CORPORATE EAGLE

EXCLUSIVE AVIATION SINCE 1982

Christopher A. Weedon
Vice President, Director of Flight Operations

DEPARTMENT OF TRANSPORTATION
2022 MAR 14 A 10:10
DOCKET OPERATIONS

March 10, 2022

U.S. Department of Transportation
Docket Operations
West Building Ground Floor
Room w12-140
1200 New Jersey Avenue, SE.
Washington, DC 20590

RE: Requested Extension of Exemption - Exemption No. 17791A; Regulatory Docket No. FAA-2017-0981

Greetings:

Corporate Eagle Management Services, Inc. (or "Corporate Eagle" as used herein) is a Michigan corporation, registered as an air taxi operator under 14 CFR Part 298, and holder of 14 CFR Part 119 Air Carrier Certificate and associated 14 CFR Part 135 Operations Specifications. The Corporate Eagle Air Carrier Certificate number is DJXA215D. This certificate was issued November 21, 1990 Tradewinds Aviation, Inc., and subsequently reissued on November 1, 2007 when the company was rebranded as Corporate Eagle Management Services, Inc., The Corporate Eagle principal place of business is located at Oakland County International Airport, 6480 Highland Road, Waterford, Michigan 48327. Corporate Eagle is authorized through its Operations Specifications to conduct on-demand operations with the aircraft listed therein.

Pursuant to 14 CFR §11.61 (b), Corporate Eagle hereby respectfully submits this request for an extension of the previously granted exemption from the exclusive use aircraft requirements (ref. Exemption No. 17791A) as set forth in 14 CFR §135.25(b) and (c) (copied below):

> *14 CFR § 135.25 Aircraft requirements.*
>
> *(b) Each certificate holder must have the exclusive use of at least one aircraft that meets the requirements for at least one kind of operation authorized in the certificate holder's Operations Specifications. In addition, for each kind of operation for which the certificate holder does not have the exclusive use of an aircraft, the certificate holder must have available for use under a written agreement (including arrangements for performing required maintenance) at least one aircraft that meets the requirements for that kind of operation. However, this paragraph does not prohibit the operator from using or authorizing the use of the aircraft for other than operations under this part and does not require the certificate holder to have exclusive use of all aircraft that the certificate holder uses.*
>
> *(c) For the purposes of paragraph (b) of this section, a person has exclusive use of an aircraft if that person has the sole possession, control, and use of it for flight, as owner, or has a written agreement (including arrangements for performing required maintenance), in effect when the aircraft is operated, giving the person that possession, control, and use for at least 6 consecutive months.*

Corporate Eagle seeks extension of the previously granted exemption from the exclusive use aircraft requirements to the degree necessary to enable Corporate Eagle to operate its aircraft as authorized by its Operations Specifications without having the exclusive use of at least one aircraft that meets the requirements for at least one kind of operation authorized in the Corporate Eagle Operations Specifications.

Eagle Shares, LLC (or "Eagle Shares" as used herein) is a single-member LLC of Corporate Eagle. Corporate Eagle is an aviation services company that provides comprehensive aircraft support services for business jet aircraft including (but not limited to) fractional aircraft ownership program operations, aircraft management services, and advisory services. The primary business offerings by Corporate Eagle are fractional aircraft ownership program operations. As an additional service offering that provides Corporate Eagle-managed aircraft clients with a means to offset their costs of aircraft ownership, Corporate Eagle offers those clients with the opportunity to enter charter/dry lease agreements with Corporate Eagle wherein Corporate Eagle operates client aircraft in its on-demand 14 CFR Part 135 charter operations. Through these agreements, client aircraft are under Corporate Eagle's sole possession and operational control whenever those aircraft are operated by Corporate Eagle. Under these agreements, and in compliance with 14 CFR §135.413, Corporate Eagle retains responsibility for airworthiness always regardless of the operating rule in effect. These agreements do not provide Corporate Eagle with "exclusive use" of client aircraft. Corporate Eagle-managed aircraft clients routinely operate their respective aircraft under authority of their individual 14 CFR Part 91 FAA Letters of Authorization (LOA) when such aircraft are not in use by Corporate Eagle. Corporate Eagle does not franchise nor share its authority for the conduct of operations under its certificate and Operations Specifications to, or with any other person or entity.

Corporate Eagle does not, currently own, nor owned in the past, any aircraft. Since 2007, Nini Corporation had allowed Corporate Eagle to retain a Cessna C-172S as the exclusive use aircraft through an exclusive dry lease agreement. This dry lease agreement demonstrated compliance with the exclusive use aircraft requirements of 14 CFR §135.25(b) and (c), thus giving Corporate Eagle exclusive possession, control (including arrangements for performing required maintenance) and use of the aircraft for the initial 6-month term of the lease. Pursuant to this lease, this aircraft was subsequently added to the Corporate Eagle Operations Specifications, thereby enabling Corporate Eagle to demonstrate on-going compliance with the exclusive use aircraft requirements of 14 CFR §135.25(b) and (c). Through subsequent renewals of the lease term, this aircraft continued to serve as Corporate Eagle's exclusive use aircraft, remaining under Corporate Eagle's sole command, control and possession. The sole purpose for leasing this aircraft was to enable Corporate Eagle to maintain compliance with the exclusive use aircraft requirements of 14 CFR §135.25(b) and (c). This aircraft was not actively operated in revenue service by Corporate Eagle or any other person during the term of the lease. The costs associated with leasing, storing, insuring and maintaining the aircraft were fully absorbed by Corporate Eagle for the sole purpose of maintaining compliance with the requirements of 14 CFR §135.25(b) and (c). Though this aircraft had been operated for less than 800 hours, total time since new, it was nonetheless subject to all mandatory engine and propeller overhaul intervals (IAW the manufacturer's overhaul interval) to remain conformant with 135 regulation.

Although the lease of the Cessna 172S enabled Corporate Eagle to demonstrate compliance with exclusive use aircraft requirements, the costs associated with Corporate Eagle's retention of this aircraft otherwise represented a significant waste of Corporate Eagle resources. Corporate Eagle does not believe that the public receives a tangible safety and/or quality benefit from Corporate Eagle's exclusive possession and control of the petition aircraft. Corporate Eagle does not believe that the safety of Corporate Eagle operations is enhanced in a measurable and meaningful way by the exclusive possession and control of the petition aircraft. The continued expenditure of Corporate Eagle resources required to retain, store, insure, and maintain the petition aircraft was indeed detrimental to Corporate Eagle's operations, and prohibitive to the evolution of other safety/quality areas within the enterprise.

Corporate Eagle believes, that as related to its well-established operations, the retention of an exclusive use aircraft does not serve to positively enhance the enterprise and the public interest and is a significant detriment to Corporate Eagle's operations from a business perspective. Although the exclusive use aircraft requirement is cited as an element of operational control in Corporate Eagle's Operations Specifications §A008 d. (3), Corporate Eagle's use of this aircraft to demonstrate compliance with 14 CFR §135.25(b) and (c) clearly has no bearing on Corporate Eagle's exercise of

operational control over its fleet of aircraft that are utilized in actual operations (Corporate Eagle currently has eleven turbojet business aircraft in operation under its 14 CFR Part 135 Operations Specifications).

Corporate Eagle considers the costs of leasing, storing, insuring and maintaining an exclusive use aircraft, for the sole purpose of demonstrating regulatory compliance, a misuse of resources that could otherwise be deployed in more meaningful areas. Further, Corporate Eagle views the expenditure of FAA administrative resources required to surveil such an aircraft to be a poor value to taxpayers. Both Corporate Eagle and FAA resources could be much better utilized to improve their respective operations in many areas including aviation safety which would better serve the interests of the public.

Corporate Eagle understands the original intent of the exclusive use aircraft requirement as previously summarized and published by the FAA Part 135/125 Aviation Rulemaking Committee. And, though Corporate Eagle supports the application of these regulations to persons seeking initial certification as 14 CFR Part 135 operators, to prevent those applicants that might lack sufficient economic means for the conduct of safe operations from seeking initial certification, Corporate Eagle believes that given its status as a long established and professional operator, maintaining compliance with 14 CFR §135.25(b) and (c) as outlined herein, provides no benefit to the public, and therefore does not, enhance the safety of Corporate Eagle operations. Excepting the sole purpose of maintaining regulatory compliance, the costs associated with the exclusive use aircraft represent a largely indefensible financial burden to both Corporate Eagle and U.S. taxpayers.

When compared to Corporate Eagle's continued costs associated with leasing, storing, insuring and maintaining an inactive exclusive use aircraft for the sole purpose of demonstrating compliance with exclusive use aircraft requirements, granting this extension of exemption would result in no less than an equivalent level of safety. The discharge of the resources that were otherwise expended to maintain compliance with exclusive use aircraft requirements, can continue to be made available for real safety enhancements and continuous conformity process improvement.

Extension of the exemption would continue be in the public interest by the continued reduction of Federal expenditures to surveil compliance with the exclusive use aircraft requirements. These resources would, without any doubt be utilized for much more value-added purposes, including focus on enhanced levels of safety and continuous improvement in processes and procedures. Both Corporate Eagle and FAA resources could be much better utilized to improve their respective operations in many areas including aviation safety which would better serve the interests of the public.

To that effect, redeployment of company financial resources, realized from the current exemption, have had measurable benefit and include the following:

1. Safety Management System (SMS) – Comprehensive development and training of Safety Assurance systems and Emergency Response Plans (ERP);
2. Environmental – Installation of SafeDrain spill containment and filtration systems to protect vulnerable wetlands adjacent to airport property;
3. Security – Installation of more robust security systems in accordance with TSA guidance;
4. Fatigue Management – Increases in the effectiveness of deployed fatigue management techniques and resources; and,
5. Human Resources – Increases in staff resources to ensure continued quality and regulatory process improvements.

Extension of the exemption would not have any clear effect on Corporate Eagle's on-going international operations. Nonetheless, and for avoidance of doubt if this petition for exemption is granted, Corporate Eagle seeks continuing authority (as authorized by its Operations Specifications) for the conduct of international operations.

The Operations Specifications that would continue to be affected by granting this extension for granted exemption are listed below:

> ***Operations Specification A005 – <u>Summary of Exemptions and Deviations</u>***
>
> ***Operations Specification AOO8 d. (3) – <u>Exclusive Aircraft Use Requirements for Part 135 Operations</u>. At least one aircraft that meets the requirements for at least one kind of operation authorized in the certificate holder's Operations Specifications must remain in the certificate holder's exclusive legal possession and actual possession (directly or through the certificate holder's employees and agents) as specified in Section 135.25. This aircraft cannot be listed on any other Part 119 certificate holder's Operations Specifications during the term of the exclusive use lease.***

A summary of this petition for exemption intended for publication in the Federal Register as required by 14 CFR §11.81 (f) follows this page.

Please do not hesitate to contact me at the address listed above, or directly by email cweedon@corporateagle.com, or by telephone at +1 (248) 461-9034.

Thank you for your thoughtful consideration and assistance with this petition for exemption.

Respectfully,

Corporate Eagle Management Services, Inc.

Christopher A Weedon

Digitally signed by Christopher A Weedon
Date: 2022.03.10 10:19:02 -05'00'

Christopher A. Weedon
Vice President & Director of Operations

Cc: Richard M. Nini – Chairman & CEO
Matthew J. Brennan – President & COO
Chad E. Bredernitz – Executive Vice President & CFO
George L. Terry – Vice President & Director of Maintenance
Douglas S. Champagne – Chief Pilot
Jeffrey A. Anderson – FAA Principal Operations Inspector
Martha M. Winnard – FAA Principal Maintenance Inspector
Paul A. Reynolds – FAA Principal Avionics Inspector