

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

Issued by the Department of Transportation
on the 28th day of July, 1999

Application of

PUERTO RICO AIRWAYS, CORP.

for a certificate of public convenience and necessity under 49
U.S.C. 41102 to engage in interstate scheduled air
transportation of persons, property, and mail

Docket OST-98-4838

FINAL ORDER

By Order 99-7-7 , issued July 13, 1999, we directed all interested persons to show cause why we should not make final our tentative findings and conclusions stated in it and award a certificate of public convenience and necessity to Puerto Rico Airways, Corp., authorizing it to engage in interstate scheduled air transportation of persons, property, and mail. Interested persons were given 14 calendar days to file objections to the order.

No objections to the show-cause order were received.

ACCORDINGLY,

1. We find that Puerto Rico Airways, Corp. is fit, willing, and able to engage in interstate scheduled air transportation of persons, property, and mail.
2. We issue a certificate of public convenience and necessity to Puerto Rico Airways, Corp. to engage in interstate air transportation in the form and subject to the Terms, Conditions, and Limitations attached

3. We direct that, once its certificate become effective, should Puerto Rico Airways, Corp. propose to utilize more than two B-727-200 aircraft in its operations, 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.¹
4. We direct Puerto Rico Airways, Corp., to submit to the Air Carrier Fitness Division a first year progress report within 45 days following the end of its first year of actual flight operations.²
5. This docket shall remain open until the certificate being issued here has been made effective by the Department.
6. We will serve a copy of this order on the persons listed in Attachment A.

By:

A. BRADLEY MIMS
Acting Assistant Secretary for
Aviation and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:
http://dms.dot.gov/reports/reports_aviation.asp.*

¹ Furthermore, in accordance with the Department's Notice dated July 21, 1998, Puerto Rico Airways is requested to give the Department a 30-day advance notification of any proposed change in ownership, restructuring or recapitalization. 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.

² The report should include a description of the carrier's current operations (number and type of aircraft, principal markets served, total number of full-time and part-time employees), a summary of how these operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements, and a listing of current senior management and key technical personnel.



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

This Certifies That

PUERTO RICO AIRWAYS, CORP.

is authorized, subject to the provisions of Subtitle VII 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 scheduled 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 99-7-18
On July 28, 1999
Effective on (See Attached)**

**A. Bradley Mims
Acting Assistant Secretary for
Aviation and International Affairs**



Terms, Conditions, and Limitations

PUERTO RICO AIRWAYS, CORP.

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."

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(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 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 authority shall be revoked for dormancy.

SERVICE LIST FOR PUERTO RICO AIRWAYS, CORP.

GUILLERMO ORTIZ-OSORIO
PRESIDENT
PUERTO RICO AIRWAYS CORP
406 MOTHER CASTON BLVD
BROOKLYN NY 11212

MGR FLIGHT STANDARDS DIV
FAA ASO-200
SOUTHERN REGION HQ
P O BOX 20636
ATLANTA GA 30337

REGIONAL COUNSEL
FAA ASO-7
SOUTHERN REGION HQ
P O BOX 20636
ATLANTA GA 30337

MANAGER FSDO
FEDERAL AVIATION ADMIN
LA TORRE DE PLAZA LAS
AMERICAS
525 FD ROOSEVELT AVE STE 901
SAN JUAN PR 00918-1198

QUENTIN SMITH
MANAGER AFS-200
AIR TRANSPORT DIV
FEDERAL AVIATION ADMIN
800 INDEPENDENCE AVE SW
WASHINGTON DC 20591

AMERICAN ASSOC OF
AIRPORT EXEC
4224 KING STREET
ALEXANDRIA VA 22302

LOUIS CUSIMANO AFS-900
MANAGER
FLIGHT STAND CERT PRGM
FEDERAL AVIATION ADMIN
45005 AVIATION DR STE 131
DULLES VA 20166-7537

PETER LYNCH AGC-300
ASST CHIEF COUNSEL FOR
ENFORCEMENT
FEDERAL AVIATION ADMIN
800 INDEPENDENCE AVE SW
WASHINGTON DC 20591

TIM CARMODY K-25
DIRECTOR
OFFICE OF AIRLINE INFO
DEPT OF TRANSPORTATION
400 SEVENTH ST SW
WASHINGTON DC 20590

JONI MOUNT
OFFICIAL AIRLINE GUIDES
2000 CLEARWATER DR
OAK BROOK IL 60521

JIM ZAMMAR
DIR OF REV ACCOUNTING
AIR TRANSPORT ASSOC
STE 1100
1301 PENNSYLVANIA AVE NW
WASHINGTON DC 20004

ALAN MUTEN
ASST TREASURER
AIRLINES REPORTING CORP
1530 WILSON BLVD STE 800
ARLINGTON VA 22209