DOCKET OST-00-7668

Mr. Nathaniel P. Breed, Jr.
Zuckert Scoult & Rasenberger
888 Seventeenth Street, N.W.
Washington, D.C. 20006-3309

November 4, 2002

Dear Mr. Breed:

According to the information provided by Boston-Maine in its current application for amended certificate authority, the only change in its key operating management group since the company received effective certificate authority is in the position of Director of Safety. If this statement were correct, then Boston-Maine’s Director of Operations would be Mr. John Hughes, who was identified as Boston-Maine’s Director of Operations in its August 16, 2000, supplement to its application for certificate authority. However, the FAA has advised us that Mr. Hughes has not served as Boston-Maine’s Director of Operations for some time now, possibly for more than a year.

Further, it is our understanding that, since Mr. Hughes’ departure, Gordon Long, Boston-Maine’s Vice President and General Manager, has also served as its Director of Operations. Given our concerns over the adequacy of Boston-Maine’s management to oversee the B727 operations proposed, including Mr. Long’s lack of experience overseeing any type of large aircraft operations, we ask that the company provide a statement as to whether the FAA will approve Mr. Long to serve as both General Manager and Director of Operations for Boston-Maine’s large aircraft operations.

Because we are concerned that there may have been other management changes that were not reported since our last fitness review in December 2001, we ask that you give us a complete list of all current management and key personnel with their names and positions and the dates they assumed those positions.

Also with respect to Boston-Maine’s key management personnel team—In Supplement 3 to its amendment application, Boston-Maine discusses its employment of “two new senior operating management personnel, both of whom have extensive experience with Boeing 727 aircraft operations.” On page three of this supplement, Boston-Maine states that it has been advised by “its supervising FSDO that the addition of the foregoing operations management positions has addressed the FSDO’s inquiry

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1 At no time after this date, did Boston-Maine identify a different individual as serving as its Director of Operations.
2 This review was in conjunction with our issuance of effective certificate authority to Boston-Maine.
regarding BMAC’s large aircraft experience and qualifications.” However, the FAA has advised us that it has not yet determined whether the individuals selected by Boston-Maine are sufficient for providing adequate oversight of Boston-Maine’s large aircraft operations. With regard to this matter, we note that neither of the individuals identified has any supervisory experience involving B727 operations. Therefore, should the individuals selected not be satisfactory to the FAA and, as a result, Boston-Maine selects other individuals to serve as its Manager of Flight Operations and its B727 Fleet Manager, we expect the carrier to promptly notify the Department and submit full resume and compliance information for the individuals approved by the FAA.

In addition, another matter, related to how the company holds itself out to the traveling public, has come to our attention. Boston-Maine has authority to hold its services out in its corporate name and under the trade name “Pan Am Clipper Connection.” However, in performing its services, Boston-Maine is not authorized to represent itself as if it were Pan Am. All advertising of the services involved must clearly advise the public when service will be provided under a code-sharing arrangement. Failure to provide such notification violates Part 257 and is considered to be an unfair and deceptive practice in violation of 49 USC 41712.

A review of the Official Airline Guide for November 2002 (as well as for prior months) shows that all of the transportation currently provided by Boston-Maine carries the Pan Am code “PN” with no mark indicating that these services are, in fact, operated by Boston-Maine. Further, a review of both Boston-Maine’s and Pan Am’s web sites finds that all reservations must be made on the Pan Am site and that, in the course of such booking, at no time prior to purchase is the consumer advised that the service will be provided by Boston-Maine rather than Pan Am. In addition, while all of Boston-Maine’s aircraft carry its name painted above the entry door (which, we understand, may satisfy certain FAA requirements), in much larger print, painted on the aircraft side, is the name “Pan Am,” not “Pan Am Clipper Connection” or any abbreviation thereof. Finally, we note that while Boston-Maine has referred in its application to “its own new services to Canada...” and that it “recently rescheduled its three daily roundtrip flights between Baltimore...,” all of the flights referenced carry the Pan Am code without any indication that the flights are actually performed by Boston-Maine.

Therefore, please provide an explanation of why Boston-Maine is using the Pan Am code “PN” without indicating in any way that these services are, in fact, operated by Boston-Maine, in the OAG and on the carrier’s web site. Further, please explain what actions the carrier will take to bring its advertising into compliance with the Department’s rules. You should be aware that we are coordinating on this matter with our Enforcement Office.

In addition, please indicate how Boston-Maine intends to hold any large aircraft operations that may be authorized out to the public. Include in this explanation, the code Boston-Maine intends to use and details on how reservations for these operations will be handled. If Boston-Maine will develop its own reservation system for these operations, submit a revised pre-operating expense forecast that includes all costs
associated with establishing this reservation system. Also, appropriate revisions reflecting these costs should be made to both the carrier’s first year expense forecast and its funding requirement computation.3

Please provide a complete response to the above within 14 days of the date of this letter. In doing so, please remember to accompany your response with the certification required by Title 18. Also, we again remind the company that it has an obligation to 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. Failure to do so reflects negatively on Boston-Maine’s compliance disposition.

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
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cc: Docket OST-00-7668

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3 To the extent that Boston-Maine will require additional funds to cover these added expenses, it must also supply evidence of its access to such funds.