



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

Issued by the Department of Transportation  
on the 1st day of October, 1997

Applications of

**CUSTOM AIR TRANSPORT, INC.**

for certificates of public convenience and necessity under  
49 U.S.C. 41102 to engage in interstate and foreign charter  
air transportation of persons, property, and mail

**Dockets OST-97-2255  
OST-97-2256**

**FINAL ORDER MAKING FITNESS DETERMINATION AND  
ISSUING INTERSTATE CHARTER CERTIFICATE**

By Order 97-8-29, issued August 29, 1997, we directed all interested persons to show cause why we should not make final our tentative findings and conclusions stated in it and award certificates of public convenience and necessity to Custom Air Transport, Inc., an operating certificated all-cargo air carrier, authorizing it to engage in charter passenger air transportation. Interested persons were given 15 days to file objections to the order.

No objections to the show-cause order were received within the answer period provided.

As discussed in Order 97-8-29, we tentatively found Custom financially fit to conduct its proposed passenger operations based, in part, on assurances it provided as to the availability of additional financial resources. On September 10, Custom filed a letter from Trans-American Aeronautical Corporation ("TAAC") dated September 9, confirming that the anticipated \$2.3 million credit facility would be available to Custom for working capital needs, and attaching the associated terms and conditions.<sup>1</sup> The funds are to be provided in the form of a two-year term loan on condition that Custom can demonstrate that (1) it has received the passenger charter authority it has requested from the Department and the FAA, (2) it has obtained appropriate insurance for all aspects of its business, and (3) it has at least \$500,000 in readily available funds.

Based on our review of the funding commitment evidence filed by Custom, we have decided to finalize our tentative findings in Order 97-8-29 and find Custom fit to conduct passenger operations. As is our

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<sup>1</sup> TAAC also provide a letter whereby it authorized its bank, Bankers Trust Co., of New York, to verify to Department staff that the bank is holding for TAAC's account over \$6 million in unencumbered liquid assets, and that TAAC has no outstanding loans with the bank.

normal practice, before we will issue effective passenger authority to the applicant, we will require it to provide an updated list of pre-operating expenses paid and remaining to be paid, and verification that it has met all of the conditions of the lender and has actually received access to funds sufficient to cover any current working capital deficit and 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 passenger charter operations.

**ACCORDINGLY,**

1. We find that Custom Air Transport, Inc., is fit, willing, and able to engage in interstate and foreign charter air transportation of persons, property, and mail.
2. We issue a certificate of public convenience and necessity to Custom Air Transport, Inc., authorizing it to engage in interstate charter air transportation of persons, property, and mail in the form and subject to the Terms, Conditions, and Limitations attached.<sup>2</sup>
3. We direct that, once its certificate becomes effective, should Custom Air Transport, Inc., propose to utilize more than seven aircraft in its operations (five cargo and two passenger aircraft), it must notify the Department in writing at least 45 days in advance and demonstrate its fitness for such operations prior to placing the additional aircraft into service.<sup>3</sup>
4. We will serve a copy of this order on the persons listed in Attachment A to this order.

By:

**CHARLES A. HUNNICUTT**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

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<sup>2</sup> By this order, we issue only an interstate certificate to Custom. Issuance of a foreign certificate is subject to Presidential review under 49 U.S.C. 41307 and will be handled in a separate order.

<sup>3</sup> This notice should be submitted to the Air Carrier Fitness Division. The carrier may contact the Air Carrier Fitness Division prior to submitting its notice to determine what fitness information should be provided.



**Certificate of Public Convenience and Necessity  
for  
Interstate Charter Air Transportation**

This Certifies That

**CUSTOM AIR TRANSPORT, INC.**

is authorized, subject to the provisions of Subtitle V I I of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in interstate charter air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order 97-10-1  
On October 1, 1997  
Effective on (see attached)

Charles A . Hunnicutt  
Assistant Secretary for Aviation  
and International Affairs



*Terms, Conditions, and Limitations*

**CUSTOM AIR TRANSPORT, INC.**

*is authorized to engage in interstate charter air transportation of persons, property, and mail between any point in any State, territory, or possession of the United States or the District of Columbia, and any other point in any of those entities.*

*This authority is subject to the following provisions:*

- (1) The authority to operate under this certificate 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), issue tickets for the operations proposed under this certificate, or enter into contracts with charter operators, and any advertisement 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 regulations prescribed by the Department of Transportation for the services authorized by this certificate, 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 effective only to the extent that such operations are also authorized by the FAA.*
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).*
- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate 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 certificate.*
- (7) The holder is not authorized to engage in air transportation operations between points within the State of Alaska.*

(8) *Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.*

(9) *In the event that the holder does not commence actual flying operations under this certificate within one year of the date of the Department's determination of its fitness, its 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 such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not 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 authority shall be revoked for dormancy.*

**SERVICE LIST FOR CUSTOM AIR TRANSPORT, INC.**

Mr Richard Wellman  
President Custom Air Transport Inc  
902 SW 34th St  
Ft Lauderdale FL 33315

Mr Allan I Mendelsohn  
Mendelsohn & Szymkowicz  
Counsel for Custom Air Transport  
1201 Pennsylvania Ave NW 4th Fl  
Washington DC 20004-2401

Mr John Flynn  
Flight Stds District Office  
Federal Aviation Admin  
1050 Wagener Blvd Ste 201  
Ft Lauderdale FL 33315

Mr W Michael Sacrey  
Mgr Flight Stds Div  
Federal Aviation Admin  
PO Box 20636  
Atlanta GA 30320

Mr Ronald Harding  
Actg Asst Chief Counsel  
Federal Aviation Admin  
PO Box 20636  
Atlanta GA 30320

Amer Assoc of Airport Execs  
4224 King St  
Alexandria VA 22302

Mr Richard A Nelson  
Official Airline Guides  
2000 Clearwater Dr  
Oak Brook IL 60521

Mr Jim Zammar  
Dir of Revenue Accounting  
Air Transport Assoc  
1301 Pennsylv Ave NW Ste 1100  
Washington DC 20004

Mr Allan Muten  
Asst Treasurer  
Airlines Reporting Corp  
1530 Wilson Blvd Ste 800  
Arlington VA 22209-2448

Ms Katherine Hakala  
Mgr Air Transportation Div.  
Office of Flight Stds AFS-200  
Federal Aviation Admin  
800 Independence Ave SW  
Washington DC 20591

Mr Richard Birnbach  
Mgr Field Programs Div  
Office of Flight Stds AFS-500  
Federal Aviation Admin  
PO Box 20034 Dulles Intl Airport  
Washington DC 20041

Mr John H Cassady  
Dep Chief Counsel AGC-2  
Federal Aviation Admin  
800 Independence Ave SW  
Washington DC 20591

Mr Tim Carmody  
Dir Office of Airline Information  
Dept of Transportation K-25  
400 Seventh St SW  
Washington DC 20590