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

Issued by the Department of Transportation
on the 16th day of May 2001

Served: May 21, 2001

In the matter of the reissuance of the interstate scheduled
certificate of

BELLAIR, INC.

Docket 48232

under 49 U.S.C. 41102

**ORDER CONFIRMING ORAL ACTION
AND REISSUING CERTIFICATE**

Summary

By this order, we are reissuing to Bellair, Inc., its interstate scheduled certificate to remove the condition that limits its operations to five aircraft and replacing that condition with a notice requirement. We are also confirming our oral action of March 12, 2001, authorizing Bellair to add five more aircraft to its fleet.

Background

Bellair, a small certificated air carrier based in Fairbanks, Alaska, holds a certificate of public convenience and necessity issued under 49 U.S.C. 41102 to engage in interstate scheduled passenger air transportation.¹ Bellair's current certificate limits its operations to the use of five aircraft each having no more than 9 seats or 7,500 pounds payload capacity.² The restrictions were imposed and have been retained to enable the Department to monitor the carrier's operations more closely.

In October 1999, Bellair was acquired by Mr. Michael Spisak, and has continued to operate since that time under his ownership.³ On February 19, 2001, Bellair requested that the Department remove the five-aircraft limitation from its certificate. Initially, Bellair proposes to operate two additional aircraft in all-cargo service—a Piper Navajo PA-31-350 and a Cessna 402B. The carrier submitted updated fitness information in support of its request.

¹ Bellair's certificate was issued originally by Order 83-9-9 on September 2, 1983.

² After a cessation of operations in 1992, the carrier was redetermined fit to operate, and its certificate was reissued for a one-year period by Order 92-9-15 on September 4, 1992, at which time the five aircraft and 9-seat/7,500 pounds payload restrictions were imposed. The certificate was reissued without an expiration date by Order 95-7-39 on July 26, 1995. We again reissued Bellair's certificate on June 1, 1999, by Order 99-6-2, to reflect the current format used in interstate certificates. The reissued certificate also retained the aircraft limitations that were imposed previously.

³ At the time of the ownership change, we reviewed Bellair's fitness.

Fitness

Bellair provides scheduled passenger service between points in northern and western Alaska with its current fleet of five aircraft, which includes one all-cargo configured Beechcraft 18 and four 5-seat Piper PA-32-300 aircraft.

Mr. Michael Spisak has served as Bellair's President and Director of Operations since he acquired the carrier in October 1999. Bellair has since hired Mr. Mark Mueller as its Chief Pilot and Mr. James Gonion as its Director of Maintenance. The resumes that were provided for Mr. Mueller, an Airline Transport Pilot, and Mr. Gonion, an Airframe and Powerplant Mechanic, indicate that both individuals possess the appropriate levels of experience to hold their respective positions. In addition, both have been approved by the FAA.

Bellair supplied a balance sheet as of December 31, 2000, and a profit and loss statement for calendar year 2000. The carrier's balance sheet showed a current assets to current liabilities ratio of 47 to 1, positive working capital of \$661,042, and positive stockholder's equity of \$2.2 million. It also reported long-term debt of \$618,525, which is primarily debt for its aircraft. For calendar year 2000, Bellair earned a net income of nearly \$130,000 on revenues of nearly \$2.0 million.

Bellair states that there are no known actions or outstanding judgments against it, its owner or key personnel, nor have there been any charges of fraud, felony, antitrust violations or of unfair, anticompetitive or deceptive business practices brought against any of these parties. A review of Department and Federal Aviation Administration records indicates that there are no pending investigations, enforcement actions or formal complaints involving Bellair's owner or key management personnel. Bellair currently has two open enforcement cases filed against it by the FAA that involve civil penalties. However, the FAA has indicated that neither case will result in certificate action against the carrier.

Decision

After receipt of Bellair's request, the FAA in Fairbanks advised us that it was prepared to grant Bellair approval to operate up to five additional aircraft. Upon receiving that advice and after reviewing the updated fitness information supplied by Bellair, we decided to approve the carrier's use of an additional five aircraft--increasing to ten the total number of aircraft authorized--but to deny its request to remove the aircraft restriction entirely. On March 12, 2001, we orally advised Bellair of this decision. We confirm that action in this order.

In allowing Bellair to operate additional aircraft, we recognized that the reason for initially imposing an aircraft fleet limitation was based, in part, on the carrier's limited service proposal and limited financial resources at the time. Since then, Bellair has undergone an ownership change, strengthened its financial position, hired new key personnel, and added other employees. We confirmed with the FAA that Bellair's key

personnel were fully qualified and capable of conducting operations with the proposed expanded fleet.

Based on the above, we have decided to reissue Bellair's certificate to remove the five-aircraft limitation and authorize it to operate up to ten aircraft, each with up to 9 seats or 7,500 pounds payload. However, we will require Bellair to notify the Department at least 45 days in advance of any intent to expand its fleet beyond the total of ten aircraft authorized by this order. Such notification must include information in support of the carrier's ability and fitness to implement the proposed expansion.⁴

ACCORDINGLY, Acting under authority assigned by the Department in its regulations, 14 CFR 385.12:

1. We confirm our oral action of March 12, 2001, granting Bellair, Inc., approval to operate as many as ten aircraft.
2. We reissue to Bellair, Inc., the interstate scheduled passenger certificate reissued by Order 99-6-2 in the attached form to reflect the removal of the condition that restricted it to the operation of no more than five aircraft.
3. We direct Bellair, Inc., to notify the Department in writing at least 45 days in advance of any plans to operate more than a total of ten aircraft.
4. We will serve a copy of this order on the persons listed in Attachment A.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, may file their petitions within 10 days of the service date of this order. The action confirmed in this order was effective when taken and the filing of a petition for review shall not alter its effectiveness.

By:

RANDALL D. BENNETT
Director
Office of Aviation Analysis

(SEAL)

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

⁴ Such notice should be sent to the Department's Air Carrier Fitness Division.



Certificate of Public Convenience and Necessity
for
Interstate Air Transportation

(as reissued)

This Certifies That

BELLAIR, INC.

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 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 2001-5-21

On May 16, 2001

Effective on March 12, 2001

Randall D. Bennett

Director

Office of Aviation Analysis



Terms, Conditions, and Limitations

BELLAIR, INC.

is authorized to engage in interstate 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 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.*
- (2) 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 FAA requirements concerning security.*
- (3) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).*
- (4) 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.*
- (5) 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.*
- (6) The holder may not provide scheduled passenger air transportation to or from Dallas (Love Field), Texas, except within the limits set forth in section 29 of the International Air Transportation Competition Act of 1979, as amended by section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1998.*

**This certificate is being reissued to remove a limitation precluding the holder from operating more than five aircraft.*

(7) *The holder is limited to operations performed with aircraft having no more than 9 passenger seats or a payload capacity of 7,500 pounds or less. The holder may not conduct any operations exceeding these limits until its fitness to do so has been established by the Department.*

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

(9) *In the event that the holder ceases all operations for which it was found "fit, willing and able," 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
BELLAIR, INC.

Attachment A

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PRESIDENT
BELLAIR INC
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