December 9, 1998
Mr. Mark B.
Satterwhite Fred
Meyer, Inc.
P.O. Box 42121
Portland, OR 97242

Dear Mr. Satterwhite:

This is in response to your letter November 23, 1998, to Andy Andrews, Flight Standards District Office, Hillsboro, Oregon. In your letter, you requested an interpretation of the regulations as they apply to aircraft operations proposed by Fred Meyer, Inc. Specifically, you questioned whether certain flight operations proposed in conjunction with the Fred Meyer Challenge may be conducted under Part 91 of the regulations. It is anticipated that aircraft owned and operated by Fred Meyer, Inc., would be used by the Fred Meyer Challenge (a corporate entity separate from Fred Meyer, Inc.) to transport golfers and their equipment to the professional golf tournament sponsored by the Fred Meyer Challenge. Neither the golfers nor their guests would pay for the transportation. Moreover, the Fred Meyer Challenge would not directly reimburse Fred Meyer, Inc., for the flights. You have requested whether the flight may be conducted under Part 91 of the regulations under the following conditions:

1. The Fred Meyer Challenge would donate money to a charitable organization in the name of Fred Meyer, Inc.

2. Fred Meyer, Inc., would donate flight time on their Astra Jets to the Fred Meyer Challenge in return for their being designated as a Sponsor to the golf tournament.

In either case, we believe that the flights conducted by Fred Meyer, Inc., on behalf of the Fred Meyer Challenge would constitute flight operations for compensation or hire.

In the first instance, Fred Meyer would receive the tax benefits of the charitable contribution made on its behalf by the Fred Meyer Challenge. In the second instance, Fred Meyer would receive the benefits of being a sponsor to a major sporting event. Inasmuch as the Fred Meyer Challenge requires a specific dollar amount be donated to be noted as a sponsor, it would appear that the sponsorship of the event has a specific, tangible value which will be received by Fred Meyer, Inc., in return for the use of their aircraft.

As a general rule, when flights involve the carriage of persons of property for compensation or hire, they must be conducted under Part 121 or 135 of the regulations. However, since the aircraft in question (Astra Jets) are turbine-powered multi-engine aircraft, it is possible that they may be operated under Subpart F of Part 91 of the regulations (91.501, et seq.). Subpart F allows for the receipt of limited compensation for certain aircraft operations. At the present time, it does not appear that your proposed operations would clearly come under the scope of operations envisioned by Subpart F. However, your may wish to review that subpart to determine whether you wish to modify your proposed operation to allow for limited reimbursement under Subpart F.

Please contact me if I can provide any further information.

Sincerely,

John J. Callahan
Deputy Regional Counsel