August 11, 2000

Mr. Nathaniel P. Breed, Jr.
SHAW PITTMAN
2300 N Street, N.W.
Washington, D.C. 20037

Dear Mr. Breed:

I have completed my initial review of the application you filed on behalf of Boston-Maine Airways Corp., for a determination of its fitness to conduct interstate scheduled passenger operations as a certificated air carrier.

This review has revealed the need for additional and/or clarifying information before I can complete processing of the application. I ask that you respond fully to the attached Information Request within 21 days of the date of this letter. The original plus 7 copies of your response should be filed in Docket OST-00-7668. If you wish to seek confidential treatment for any portion of this material, you should use the procedures set forth in section 302.39 of the Department’s Regulations. As is the Department’s practice, further processing of Boston-Maine’s application will be deferred pending receipt of this material.

As a final matter, please remember that Boston-Maine should promptly provide the Department with any information regarding changes it may undergo in areas affecting its fitness (i.e., management, operating plans or financial condition, compliance disposition, or ownership) while its application is under review by the Department.

Thank you for your cooperation in this matter. If you have any questions regarding this letter or the requested information, please feel free to contact me at (202)-366-9721.

Sincerely,

Janet A. Davis
Senior Analyst
Air Carrier Fitness Division
cc: Docket OST-00-7668

Mr. John R. Nadolny  
Sr. Vice President and General Counsel  
Boston-Maine Airways Corp  
Pease International Tradeport.  
14 Aviation Avenue  
Portsmouth, NH 03801

Mr. Anthony Liquori  
Manager, FAA FSDO-05  
2 Al McKay Avenue  
Portland, ME 04102

Enclosure
INFORMATION REQUEST FOR BOSTON-MAINE AIRWAYS

GENERAL INFORMATION
1. As you know, it is the Department's practice to impose aircraft limitations on all newly certificated air carriers. These limitations apply to the entire aircraft fleet of a company, not just to the aircraft utilized by the company to conduct scheduled passenger service. Therefore, please clarify the number of aircraft Boston-Maine intends to utilize in all-cargo and passenger (scheduled and non-scheduled) operations during its first year of certificated operations. Based on the scheduled service plan presented, it appears that Boston-Maine will operate four Jetstreams in scheduled service and maintain two other Jetstreams as spares. Is this correct? Will the scheduled service Jetstreams be in addition to those Boston-Maine currently utilizes to conduct air taxi operations, or will some of the Jetstreams currently utilized in air taxi operations be converted to scheduled service? I note that on page 8 of the application, the applicant indicates that its initial scheduled service between Portsmouth-Bangor will utilize the three Jetstreams currently in its fleet, with two to three more Jetstreams added prior to its start of Sanford-Ft. Myers scheduled service. However, also on page 8, Boston-Maine states that it intends to lease seven additional Jetstreams during the remainder of calendar year 2000 and thereafter. By this statement, does Boston-Maine mean that it intends to be operating ten Jetstreams (scheduled and nonscheduled service) by the end of its first year of certificated operations? Finally, does Boston-Maine intend to add any CASA 212 aircraft to its fleet during the next year?

2. Please place a copy of Boston-Maine's Preapplication Statement of Intent for a Part 121 certificate in the public docket of this proceeding, together with information on any changes that have been made to this filing since its original submission to the FAA.

3. The Aviation Disaster Family Assistance Act of 1996 (Title VII of the Federal Aviation Reauthorization Act of 1996 (P.L. 101-264)) added a new section 41113 to the Statute requiring certificated air carriers to develop and submit to the Department and the National Transportation Safety Board a plan ("accident plan") to address the needs of families of passengers and other victims involved in any aircraft accident involving an aircraft of the air carrier and resulting in a major loss of life. The requirement to file an accident plan became effective April 9, 1997. Therefore, please file a copy of Boston-Maine's accident plan in the public docket established for these plans (Docket OST-96-1960) as soon as possible. Further, at the time it submits its accident plan to the Department, Boston-Maine must also submit a copy of this plan to the National Transportation Safety Board at the following address:

Office of Public Affairs
National Transportation Safety Board
490 L'Enfant Plaza East, SW.
Washington, DC 20594

Please note that the Department will not be able to issue a final order regarding Boston-Maine's certification until this requirement has been met. Therefore, please file a notice in the public
docket for this case when Boston-Maine has complied with the Accident Plan requirements noted above.

MANAGEMENT AND KEY TECHNICAL PERSONNEL
1. Please provide a chart showing positions and operating divisions within Boston-Maine’s organization that depicts which positions and functions report to whom.

2. For Mr. David A. Fink, President of Boston-Maine, please indicate whether he will delegate the day-to-day management responsibilities for Boston-Maine to some other individual. If so, please identify this individual. If not, please indicate how Mr. Fink will divide his time between his duties with the applicant and the other companies, including specifically Pan American Airways, in which he currently holds senior management positions.

3. For Mr. Gordon R. Long, the applicant’s Vice President, General Manager, and Director of Operations, please confirm whether he still holds any positions with Arlington Leasing, Inc. d/b/a Pan Am Services, and, if so, what duties he currently performs for this company. Also, if Mr. Long is still an employee of Arlington Leasing, please state how he will divide his time between his duties with that company and the applicant when it commences scheduled passenger service. In addition, provide a statement as to whether the FAA will require a deviation from Part 119 in order for Mr. Long to hold dual positions with Arlington Leasing and Boston-Maine (as a certificated air carrier). Also, please provide a similar statement as to whether the FAA will require a deviation in order for Mr. Long to serve as both General Manager and Director of Operations for Boston-Maine.

4. For Mr. Hobart T. Livingston, Boston-Maine’s Director of Safety, please provide a complete resume that lists dates of employment. In addition, please indicate whether Mr. Livingston will serve concurrently as Director of Safety for both Pan American Airways and Boston-Maine. If so, please indicate the percentage of his time that he will devote to his duties with each carrier. Also, provide a statement as to whether the FAA will require a deviation in order for Mr. Livingston to serve as Director of Safety for both carriers concurrently once Boston-Maine receives a certificate authorizing it to conduct scheduled passenger service.

5. For Mr. Douglas A. Alm, Boston-Maine’s Director of Maintenance, please clarify all employment held during the period 1992-1993. I note that the resume provided appears to indicate that Mr. Alm worked for Larry’s Flying Service in Alaska, CASA Aircraft in Virginia, and contract maintenance at the USCG Air Station in Miami simultaneously during this period.

6. For Mr. James W. Herring, the applicant’s Chief Inspector, it is unclear whether he works for more than Boston-Maine at the present time. Does he currently hold a position with Pan American Airways or one of the other Pan Am entities related to Boston-Maine? If so, please explain how he will divide his time between his duties with that entity and Boston-Maine. Also, provide a statement as to whether the FAA will require a deviation in order for Mr. Herring to hold these dual positions once Boston-Maine receives a certificate authorizing it to conduct scheduled passenger service.
7. For the key technical personnel (Director of Operations, Director of Maintenance, Chief Pilot, Director of Safety, and Chief Inspector), please provide a statement that these individuals meet the qualifications for their respective positions as set forth in sections 119.65 and 119.67 of the Federal Aviation Regulations (14 CFR 119.65 and 119.67).

FINANCIAL POSITION AND OPERATING PLANS
1. According to the information provided, Boston-Maine commenced air taxi operations in June 1999. However, the company has provided an income statement covering only the 6 months ended June 30, 2000. Therefore, please provide an income statement for the company’s calendar year 1999 operations. Also, please provide a balance sheet as of December 31, 1999, for Boston-Maine.

2. In Exhibit BMA-108, Boston-Maine sets forth its balance sheet as of June 30, 2000. This balance sheet lists as a current asset the $500,000 credit facility the company intends to utilize to meet, in part, the Department’s funding requirements. Further, this credit facility is then listed as an offsetting long-term liability. Please explain. Has Boston-Maine already drawn on this credit facility? If so, are the funds received being held in some type of “cash” or “like-cash” account? If so, please provide third-party verification. If not, then why has this facility been shown as an asset on the balance sheet? Also, under what conditions may Boston-Maine draw on this facility and what are the terms of repayment? Provide a copy of the credit agreement for the record.

3. Please provide third-party verification of all bank and/or brokerage account balances held in Boston-Maine’s name. Please do the same for all bank and/or brokerage account balances held in Pan American Airlines’ name.

4. A substantial portion of the current assets shown on both Boston-Maine’s and Pan American Airlines’ balance sheets are listed as “Assets held for Disposition.” Please explain what these assets are and how the value attributed to them was assigned.

COMPLIANCE DISPOSITION
1. Please indicate whether Pan American Airways is current in meeting its PFC obligations.

2. The information provided pursuant to this Information Request should be accompanied by a certification, pursuant to Title 18 United States Code Section 1001, that the individual signing the application, in his or her individual capacity and as the authorized representative of Boston-Maine, has not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement in connection with the preparation.