October 29, 1992

Mr. Jon S. Gorski
First Security Building
911 West Idaho P.O. Box 829
Boise, ID 83701

Dear Mr. Gorski:

This is in response to your letter of September 18, 1992, to the FAA Salt Lake City Flight Standards District Office.

Your letter states that the First Security Bank of Idaho North America (FSB) owns and operates a Cessna 425. The aircraft is used to transport financial documents from FSB Idaho branches to Salt Lake City for processing. On the return trip from Salt Lake City to Boise, Idaho, there is extra cargo space unutilized. FSB would like to use this space to carry the same type of cargo for another financial institution. The other financial institution would share operating expenses on a pro rata basis, and FSB would like to conduct the return flight under Part 91 of the Federal Aviation Regulations (FAR), specifically using the "cost sharing" authority of Section 61.118 of the FAR's.

In the company's perspective, it obviously makes more economic sense to fly the back haul with a loaded aircraft than with an empty one. Section 61.118 of the Federal Aviation Regulations, however, will not support this objective. That section simply permits a private pilot to share the expenses of a flight with a passenger. It provides no authority for an institution to carry the property of another for any payment.

I have also reviewed the provisions of 14 CFR Part 91 Subpart F (which may be applicable to aircraft such as the Cessna 425, under an exemption) to determine whether any of the operations permitted under Section 91.501(b)(1)(9) may cover your client's situation.

Initially, it would appear that 91.501(b)(6) might have some application if a timesharing agreement or interchange agreement for the use of the aircraft existed between the two companies. However, it seems that carriage would have to be limited to people--company officials, employees, and clients--rather than property and, therefore, it would not accomplish your client's objective.

Section 901.501(b)(7), on the other hand, does address the carriage of property. Such carriage, however, is limited to that within the scope of, and incidental to, the company's primary business [where that business is other than transportation by air]. I do not believe that the carriage of another financial company's cargo from Salt Lake City to Boise could fairly be said to fall within the scope of FSB's banking business. Therefore, it appears that this alternative, also, is not applicable.

I regret that my advice cannot be more encouraging on this issue.

Sincerely,

George L. Thompson
Assistant Chief Counsel