



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 15<sup>th</sup> day of April, 2016

Fitness Determination of

**DELUX PUBLIC CHARTER, LLC**

as a commuter air carrier under 49 U.S.C. § 41738

**Docket DOT-OST-2015-0208**

**ORDER TO SHOW CAUSE  
PROPOSING ISSUANCE OF COMMUTER AIR CARRIER AUTHORITY**

**Summary**

By this order, we tentatively find that Delux Public Charter, LLC (“Delux”), is a citizen of the United States and is fit, willing, and able to conduct scheduled passenger operations as a commuter air carrier.

**Background**

Section 41738 of Title 49 of the United States Code (“Transportation Code”) and section 298.50 (a)(2) of the Department’s Aviation Economic Regulations (14 CFR § 298.50 (a)(2)) direct us to determine whether companies proposing to provide scheduled passenger service as commuter air carriers are “fit, willing, and able to perform the service,” and to ensure that all operations relating to this service conform to the safety standards established by the Federal Aviation Administration (“FAA”). In making fitness findings, the Department uses a three-part test that reconciles the Airline Deregulation Act’s liberal entry policy with Congress’ concern for operational safety and consumer protection. The three areas of inquiry that must be addressed in order to determine a company’s fitness are whether the applicant (1) will have the managerial skills and technical ability to conduct the proposed operations, (2) will have access to resources sufficient to commence operations without posing an undue risk to consumers, and (3) will comply with the Transportation Code and regulations imposed by Federal and State agencies. We must also determine that the applicant is a U.S. citizen.

On October 16, 2015, Delux filed an application in Docket DOT-OST-2015-0208 for authority to provide scheduled passenger operations as a commuter air carrier pursuant to section 41738 of the Transportation Code. Delux accompanied its application with the fitness information required by section 204.3 of our regulations.<sup>1</sup>

<sup>1</sup> Delux supplemented its application with additional information, most recently on April 7, 2016.

No answers opposing Delux's application were filed and no special issues regarding the applicant have come to our attention. Under these circumstances, we propose to decide the issue of the applicant's fitness on the basis of the written record, and we tentatively conclude that Delux is a U.S. citizen and is fit, willing, and able to provide its proposed commuter operations. However, we will give interested persons an opportunity to show cause why we should not adopt as final our tentative findings and conclusions.

## **FITNESS**

### **The Applicant**

Delux, a non-operating limited liability company formed in August 2015 and organized under the laws of the State of Delaware, has its corporate office in Rapid City, South Dakota, and an operations control center in Irvine, California. The company is wholly owned by JetSuiteX, Inc. ("JetSuiteX"), a newly-created corporation incorporated under the laws of the State of Delaware in June 2015.<sup>2</sup>

### **Managerial Competence**

Delux's management and key personnel consist of the below individuals, each of whom is a U.S. citizen, with the exception of Mr. Brian Coulter, who is a citizen of New Zealand. The applicant is overseen by a Board of Managers, which is comprised of Mr. Alexander Wilcox, Delux's Chief Executive Officer ("CEO"); and Mr. Keith Rabin, its President and Chief Financial Officer ("CFO").

Mr. Alexander Wilcox – Chairman and CEO

Mr. Keith Rabin – President and CFO

Mr. Brian Coulter – Vice President of Flight Operations

Mr. Michael A. Anello – Vice President of Technical and System Operations

Mr. Franklin E. Westbrook – Director of Operations

Mr. Robert James Ventura – Chief Pilot

Mr. Jonathan E. Morrison – Director of Maintenance

Mr. Alexander Wilcox serves as the Chairman and CEO (since August 2015) for Delux. He also serves as CEO of JetSuite, Inc. (2005-present). Mr. Wilcox was previously employed as Principal for BAG Aviation Holdings (2006) and Smooth Flight Holdings (2005-2006); President and Chief Operating Officer with Kingfisher Airlines, Mumbai, India (2004-2005); Director of Product Development and Director of Airports with JetBlue Airways (1998-2004); and Manager of Airport Services and Product Development, North America, with Virgin Atlantic Airways (1996-1998).

Mr. Keith Rabin serves as the President and CFO of Delux (since August 2015), and Co-Founder, President, CFO, and Secretary of JetSuite, Inc., and Superior Air Charter, LLC (since 2008). Mr. Rabin was previously employed as Partner for Verity Capital, LLC (2007-2008), Project Leader and Consultant for The Boston Consulting Group (2003-2006), Director of

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<sup>2</sup> Delux's ownership is further discussed under the **CITIZENSHIP** section of this order.

Business Development for WorldCrest Group (2000-2001), and Business Analyst for Deloitte Consulting (1998-2000). Mr. Rabin holds Master's degree in Business Administration, with a concentration in Finance and Economics, from Columbia Business School (2001-2003).

Mr. Brian Coulter has served as the Vice President of Flight Operations for Delux since August 2015. He also serves as the Vice President of Operations, Pilot in Command, and Check Airman for JetSuite, Inc. (since 2008). Mr. Coulter was previously employed as Pilot in Command and Check Airman for JetBlue Airways (1999-2009) and WinAir Airlines (1997-1999); and Pilot in Command for Air South Airlines (1996-1997), Gulfstream International Airlines (1995-1996), and Western Air Freight (1994-1995). Mr. Coulter holds New Zealand citizenship and has served in the Royal New Zealand Air Force as a Pilot and Flight Commander (1979-1994).

Mr. Michael A. Anello, an Airframe and Powerplant Mechanic, has served as the Vice President of Technical and System Operations for Delux since August 2015. In addition to his current employment with Delux, Mr. Anello also serves as the Vice President of Technical and System Operations and Director of Maintenance for Superior Air Charter (2015-present). Before this, he held various aviation-maintenance related positions with FedEx Express, including Senior Manager of Base Maintenance, Senior Manager of Line Maintenance, Manager Line Maintenance, and Senior Aviation Maintenance Technician (2001-2015). Prior to joining FedEx Express, Mr. Anello was employed as an Aircraft Maintenance Supervisor and Airframe and Powerplant Mechanic for American Eagle Airlines (1999-2001) and Jet Harbor (1999).

Mr. Franklin E. Westbrook, an Airline Transport Pilot with 25,000 hours of total flight time, has served as Director of Operations for the applicant since November 2015. Prior to joining Delux, Mr. Westbrook was employed as Chief Pilot for Superior Air Charter (2009-2015); A-320 Captain for National Air Service (2008-2009) and Indigo Airlines (2007-2008); and Assistant Chief Pilot, Check Airman, Simulator Instructor, and A-320 Captain for JetBlue Airways (1999-2007). Mr. Westbrook previously served as Chief Pilot and B737 Captain for Pro Air (1998-1999); Aviation Safety Inspector with the FAA (1997-1998); B747 First Officer for Evergreen International Airlines (1994-1997); and Chief Pilot, Director of Training, CV580 and B737 Captain for Sierra Pacific Airlines (1986-1994). Mr. Westbrook is type-rated on the following aircraft: CVA330/440, B737, A320 and E500.

Mr. Robert James Ventura, an Airline Transport Pilot with 9,698 hours of total flight time, serves as Delux's Chief Pilot (since September 2015). He was previously employed as a Captain for JetSuite, Inc. (2010-2015), First Officer for ExpressJet Airlines (2007-2010), Captain for Dynamic Aviation (2006-2007), First Officer for SkyWest Airlines (2004-2006), and Captain and Maintenance Manager for Dynamic Aviation (1998-2004). Mr. Ventura is type-rated on the following aircraft: EMB-500, B-737, and EMB-120.

Mr. Jonathan E. Morrison serves as the applicant's Director of Maintenance since November 2015. He is also employed with FedEx as its Sr. Manager of Base Maintenance (2013-present), and has held various positions with the air carrier from 1992 to 1996, and again in 1997, including Manager of Hanger Maintenance, Senior Aircraft Technician, and Aircraft Line Technician. Mr. Morrison also served as an Aircraft Technician for TIMCO (1996-1997), Northwest Airlines (1990-1996), Destin Airport (1989-1992), and the U.S. Air Force (1988-1992).

In view of the experience and background of the applicant's key personnel, we tentatively conclude that Delux has demonstrated that it has both senior management and key technical personnel who have managerial skills and technical ability to support its proposed operations.<sup>3</sup>

### **Operating Plan and Financial Position**

If granted the commuter authority it seeks, Delux plans to operate public charter flights in accordance with 14 CFR § 380 as a direct air carrier. Delux intends to provide four flights per day, five times a week between (1) Santa Ana, California, and North Las Vegas, Nevada; (2) Santa Barbara, California, and San Jose, California; and (3) San Jose, California, and Santa Ana, California. The applicant will operate three 30-seat Embraer EMB-135 aircraft leased from JetSuiteX, its parent company, and maintain an additional leased spare aircraft to minimize service interruptions.

Delux expects to incur \$917,781 in pre-operating costs related to aircraft lease expenses (\$87,500), fuel and flight operations expenses (\$278,733), marketing and sales promotion (\$224,000), overhead (\$144,048), professional and other fees (\$142,500), and miscellaneous expenses associated with the acquisition of aircraft (\$41,000). In addition, the applicant also anticipates making a payment of \$72,500, which is one quarter of the \$290,000 deposit due on the fourth EMB-135 aircraft to be delivered. Delux expects to incur \$10.27 million towards its first-year commuter operating expenses.

As a newly-formed company, Delux does not have historical financial statements; the company does have current financial statements. For the period ending April 6, 2016, Delux reported a net loss of \$893,742. During the same period, the company's balance sheet shows that Delux has current assets of \$4.72 million and current liabilities of \$566,749 giving the company positive working capital of \$4.15 million.<sup>4</sup>

In establishing financial fitness, the Department typically asks an applicant to demonstrate that it has access to financial resources sufficient to cover its pre-operating expenses and any negative working capital balance, plus a working capital reserve equal to the operating costs that are reasonably projected to be incurred during three months of commuter operations.<sup>5</sup> We have reviewed the applicant's estimated expenses and find them to be reasonable. In light of its

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<sup>3</sup> Before authorizing an air carrier to conduct air transportation operations, the FAA evaluates the qualifications of persons holding certain positions with respect to the minimum qualifications for those positions as prescribed in the FARs. The FAA's evaluation of these key personnel provides an added practical and in-person test of their skills and technical ability. All of Delux's key technical personnel have been approved by the FAA to hold their respective positions.

<sup>4</sup> Delux's parent company, JetSuiteX, raised \$4.55 million in equity capital and deposited it into Delux's bank account for the purpose of paying Delux's pre-operating costs and satisfying the Department's financial fitness test. This contribution to Delux resulted in the issuance of a related-party payable from Delux to JetSuiteX, with a repayment term of five years and maturity date of September 30, 2020. Delux in its December 31, 2015, balance sheet misclassified it under current liabilities.

<sup>5</sup> Because projected expenses during the first several months of operations do not include all costs that will be incurred during a "normal" or average period of operations, it is our practice to base our three-month test on an average of one-quarter of the first year's operating cost forecast. In addition, if the applicant's most recent balance sheet shows a negative working capital balance for any ongoing operations (e.g., air taxi, aircraft leasing, or fixed base operation), the amount of that working capital deficit will be considered a pre-operating expense in calculating the amount of funds that the applicant must have available to meet the financial fitness criteria for the proposed operations.

current financial projections, we estimate that Delux will need approximately \$3.44 million to meet the Department's financial fitness test.<sup>6</sup>

In support of its ability to meet our financial fitness requirements, Delux submitted third-party verification from Wells Fargo Bank showing that the company has \$4.05 million on deposit in its name as of April 6, 2016. In addition, Delux submitted a bank statement from First Foundation Bank showing that the applicant has \$250,000 on deposit in its name as of March 31, 2016.

Based on our review of the documents submitted in support of Delux's financial fitness, we tentatively conclude that Delux will have access to sufficient financial resources to commence the operations it proposes without posing an undue risk to consumers or their funds.<sup>7</sup>

### **Compliance Disposition**

The applicant states that there are no pending legal actions or outstanding judgments against it, its owners, or its key personnel, nor have there been any charges of unfair, deceptive, or anti-competitive business practices, or of fraud, felony, or antitrust violations brought against any of these parties in the past ten years. Delux also states that there are no pending investigations, enforcement actions, or formal complaints filed by the Department against it, its key personnel, or persons having a substantial interest in it with respect to compliance with the Transportation Code or the Department's regulations.<sup>8</sup>

Our search of the Department's records found no compliance problems with Delux. Additionally, the FAA has informed us that it has no concerns over the safety of Delux's proposed operations.

In light of these circumstances, we tentatively find that Delux has the proper regard for the laws and regulations governing its services to ensure that its aircraft and personnel conform to applicable safety standards and that acceptable consumer relations practices will be followed.

### **CITIZENSHIP**

Section 41102 of the Transportation Code requires that an applicant for authority to engage in air transportation be held only by citizens of the United States as defined in 49 U.S.C. § 40102(a)(15). That section specifies that the president and two-thirds of the board of directors and other managing officers be U.S. citizens, that at least 75 percent of the outstanding voting interest be owned by U.S. citizens, and that the air carrier must be under the actual control of U.S. citizens.

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<sup>6</sup> The \$3.44 million noted above is comprised of \$917,781 in pre-operating expenses minus \$119,250 in pre-operating expenses already paid, \$72,500 in aircraft deposits, and \$2.57 million, which is one quarter of Delux's first-year projected expenses of \$10.27 million.

<sup>7</sup> As is our practice, prior to making any authority awarded to Delux effective, we will require the company to provide updated information on its operating plans as well as third-party verification that it has actually obtained the financial resources needed to meet our financial test.

<sup>8</sup> Our search of the Department's record indicated that, Superior Air Charter, LLC, a Part 135 (14 CFR part 135) operating air carrier managed by Messrs. Alexander Wilcox, Keith Rabin, and Brian Coulter, Delux's key management personnel, was involved in one accident and two incidents during the past five years. See FAA accident report number CEN15LA057, dated November 21, 2014, and case numbers 20130924020389 and 20140407004619 dated November 24, 2013, and April 7, 2014 respectively.

As previously mentioned, Delux is a limited liability company organized under the laws of the State of Delaware. Delux is wholly owned by JetSuiteX, a Delaware corporation with its principal place of business in Irvine, California. Ownership of JetSuiteX is held by: (1) JetSuite, Inc. (“JetSuite”), a Delaware corporation (79.8 percent); (2) Mr. Sheldon Stone, a U.S. citizen (6.7 percent); and (3) 21 individuals and/or entities (13.5 percent), all of whom are U.S. citizens holding individually no more than 1.11 percent ownership interest in JetSuiteX.

JetSuite, an aircraft leasing company, is owned by: (1) Arthur J. Samberg Family Entities and Trusts (43.4 percent), the trustees and the beneficiaries of which are all U.S. citizens; (2) Mr. Tony Hsieh, a U.S. citizen (34.4 percent); (3) Management Restricted Stock Pool (16.8 percent); (4) DGN Corporation, a Utah corporation wholly owned by Mr. David Neeleman, a U.S. citizen (5.4 percent).<sup>9</sup>

The applicant has also submitted an affidavit attesting that it is a citizen of the United States within the meaning of the Statute, that all managers and key technical personnel are U.S. citizens with the exception of Mr. Brian Coulter, who is a citizen of New Zealand and that it is owned and controlled by U.S. citizens. Finally, there is no other information before us that would lead us to conclude that Delux is not controlled by U.S. citizens.

In view of the foregoing, we tentatively conclude that Delux is owned and actually controlled by U.S. citizens, consistent with 49 U.S.C. § 40102 (a)(15) and is fit, willing, and able to provide the proposed scheduled passenger operations, subject to conditions.

### **OBJECTIONS**

When the Department issues an order providing interested parties with the opportunity to show cause why the tentative findings and conclusions set forth in the order should not be made final, such parties are normally given 14 days following the service date of the order to file an objection, with answers to objections due within 7 days thereafter. On December 3, 2015, Delux filed a motion requesting that the Department shorten the period for the filing of answers to its interstate scheduled application to five (5) business days. The applicant argues that no answers opposing its application have been filed and that the scheduled service proposed will fill the need for short-haul air travel in markets that have been abandoned by larger air carriers. On February 4, 2016, Delux confirmed that there were no objections to shortening the answer period.

Under these circumstances, we have decided to grant Delux’s request for a shortened answer period in this case. Therefore, we will give interested persons 5 business days following the service date of this order to show cause why the tentative findings and conclusions set forth here should not be made final; answers to objections will be due within 3 business days thereafter. We expect such persons to direct their objections, if any, to the application and points at issue and to support such objections with detailed economic analyses. If an oral evidentiary hearing or

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<sup>9</sup> JetSuite has 392,100 shares of stock in its Management Restricted Stock Pool. As of February 3, 2016, the company has allocated 371,972 shares of the Management Restricted Stock Pool to its current and former officers and directors. The applicant states that none of the officers or directors holds more than 6.5 percent of the total outstanding shares of JetSuite. In addition, JetSuite states that all the shares in the Management Restricted Stock Pool are issued directly to the individuals and all holders of shares are U.S. citizens, except Mr. Coulter, a New Zealand citizen.

discovery procedures are requested, the objector should state in detail why such a hearing or discovery is considered necessary, and what material issues of decisional fact the objector would expect to establish through a hearing or discovery that cannot be established in written pleadings. The objector should consider whether discovery procedures alone would be sufficient to resolve material issues of decisional fact. If so, the type of procedure should be specified (*See* Part 302, Rules 19 and 20); if not, the reasons why not should be explained. We will not entertain general, vague, or unsupported objections. If no substantive objections are filed, we will issue an order that will make final our tentative findings and conclusions with respect to Delux's fitness and Commuter Air Carrier Authorization.

### **EFFECTIVE COMMUTER AUTHORIZATION CONDITIONS AND LIMITATIONS**

If Delux is found fit and issued the Commuter Air Carrier Authorization it seeks, its authority will not become effective until the company has fulfilled all of the requirements for effectiveness as set forth in the terms and conditions attached to its authorization. Among other things, this includes our receipt of evidence that Delux has been certificated by the FAA to engage in the subject operations, a fully executed OST Form 6410 evidencing the liability insurance coverage that meets the requirements of section 205.5(b) of our rules for all of its aircraft, evidence that Delux continues to have adequate financial resources available to it to meet our financial fitness criteria, and a statement of changes it may have undergone since its fitness was examined.<sup>10</sup>

Given the relatively limited scope of Delux's proposed operations, we propose to limit any authority issued to the applicant to operations conducted under Part 135. Should Delux subsequently desire to acquire and operate larger aircraft that would require certification from the FAA under Part 121 or certificate authority from the Department under 49 U.S.C. § 41102, it must first provide the Department with at least 45-days advance notice of such plans and provide updated information establishing its fitness for such expansion.<sup>11</sup>

Additionally, we remind Delux of the requirements of 49 U.S.C. § 41110(e). Specifically, that section requires that, once an air carrier is found fit initially, it must remain fit in order to hold its authority. To be assured that air carriers continue to be fit after effective authority has been issued to them, we require that they supply information describing any subsequent substantial changes they may undergo in areas affecting fitness. Therefore, if Delux is issued an effective commuter authorization and should it subsequently propose substantial changes in its ownership, management, or operations, it must first comply with the requirements of section 204.5 of our

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<sup>10</sup> We also reserve the right to stay the effectiveness of Delux's authority if any new information becomes available to us that warrants such action.

<sup>11</sup> We note that the operation of larger aircraft could require the air carrier to have access to additional funds and hire additional management personnel.

rules.<sup>12</sup> The compliance of the company with this requirement is essential if we are to carry out our responsibilities under section 41110(e).<sup>13</sup>

Furthermore, if Delux is granted effective authority, it would be required to submit a detailed progress report, within 45 days following the end of the first year of actual flight operations, to the Air Carrier Fitness Division. The submission of a first-year progress report is conditioned upon all newly authorized air carriers and was adopted as policy by the Department to aid in monitoring the fitness of new air carriers. The report should include a description of the air carrier's current operations (number and type of aircraft, principal markets served, total number of full-time employees), a summary of how its operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements,<sup>14</sup> and a listing of current senior management and key technical personnel. If any substantial changes in personnel have been made since the air carrier was found fit, the Department requires the air carrier to provide updated resumes. The air carrier should also be prepared to meet with staff members of the Fitness Division to discuss its current and future operations.

## **ACCORDINGLY,**

1. We direct all interested persons to show cause why we should not issue an order finding that Delux Public Charter, LLC is fit, willing, and able under 49 U.S.C. § 41738 to provide scheduled passenger service as a commuter air carrier using small aircraft<sup>15</sup> pursuant to Part 135 of the Federal Aviation Regulations.
2. We grant the request of Delux Public Charter, LLC in Docket DOT-OST-2015-0208 to shorten the time to file objections to 5 business days and for answers to any objections to 3 business days thereafter.
3. We direct any interested persons having objections to the issuance of an order making final any of the proposed findings, conclusions, or award of authority set forth here to file such objections with the U.S. Department of Transportation Dockets, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, D.C. 20590, in Docket DOT-OST-2015-0208 and serve them

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<sup>12</sup> The air carrier may contact our Air Carrier Fitness Division to report proposed substantial changes in its operations, ownership, or management, and to determine what additional information, if any, will be required under section 204.5. In addition, by notice dated July 21, 1998, the Department requested air carriers to provide a 30-day advance notification of any proposed change in ownership, restructuring, or recapitalization. If the air carrier fails to file this updated information or if the information fails to demonstrate that the air carrier will continue to be fit upon implementation of the substantial change, the Department may take such action as is appropriate, including enforcement action or steps to modify, suspend, or revoke the air carrier's commuter authority.

<sup>13</sup> We also remind Delux about the requirements of section 204.7 of our rules. This section provides, among other things, that (1) the commuter authority granted to a company shall be revoked if the company does not commence actual flying operations under that authority within one year of the date of the Department's determination of its fitness; (2) if the company commences operations for which it was found fit and subsequently ceases such operations, it may not resume commuter operations unless its fitness has been redetermined; and (3) if the company does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.

<sup>14</sup> These financial statements should include a balance sheet as of the end of the company's first full year of actual scheduled flight operations and a 12-month income statement ending that same date.

<sup>15</sup> Small aircraft is defined as 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.



upon all persons listed in Attachment A no later than 5 business days after the service date of this order; answers to objections shall be filed no later than 3 business days thereafter.

4. If timely and properly supported objections are filed, we will accord full consideration to the matters or issues raised by the objections before we take further action.<sup>16</sup>

5. In the event that no objections are filed, we will consider all further procedural steps to be waived, and we will enter an order making final our tentative findings and conclusions set out here and awarding Delux Public Charter, LLC a Commuter Air Carrier Authorization, subject to the attached specimen Terms, Conditions, and Limitations.

6. We will serve a copy of this order on the persons listed in Attachment A.

7. We will publish a notice of this order in the Federal Register.

By:

**SUSAN MCDERMOTT**  
**Deputy Assistant Secretary**  
**for Aviation and International Affairs**

*An electronic version of this document is available on the World Wide Web at:  
<http://www.regulations.gov>*

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<sup>16</sup> Since we have provided for the filing of objections to this order, we will not entertain petitions for reconsideration.



**Specimen**  
**Terms, Conditions, and Limitations**

**DELUX PUBLIC CHARTER, LLC**

*is authorized to engage in scheduled passenger air transportation operations as a commuter air carrier.*

*This authority is subject to the following provisions:*

*(1) The authority to conduct scheduled passenger operations will not become effective until six (business) days after the Department has received the following documents; provided, however, that the Department may stay the effectiveness of this authority at any time prior to that date:*

*(a) A copy of the holder's Air Carrier Certificate and Operations Specifications authorizing such operations from the Federal Aviation Administration (FAA).*

*(b) A certificate of insurance on OST Form 6410 evidencing liability insurance coverage meeting the requirements of 14 CFR § 205.5(b) for all of its aircraft.*

*(c) A statement of any changes the holder has undergone in its ownership, key personnel, operating plans, financial posture, or compliance history, since the date of the Show Cause Order in this case.*

*(d) A revised list of pre-operating expenses already paid and those remaining to be paid, as well as independent verification that the holder has available to it funds sufficient to cover any remaining pre-operating expenses and to provide a working capital reserve equal to the operating costs that would be incurred in three months of operations.*

*(2) Pending receipt of effective authority, the holder may not accept payment of any kind (i.e., cash, check, or credit card), or issue tickets for scheduled passenger operations, and any advertisement or listing of flights by the holder must prominently state: "This service is subject to receipt of government operating authority."*

*(3) The holder shall at all times conduct its operations in accordance with the requirements of 14 CFR Part 298 and any other regulations prescribed by the Department of Transportation for the services authorized here, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.*

*(4) The holder's authority is limited to operations conducted pursuant to Part 135 of the Federal Aviation Regulations. In the event that the holder wishes to institute operations that would require Part 121 certification from the FAA, it must first be determined fit for such operations.*

(5) *The holder may not operate aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.*

(6) *The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA), and comply with all U.S. Government requirements concerning security, including, but not limited to 49 CFR Part 1544. \**

(7) *The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. § 40102 (a)(15).*

(8) *The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render this authority ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this authority.*

(9) *The holder may reduce or terminate service at any point or between any two points, subject to compliance with the provisions of 49 U.S.C. § 41734 and all orders and regulations issued by the Department of Transportation under that section.*

(10) *Should the holder propose any substantial change in its ownership, management, or operations (as defined in 14 CFR § 204.2(l)), it must first comply with the requirements of 14 CFR § 204.5.*

(11) *In the event that the holder does not commence actual flying operations as a commuter air carrier under this authority within one year of the date of the Department's determination of its fitness, its commuter authority shall be revoked for dormancy. Further, in the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all scheduled passenger operations, the authority granted here shall be suspended under the terms of 14 CFR § 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume operations within one year of its cessation, its commuter authority shall be revoked for dormancy.*

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*\* To assure compliance with all applicable U.S. Government requirements concerning security, the holder shall, before commencing any new service (including charter flights) to or from a foreign airport, contact its Principal Security Inspector (PSI) to advise the PSI of its plans and to find out whether the Transportation Security Administration has determined that security is adequate to allow such airport(s) to be served.*

**SERVICE LIST FOR DELUX PUBLIC CHARTER, LLC**

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