U.S. Department
of Transportation
**Federal Aviation
Administration**

800 Independence Ave., S.W.
Washington, D.C. 20591

OCT 13 2008

Jeffrey T. Lawyer, Esquire
Womble, Carlyle, Sandridge & Rice
One West Fourth Street
Winston-Salem, NC 27101

RE: Legal Interpretation – 14 C.F.R. § 91.501(b)

Dear Mr. Lawyer:

This responds to your letter dated October 24, 2007, and the supplemental information you provided August 11, 2008, requesting an interpretation of 14 C.F.R. § 91.501 (b)(5) and (b)(6).

In the scenario you described, Companies A and B are two of five joint owners of an aircraft. Company A employs and furnishes the flight crew. All of the owners share operating expenses pursuant to a joint ownership agreement. Based on these facts, you pose the following two questions. First, can officials, employees, and guests of Company B's wholly-owned subsidiary be carried on the aircraft when that carriage is incidental to the business of the subsidiary under section 91.501(b)(5)? Second, if those persons can be carried aboard the aircraft, can Company B charge its subsidiary with a share of the cost of owning, operating and maintaining the aircraft commensurate with its use?

You argue that the use and reimbursement by Company B's subsidiary is permitted pursuant to §91.501(b)(5). In the supplemental material you provided, you use by analogy a similar circumstance under part 91, subpart K involving fractional ownership. However, the FAA finds, based on the following, that this analogy is not appropriate.

Under the agreement described, Company A employs and furnishes the flight crew for the airplane, and each of the owners pays a share of the charge as further specified in the agreement. The arrangement as you described is not a fractional ownership, but rather a joint ownership agreement as defined in §91.501(c)(3). Because the aircraft in your scenario is being operated in accordance with a joint ownership agreement, §91.501(b)(6), which specifically addresses transport of company officials and guests under a joint ownership agreement, governs. This provision permits only the carriage of the officers, employees, and guests of the company that is designated as one of the owners of the aircraft under the joint ownership agreement. If B's subsidiary became a

joint owner of the aircraft under the agreement, the subsidiary would be allowed to transport its company officials, employees, and guests.

This response was prepared by Bruce Glendening, Attorney in the Regulations Division of the Office of the Chief Counsel and has been coordinated with the Flight Standards Service. If you have additional questions regarding this matter, please contact us at your convenience at (202) 267-3073.

Sincerely,

Rebecca MacPherson
Asstistant Chief Counsel
Regulations Division (AGC-200)