covered by this policy are SMALL AIRCRAFT (i.e., with 60 or fewer passengers or with a maximum payload capacity of 18,000 pounds or less). (Check separate or combined coverage as appropriate):

Separate Coverages:

Policy No.	Type of Liability	Minimum Limit	
		Each Person	Each Occurrence
_____	Combined Bodily Injury (Excluding Passengers Other than cargo attendants) and Property Damage Liability	\$300,000	\$2,000,000
_____	Passenger Bodily Injury Liability	\$300,000	\$300,000 x 75% of total number of passengers seats installed in the aircraft.

Combined Coverage: This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damage, and passenger bodily injury.
Policy No. _____ Amount Coverage _____

This policy covers CARGO operations *only* and excludes passenger liability insurance.

C. U.S. CERTIFICATED AIR CARRIERS OPERATING LARGE AIRCRAFT
The aircraft covered by this policy are LARGE AIRCRAFT (i.e., with 60 or more than 60 passengers or with a maximum payload capacity of more than 18,000 pounds). (Check separate or combined coverage as appropriate):

Separate Coverages:

Policy No.	Type of Liability	Minimum Limit	
		Each Person	Each Occurrence
_____	Combined Bodily Injury (Excluding Passengers Other than cargo attendants) and Property Damage Liability	\$300,000	\$20,000,000
_____	Passenger Bodily Injury Liability	\$300,000	\$300,000 x 75% of total number of passengers seats installed in the aircraft.

Combined Coverage: This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damage, and passenger bodily injury.
Policy No. _____ Amount Coverage _____

This policy covers CARGO operations *only* and excludes passenger liability insurance.

3. The policy or policies listed in this certificate insure(s) (Check One):

<input type="checkbox"/> Operations conducted with all aircraft operated by the insured	_____	FAA or Foreign Flag Registration No. _____
<input type="checkbox"/> Operations conducted with the following types of aircraft:		
<input type="checkbox"/> Operations with the following aircraft: (Use additional page if necessary)		

4. Each policy listed in this certificate meets or exceeds the requirements in 14 CFR Part 205.

_____ (Name of Insurer)	_____ (Name of Broker, if applicable)
_____ (Address)	_____ (Address)
_____ (City, State, Zip Code)	_____ (City, State, Zip Code)
_____ Contact (person who can verify the effectiveness of the coverage)	_____ (Officer or authorized representative)
_____/_____ (Area Code, Phone Number) (Area Code, FAX Number)	_____/_____ (Area Code, Phone Number) (Area Code, FAX Number)
_____ (Signature, if applicable)	_____ (Signature)
_____ (Date)	_____ (Date)

Appendix 4

14 CFR §204.3 – Applicants for new certificate or commuter air carrier authority

An applicant for a type of certificate authority it does not currently hold or for commuter air carrier authority shall file the data set forth in paragraphs (a) through (v) of this section. In addition, the Department may require an applicant to provide additional data if necessary to reach an informed judgment about its fitness. If the applicant has previously formally filed any of the required data with the Department or with another Federal agency and they are available to the Department, and those data continue to reflect the current state of the carrier's fitness, the applicant may instead identify the data and provide a citation for the date(s) and place(s) of filing. Prior to filing any data, the applicant may contact the Air Carrier Fitness Division to ascertain what data required by this section are already available to the Department and need not be included in the filing.

Note: If the applicant intends to use as evidence data it has previously filed pursuant to part 241 reporting requirements and those data contain errors, the applicant must first file corrected reports in accordance with §241.22(g).

- (a) The name, address, and telephone number of the applicant.
- (b) The form of the applicant's organization.
- (c) The State law(s) under which the applicant is organized.
- (d) If the applicant is a corporation, a statement provided by the Office of the Secretary of State, or other agent of the State in which the applicant is incorporated, certifying that the applicant corporation is in good standing.
- (e) A sworn affidavit stating that the applicant is a citizen of the United States.
- (f) The identity of the key personnel who would be employed by the applicant, including:
 - (1) Their names and addresses;
 - (2) The experience, expertise, and responsibilities of each;
 - (3) The number of shares of the applicant's voting stock held by each and the percentage of the total number of such shares issued and outstanding, and the citizenship and principal business of any person for whose account, if other than the holder, such interest is held;
 - (4) The citizenship of each; and
 - (5) A description of the officerships, directorships, shares of stock (if 10 percent or more of total voting stock outstanding), and other interests each holds or has held in any air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics or persons whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier, common carrier or person substantially engaged in the business of aeronautics.
- (g) A list of all persons having a substantial interest in the applicant. Such list shall include:
 - (1) Each person's name, address and citizenship;
 - (2) The number of shares of the applicant's voting stock held by each such person and the corresponding percentage of the total number of such shares issued and outstanding, and the citizenship and principal business of any person for whose account, if other than the holder, such interest is held;
 - (3) If any two or more persons holding a substantial interest in the applicant are related by blood or marriage, such relationship(s) shall be included in the list; and
 - (4) If any person or subsidiary of a person having a substantial interest in the applicant is or has ever been
 - (i) An air carrier, a foreign air carrier, a common carrier, or
 - (ii) Substantially engaged in the business of aeronautics, or
 - (iii) An officer or director of any such entity, or
 - (iv) A holder of 10 percent or more of total outstanding voting stock of any such entity, the list shall describe such relationship(s).
- (h) A list of the applicant's subsidiaries, if any, including a description of each subsidiary's principal business and relationship to the applicant.
- (i) A list of the applicant's shares of stock in, or control of, any air carrier, foreign air carrier, common carrier, or person substantially engaged in the business of aeronautics.

- (j) To the extent any relevant corporation has been engaged in any business prior to the filing of the application, each applicant shall provide:
 - (1) Copies of the 10K Annual Reports filed in the past 3 years by any relevant corporation required to file such reports with the Securities and Exchange Commission, and
 - (2) Copies of recently filed 10Q Quarterly Reports, as necessary, in order to show the financial condition and results of operations of the enterprise current to within 3 months of the date of the filing of the application.
- (k) If 10K Reports are not filed with the Securities and Exchange Commission, the following, for the 3 most recent calendar or fiscal years, reflecting the financial condition and results of operations of the enterprise current to within 3 months of the date of the filing of the application:
 - (1) The Balance Sheet of each relevant corporation;
 - (2) The Income Statement of each relevant corporation;
 - (3) All footnotes applicable to the financial statements, including:
 - (i) A statement as to whether the documents were prepared in accordance with Generally Accepted Accounting Principles, and
 - (ii) A description of the significant accounting policies of each relevant corporation, such as for depreciation, amortization of intangibles, overhauls, unearned revenues, and cost capitalization;
 - (4) A statement of significant events occurring subsequent to the most recent Balance Sheet date for each relevant corporation; and
 - (5) A statement identifying the person who has prepared the financial statements, his or her accounting qualifications, and any affiliation he or she has with the applicant.
- (l) A list of all actions and outstanding judgments for more than \$5,000 against any relevant corporation, key personnel employed (or to be employed) by any relevant corporation, or person having a substantial interest in any relevant corporation, including the amount of each judgment, the party to whom it is payable, and how long it has been outstanding.
- (m) The number of actions and outstanding judgments of less than \$5,000 against each relevant corporation, key personnel employed (or to be employed) by any relevant corporation, or person having a substantial interest in any relevant corporation, and the total amount owed by each on such judgments.
- (n) A description of the applicant's fleet of aircraft, including:
 - (1) The number of each type of aircraft owned, leased and to be purchased or leased;
 - (2) Applicant's plans, including financing plans, for the purchase or lease of additional aircraft; and
 - (3) A sworn affidavit stating that each aircraft owned or leased has been certified by the FAA and currently complies with all FAA safety standards.
- (o) A description of the current status of all pending investigations, enforcement actions, and formal complaints filed by the Department, including the FAA, involving the applicant or any relevant corporation, any personnel employed (or to be employed) by any relevant corporation or person having a substantial interest in any relevant corporation, regarding compliance with the Statute or orders, rules, regulations, or requirements issued pursuant to the Statute, and any corrective actions taken. (If an applicant has a compliance history that warrants it, additional information may be required.)
- (p) A description of all charges of unfair or deceptive or anticompetitive business practices, or of fraud, felony or antitrust violation, brought against any relevant corporation or person having a substantial interest in any relevant corporation, or member of the key personnel employed (or to be employed) by any relevant corporation in the past 10 years. Such descriptions shall include the disposition or current status of each such proceeding.
- (q) A description of any aircraft accidents or incidents (as defined in the National Transportation Safety Board Regulations, 49 CFR 830.2) experienced by the applicant, its personnel, or any relevant corporation, which occurred either during the year preceding the date of application or at any time in the past and which remain under investigation by the FAA, the NTSB, or by the company itself, including:
 - (1) The date of the occurrence;
 - (2) The type of flight;
 - (3) The number of passengers and crew on board and an enumeration of any injuries or fatalities;
 - (4) A description of any damage to the aircraft;
 - (5) The FAA and NTSB file numbers and the status of the investigations, including any enforcement actions initiated against the carrier or any of its personnel; and
 - (6) Positive actions taken to prevent recurrence. (If an applicant's history of accidents or incidents warrants it, additional information may be required.)

- (r) A brief narrative history of the applicant.
- (s) A description of all Federal, State and foreign authority under which the applicant has conducted or is conducting transportation operations, and the identify of the local FAA office and personnel responsible for processing an application for any additional FAA authority needed to conduct the proposed operations.
- (t) A description of the service to be operated if the application is granted, including:
 - (1) A forecast Balance Sheet for the first normal year ending after the initially proposed operations have been incorporated, along with the assumptions underlying the accounts and amounts shown; and
 - (2) A forecast Income Statement, broken down by quarters, for the first year ending after the initially proposed operations are normalized, and an itemization of all pre-operating and start-up costs associated with the initiation of the proposed service. Such Income Statement shall include estimated revenue block hours (or airborne hours, for charter operators) and revenue miles by type of aircraft, number of passengers and number of tons of mail and cargo to be carried, transport revenues and an estimate of the traffic which would be generated in each market receiving the proposed service. Such statements shall also include a statement as to whether the statements were prepared on the accrual or cash basis, an explanation of how the estimated costs and revenues were developed, a description of the manner in which costs and revenues are allocated, how the underlying traffic forecasts were made, and what load factor has been assumed for the average and peak month. Pre-operating and start-up costs should include, but are not limited to, the following: Obtaining necessary government approval; establishing stations; introductory advertising; aircraft, equipment and space facility deposits and rent; training; and salaries earned prior to start-up.
- (u) A signed counterpart of Agreement 18900 (OST Form 4523) as required by part 203 of this chapter.
- (v) The following certification, which shall accompany the application and all subsequent written submissions filed by the applicant in connection with its application:

Pursuant to title 18 United States Code section 1001, I [the individual signing the application, who shall be a principal owner, senior officer, or internal counsel of the applicant], in my individual capacity and as the authorized representative of the applicant, have not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of the application. I understand that an individual who is found to have violated the provisions of 18 U.S.C. section 1001 shall be fined nor more than \$10,000 or imprisoned not more than five years, or both.

Appendix 5 - DOT Air Taxi Operator Registration Form

Approved by OMB
OMB No. 2120-0633
Expires: 9/30/05

AGENCY DISPLAY OF ESTIMATED BURDEN										
The public reporting burden for the collection of information is estimated to average 30 minutes per response. If you wish to comment on the accuracy of the estimate or make suggestions for reducing the burden, please direct your comments to the <u>U.S. Department of Transportation, Office of Aviation Analysis, X-56, 400 7th Street S.W., Washington D.C. 20590</u> .										
PAPERWORK REDUCTION ACT OF 1995 Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number is displayed in the upper right-hand corner of this form.										
<div style="text-align: center;"> AIR TAXI OPERATOR AND COMMUTER AIR CARRIER REGISTRATION AND AMENDMENTS UNDER PART 298 OF THE REGULATIONS OF THE DEPARTMENT OF TRANSPORTATION </div> <p style="font-size: small; margin-top: 10px;"> Air taxis: Submit this form, in duplicate, along with a Certificate of Insurance (OST Form 6410) evidencing required liability insurance coverage for the aircraft listed in Block 6 of this registration, to the Federal Aviation Administration (FAA), Air Transportation Division, AFS-200, 800 Independence Avenue, S.W., Washington, D.C. 20591. Exception: For air taxis located in the <u>State of Alaska</u>, submit this form and the OST Form 6410 to the Federal Aviation Administration (FAA), Alaskan Region Headquarters, AAL-230, 222 West 7th Avenue, Box 14, Anchorage, Alaska 99513. </p> <p style="font-size: small; margin-top: 10px;"> Commuters: Submit this form, in duplicate, along with a Certificate of Insurance (OST Form 6410) evidencing required liability insurance coverage for all aircraft listed in Block 6, to the Department of Transportation (DOT), Air Carrier Fitness Division, X-56, Office of Aviation Analysis, 400 7th Street, S.W., Washington, D.C. 20590. </p> <p style="font-size: small; margin-top: 10px;"> Fees: The fee for the initial registration of an air taxi is \$8. The fee for an initial registration of a commuter is \$670. Checks, drafts, or postal money orders should be payable to DOT. There is no filing fee for amendments to registrations previously filed. </p>	<div style="text-align: center; border-bottom: 1px solid black; padding-bottom: 5px;"> FOR USE BY DOT ONLY </div> <div style="text-align: center; padding-top: 20px;"> Effective date of registration/amendments </div>									
1a. Name (and DBA, if applicable) and Mailing Address of the Registering Carrier: 1b. Telephone No. _____ Fax No. _____	3a. Federal Aviation Administration certificate number: 3b. Address of local FAA office: 3c. FAA Telephone No.: _____ 3d. FAA Principal Operations Inspector: _____									
2a. Address of principal place of business (if different from above): 2b. Telephone No. _____ Fax No. _____	4. This filing is the carrier's: <input type="checkbox"/> Initial Registration <input type="checkbox"/> Amendment to reflect changes since previous filing (Complete item 9) If initial registration, give proposed date of commencement of operations: _____									
5. Check type or types of service the carrier intends to perform upon commencement of operations, or, for amendments, service the carrier is currently performing:										
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><input type="checkbox"/> Scheduled passenger*</td> <td style="width: 33%;"><input type="checkbox"/> On-demand passenger</td> <td style="width: 33%;"><input type="checkbox"/> Air ambulance</td> </tr> <tr> <td><input type="checkbox"/> Scheduled cargo</td> <td><input type="checkbox"/> On-demand cargo</td> <td><input type="checkbox"/> Seasonal</td> </tr> <tr> <td><input type="checkbox"/> Mail under a U.S. Postal Service contract</td> <td colspan="2"><input type="checkbox"/> Other (Please specify)** _____</td> </tr> </table> <p style="font-size: x-small; margin-top: 5px;"> * Check only if service is of at least five (5) round trips per week on at least one route between two or more points and is operated pursuant to published flight schedules which specify the times, days of the week, and places between which such flights are performed. If the registrant has not previously been found "fit, willing and able" to perform scheduled passenger service as a commuter, this registration should be accompanied by the evidence required by 14 CFR 204.3 and, if applicable, 204.4. </p> <p style="font-size: x-small; margin-top: 5px;"> ** For example, if the carrier performs other services such as fire fighting operations for the U.S. Forest Service, it should be indicated here. </p>		<input type="checkbox"/> Scheduled passenger*	<input type="checkbox"/> On-demand passenger	<input type="checkbox"/> Air ambulance	<input type="checkbox"/> Scheduled cargo	<input type="checkbox"/> On-demand cargo	<input type="checkbox"/> Seasonal	<input type="checkbox"/> Mail under a U.S. Postal Service contract	<input type="checkbox"/> Other (Please specify)** _____	
<input type="checkbox"/> Scheduled passenger*	<input type="checkbox"/> On-demand passenger	<input type="checkbox"/> Air ambulance								
<input type="checkbox"/> Scheduled cargo	<input type="checkbox"/> On-demand cargo	<input type="checkbox"/> Seasonal								
<input type="checkbox"/> Mail under a U.S. Postal Service contract	<input type="checkbox"/> Other (Please specify)** _____									

OST Form 4507 (Rev. 9-04)

<p>6. Aircraft which the carrier proposes to operate in air taxi or commuter service or, for amendments, aircraft currently operated:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: center; border-bottom: 1px solid black;">Aircraft Make and Model</th> <th style="width: 30%; text-align: center; border-bottom: 1px solid black;">FAA Registration Number</th> <th style="width: 40%; text-align: center; border-bottom: 1px solid black;">Passenger Seats installed*</th> </tr> </thead> <tbody> <tr><td>1. _____</td><td>_____</td><td>_____</td></tr> <tr><td>2. _____</td><td>_____</td><td>_____</td></tr> <tr><td>3. _____</td><td>_____</td><td>_____</td></tr> <tr><td>4. _____</td><td>_____</td><td>_____</td></tr> <tr><td>5. _____</td><td>_____</td><td>_____</td></tr> </tbody> </table> <p style="text-align: center; font-size: small;">(Add additional sheets if necessary)</p> <p><small>* This does not include seats occupied by the pilot or co-pilot unless the latter is available for passenger use.</small></p>	Aircraft Make and Model	FAA Registration Number	Passenger Seats installed*	1. _____	_____	_____	2. _____	_____	_____	3. _____	_____	_____	4. _____	_____	_____	5. _____	_____	_____	<p>7. Is the registering carrier a U.S. citizen?</p> <p style="text-align: center;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </p> <p style="font-size: x-small;"> Note: An air taxi or commuter registered under Part 298 must be a citizen of the United States. 49 USC 40102(a)(15) defines a U.S. citizen as (a) an individual who is a U.S. citizen; (b) a partnership of which each member is a U.S. citizen; or (c) a corporation or association organized under the laws of the United States or a state, the District of Columbia, or a territory or possession of the United States, of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States. </p> <p>8. If this is an amendment, has the carrier carried passengers in foreign air transportation, that is, between any point in the United States and any point outside thereof, during the past 12 months:</p> <p style="text-align: center;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </p>
Aircraft Make and Model	FAA Registration Number	Passenger Seats installed*																	
1. _____	_____	_____																	
2. _____	_____	_____																	
3. _____	_____	_____																	
4. _____	_____	_____																	
5. _____	_____	_____																	
<p>9. REPORT CHANGES OR AMENDMENTS TO INFORMATION PREVIOUSLY FILED WITHIN 30 DAYS OF THE EFFECTIVE DATE:</p> <p>a. Change in Carrier's Name and/or Address (Please specify):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;">Former Name and Address:</td> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;">Current Name and Address:</td> </tr> </table> <p>b. Description of Any Other Changes or Amendments (Including additions or deletions of aircraft, change in type of operations, registration numbers, etc.):</p>		Former Name and Address:	Current Name and Address:																
Former Name and Address:	Current Name and Address:																		
<p>10. Certification</p> <p>I certify that the information contained in this application is complete and accurate to the best of my knowledge. If operating as a commuter air carrier or in foreign air transportation or participating in an interline agreement, the carrier subscribes to Agreement 18900 (see OST Form 4523), and in accordance with that Agreement agrees that a liability limit of not less than \$75,000 shall apply under Article 22(1) of the Warsaw Convention for passenger injury or death in international transportation as defined in the Convention.</p> <p style="text-align: right;">Signature: _____ (See note)</p> <p>Date: _____ Name: _____ (Please type)</p> <p>Place: _____ Title: _____ (City and State)</p> <p><small>Note: This registration must be signed by a responsible officer, such as the President, Vice President, Secretary or Treasurer, or partner or owner of the carrier.</small></p> <p>TO ENSURE PROPER PROCESSING OF THIS REGISTRATION, PLEASE COMPLETE THIS FORM IN ITS ENTIRETY.</p>																			