U.S. Department
of Transportation
Federal Aviation Administration

NOV - 7 2011

Mr. Greg Wooley
SOC Project Manager
Atlantic Southeast Airlines, Inc.
990 Toffie Terrace
Atlanta, GA 30354-1363

Re: Atlantic Southeast/Express Jet Single Operating Certificate

Dear Mr. Wooley,

By letter dated August 30, 2011, you have asked whether the Federal Aviation Administration (FAA) has any objections to listing both ExpressJet Airlines and Atlantic Southeast Airlines on a single operating certificate (SOC) while the two carriers complete their scheduled merger. Specifically, Atlantic Southeast is asking whether there is a legal impediment to the FAA issuing an SOC in the name of "Atlantic Southeast Airlines Inc. and/or ExpressJet Airlines, Inc." You state that the listing of both names would be a temporary measure that recognizes that at the time the SOC is issued, the two carriers will be fully merged for the purpose of FAA oversight, but will have additional steps to complete before the merger is implemented for all purposes.

The requirements for the issuance of an Air Carrier Certificate or Operating Certificate are governed by the regulations contained within 14 C.F.R. part 119, subpart C. Section 119.39 specifies that an applicant may be issued an Air Carrier Certificate or Operating Certificate if the Administrator finds that the applicant:

1. meets the applicable requirements of part 119;
2. holds the proper Department of Transportation economic authorities; and
3. is properly and adequately equipped to be able to conduct a safe operation under the appropriate provisions of 14 C.F.R. part 121 or 135 and operation specifications issued under part 119.

ExpressJet and Atlantic Southeast have been working closely with the FAA's assigned Joint Transition Team (JTT) and the FAA's Certificate Management Offices (CMOs) for both airlines to develop and implement an agreed-upon plan for achieving an SOC. It appears that Atlantic Southeast's and ExpressJet's operations will have been sufficiently merged to permit an SOC by mid-November, at which point the ExpressJet certificate would be surrendered to the FAA. It also appears that there will be no serious impediments to meeting the three requirements of § 119.39 noted above at the time the

SOC is applied for. Both ExpressJet and Atlantic Southeast will need to continue to work with the JTT and their respective CMOs to assure that the first and third requirements are satisfied.

With respect to the second requirement, the DOT acknowledges that the combined entity holds the proper economic authorities for the kinds of operations to be conducted and it is expected that DOT will issue a final "route transfer" order authorizing the transfer of certain international route designations held by ExpressJet to Atlantic Southeast.

Ordinarily, the FAA would not permit two names on an operating certificate because the agency would assume that two different entities were attempting to operate under a single certificate, and could not meet the requirements of part 119. The primary concern on the part of the FAA is that there be a single set of management personnel required for operations under part 121 as specified in § 119.65. For any SOC, regardless of the name on the certificate, only a single director of safety, director of operations, chief pilot, director of maintenance, and chief inspector would be allowed.

In this instance, it appears that ExpressJet and Atlantic Southeast have taken steps to assure that any concerns on the part of the FAA will be fully resolved by the time the largely-merged entity applies for an SOC. As a wholly-owned subsidiary of Atlantic Southeast, ExpressJet has already begun to mingle corporate control with its parent company. In addition, as evidenced by the close work and coordination between the two carriers and the FAA, both carriers appear to understand the need for a single management team that exercises full operational control over the SOC. Accordingly, FAA does not foresee any legal or practical impediments to issuing an SOC in the name of "Atlantic Southeast Airlines, Inc. and/or ExpressJet Airlines, Inc." at the appropriate time. The FAA would want the SOC to be appropriately amended once the merger is fully implemented and only one corporate entity remains. You have indicated that you expect this to happen shortly after the first of the year.

In conclusion, the FAA has determined that it will issue an SOC with more than one entity identified on the certificate under the following conditions:

1. the two entities are committed to a full corporate merger, and control of one entity has already been assumed by the other entity, typically through a parent-subsidiary relationship.
2. the combined entity has sufficiently coordinated and executed its merger plan such that the FAA is satisfied that the combined entity can meet all requirements of 14 C.F.R. part 119, as well as 14 C.F.R. parts 121 or 135, as applicable;
3. the combined entity can demonstrate that operational control is fully vested and non-severable among the two entities, as demonstrated by a single set of management personnel as required by 14 C.F.R. § 119.65; and,
4. the combined entity maintains appropriate written economic authority issued by the Department of Transportation, as required by operations specification.

This letter is limited to satisfaction of these conditions and should not be interpreted to approve any other type of business arrangement. I hope you find this information helpful and ask that you feel free to contact me further should you have any additional questions.

Sincerely,

Rebecca B. MacPherson
Assistant Chief Counsel for Regulations