Application of

BOSTON-MAINE AIRWAYS CORP.
d/b/a PAN AM CLIPPER CONNECTION

Docket OST-00-7668 -/6

for a certificate of public convenience and necessity under
49 U.S.C. 41102 to engage in interstate scheduled air
transportation of persons, property, and mail

ORDER ISSUING EFFECTIVE CERTIFICATE
AND CONFIRMING ORAL ACTION

Summary

By this order, we (1) confirm our oral action taken with respect to Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection\(^1\) and (2) reissue to the carrier its section 41102 certificate authorizing it to engage in interstate scheduled passenger operations to reflect its
effective date.

Background

By Order 2000-10-1, served October 2, 2000, the Department found that Boston-Maine was
fit, willing, and able to conduct interstate scheduled passenger air transportation and issued to
it a certificate authorizing it to engage in such operations.

\(^1\) On July 12, 2001, Boston-Maine filed an amendment to its certificate application to request that its
certificate be issued in the name “Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection,”
rather than in the “Boston-Maine Airways Corp. d/b/a Pan Am Services” name set forth in its initial
application and, in which, its certificate was granted in October 2000. Therefore, the reissued
certificate will reflect this change in Boston-Maine’s trade name.
The authority granted by this certificate was to become effective on the sixth (business) day after we had received, among other things, a copy of Boston-Maine’s Air Carrier Certificate and Operations Specifications from the Federal Aviation Administration (FAA) authorizing it to engage in scheduled passenger service and a description of any fitness-related changes the company had undergone since the date of the show cause order in this case.

Further, in accordance with our rules (14 CFR 204.7), Boston-Maine had one year from the date of our order granting this certificate (that is until October 2, 2001) to complete the steps necessary to have its authority made effective and commence the scheduled passenger operations authorized, or lose the certificate granted. On September 21, 2001, Boston-Maine filed a request for a 90-day extension of time in which to become operational. By letter dated September 28, 2001, the Department granted the requested extension, giving Boston-Maine until January 2, 2002, to receive effective certificate authority.²

On October 18, 2001, Boston-Maine submitted a statement, and supporting documentation, regarding fitness-related changes it had undergone³ and requested that the Department waive the standard six-day waiting period and make its certificate effective immediately upon its submission of the required FAA documents, which it expected to receive in the near future.

In its statement of fitness-related changes, Boston-Maine noted that it had undergone a change in its Director of Safety and had entered into an agreement with the State of Maryland Aviation Administration under which it would provide scheduled passenger service to certain Maryland communities and be compensated by the State for these services. Our review of the information on these changes found that Boston-Maine continued to meet the Department’s fitness requirements.⁴

Specifically, the individual now serving as Boston-Maine’s Director of Safety, Mr. Hobart Livingston, holds an Airline Transport Pilot’s license and has over 42 years of aviation experience, including serving as a pilot with USAir and its predecessor companies from 1962 to 1993, and serving as Director of Safety for Pan American Airways Corp. (Pan Am), Boston-Maine’s sister company. As for the scheduled passenger service Boston-Maine now intends to operate within Maryland, this service will not increase the funds necessary for

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² On December 14, 2001, Boston-Maine filed a request for a further extension of the January 2, 2002, revocation-for-dormancy date due to concerns that it might experience unexpected delays in the FAA certification process. However, Boston-Maine received its FAA authority prior to the expiration of the previous extension and, as a result, it withdrew this request on December 19.

³ At this same time, Boston-Maine also submitted evidence that it had obtained the required liability insurance coverage meeting the requirements of 14 CFR 205.5(b) for all of its aircraft.

⁴ Clarification of certain of the information set forth in the October 18 statement of changes was submitted on October 26 and December 10, 2001.
Boston-Maine to meet our financial fitness criteria as all of the related forecast expenses are to be covered by grant payments from the State. Further, Boston-Maine has demonstrated that it has available funds sufficient to meet our requirements for the non-subsidized Portsmouth-Bangor and Sanford-Fort Meyers operations it intends to provide.5

On December 19, 2001, Boston-Maine supplied evidence that it had received the appropriate authority from the FAA to engage in scheduled passenger operations. As a result, we advised the carrier on that same date that we were making its certificate authority effective immediately. By this order, we confirm that action and reissue to Boston-Maine its section 41102 certificate to reflect its December 19, 2001, effective date.

ACCORDINGLY, Acting under authority assigned by the Department in its Regulations, 14 CFR 385.12:

1. We confirm our oral action of December 19, 2001, making the section 41102 interstate scheduled certificate authority issued to Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection effective on that same date.

2. We reissue to Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection the interstate scheduled passenger section 41102 certificate issued to it by Order 2000-10-1, in the attached form to reflect its effective date.

3. We direct Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection to submit to the Air Carrier Fitness Division a first year progress report within 45 days following the end of its first year of certificated operations.6

4. We will serve a copy of this order on the persons listed in Attachment A.

Persons entitled to petition the Department for review of this order under the Department’s Regulations, 14 CFR 385.30, may file their petitions within 10 days of the service date of this order.

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5 As noted in our show cause order in this case, Order 2000-9-17, Boston-Maine needed approximately $485,500 to meet the Department’s working capital reserve criteria for its proposed scheduled passenger operations in the Portsmouth-Bangor and Sanford-Fort Myers markets. In addition, according to its October 18, 2001, filing, Boston-Maine had approximately $17,600 in unpaid pre-operating expenses remaining, bringing its total need to $503,100. Funds exceeding this amount are available to Boston-Maine through a $500,000 line-of-credit from Pan Am and $60,000 on deposit with Fleet National Bank of Providence.

6 The report shall include a description of the carrier’s current operations (number and type of aircraft, principal markets served, total number of full-time and part-time employees), a summary of how these operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements, and a listing of current senior management and key technical personnel.
The action confirmed in this order was effective when taken and the filing of a petition for review shall not alter its effectiveness.

By:

RANDALL D. BENNETT  
Director  
Office of Aviation Analysis

(SEAL)

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