Order 2021-9-26 Served: September 23, 2021



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

Issued by the Department of Transportation on the 23rd day of September, 2021

Notice of

HAGELAND AVIATION SERVICES, INC.

of intent to resume operations under 14 CFR 204.7

In the matter of the revocation of the certificate authority issued to

HAGELAND AVIATION SERVICES, INC.

pursuant to the provisions of 14 CFR 204.7

Docket DOT-OST-2021-0003

Docket DOT-OST-98-4024

ORDER DISMISSING NOTICE TO RESUME OPERATIONS, AND REVOKING CERTIFICATE AUTHORITY

Summary

By this Order, the U.S. Department of Transportation (the "Department") is (1) dismissing the Notice filed by Hageland Aviation Services, Inc. ("HAS") to resume operations in Docket DOT-OST-2021-0003, and (2) revoking the certificate authority issued to HAS by Order 98-7-6 for reason of dormancy.

Background

By Order 91-11-9, issued November 13, 1991, the Department found HAS fit and issued a certificate of public convenience and necessity to engage in interstate passenger air transportation of person, property, and mail. HAS operated under its certificate authority until April 5, 2020, when it ceased all operations and sought protection under Chapter 11 of the United States Bankruptcy Code along with its parent company, Ravn Air Group, Inc. ("Ravn Group"), and related entities in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

Section 204.7 of the Department's Aviation Regulations (14 CFR 204.7) provides that, if an air carrier ceases air transportation operations for which it was found fit, it shall not resume air transportation operations until its fitness to do so has been re-determined by the Department. Section 204.7 further provides that, if an air carrier does not have its fitness re-determined and

HAS' certificate authority was last reissued by Order 98-7-6 on July 8, 1998.

resume operations within one year of the date of its cessation, its certificate authority will be revoked for dormancy.

By letter dated May 1, 2020, the Department advised HAS that, pursuant to section 204.7, its authority was automatically suspended as of April 5, 2020, and that the air carrier could not resume air transportation operations until the Department had re-determined its fitness to do so. Moreover, pursuant to section 204.7, any such redetermination of fitness must be accomplished within one-year of the date of cessation; otherwise the air carrier's certificate authority would be revoked for reason of dormancy.

On September 25, 2020, Rambler Air, LLC ("Rambler"), an Alaskan limited liability company, acquired HAS from Ravn Group, and the Bankruptcy Court subsequently approved an Asset Purchase Agreement ("APA") between Ravn Group (and related companies) and Rambler.

On January 7, 2021, HAS filed a notice of intent to resume operations in Docket DOT-OST-2021-0003, and submitted along with it information required under section 204.5 (14 CFR 204.5) of the Department's rules, including current information on HAS' ownership, key management and technical personnel, and citizenship, as well as current financial documents, operating plans, and compliance disposition reports.²

By letter dated February 24, 2021, the Department requested additional information from HAS and asked HAS to respond within 30 days of the date of the letter.

On April 23, 2021, HAS filed a motion in Docket DOT-OST-2021-0003, requesting a 45-day extension to file a response to our information request dated February 24, 2021, stating that a new law firm had recently assumed representation of the air carrier and its parent companies, Rambler and Ascent Global Logistics ("Ascent"), and that it would take additional time to gather, review, and prepare the requested information. By letter dated April 28, 2021, the Department granted the requested extension until June 6, 2021.

On June 3, 2021, HAS filed another request for additional 45-days' extension to file a response to our February 24, 2021, information request. HAS stated that the process of identifying the very large number of limited partners and limited partnerships involved in its ownership structure was under way, but because the disclosure of their identities required obtaining the investors' authorizations, the process was proving very time consuming. By letter dated June 16, 2021, the Department granted the requested extension until July 21, 2021.

On July 27, 2021, HAS filed a response to the Department's information request dated February 24, 2021. In its response, HAS stated that its parent company, Ascent, had entered into a Letter of Intent/Term Sheet with a third-party for sale of Rambler and its two subsidiaries, HAS and Frontier Flying Service, Inc. ("Frontier Flying Service"),³ and that since the transaction was still in a negotiating stage, HAS was not authorized to publicly disclose the entity's identity. Among other

² Tatonduk Outfitters, Limited d/b/a Everts Air Alaska ("Everts Air") filed a motion requesting the Department dismiss HAS' notice to resume operations. Responsive pleadings were filed by Everts Air and HAS.

³ Frontier Flying Service is a U.S. certificated air carrier that was also owned by the Ravn Group and purchased by Rambler during the Ravn Group bankruptcy proceeding.

things, HAS did not provide names and citizenship of the limited partners of Ascent, recently updated bylaws for HAS, or financial statements, including forecast statement for first year operations that were requested in our letter dated February 24, 2021.

On September 8, 2021, HAS filed a motion in Docket DOT-OST-2021-0003, withdrawing the notice of intent to resume operations, stating that HAS' ultimate parent, Ascent, has been attempting to sell HAS to a prospective purchaser, but those negotiations have not concluded.

Decision

Under these circumstances, and in accordance with section 204.7 of our rules, the Department has decided to dismiss HAS' notice to resume operations and revoke its certificate authority for reason of dormancy. This action is being taken without prejudice to the air carrier's filing for new certificate authority in the future.

ACCORDINGLY,

- 1. The Department dismisses, without prejudice, the notice of intent to resume operations filed by Hageland Aviation Services, Inc. in Docket DOT-OST-2021-0003.
- 2. The Department revokes the certificate of public convenience and necessity issued to Hageland Aviation Services, Inc. by Order 98-7-6, which authorized it to engage in interstate scheduled air transportation of persons, property, and mail.
- 3. The Department will serve a copy of this Order on the persons listed in Attachment A.

By:

Joel Szabat
Deputy Assistant Secretary
for Aviation and International Affairs

An electronic version of this document is available online at: http://www.regulations.gov

ATTACHMENT A

SERVICE LIST FOR HAGELAND AVIATION SERVICES, INC.

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