Application of

BOSTON-MAINE AIRWAYS CORP.

for issuance of an amended certificate of public
convenience and necessity pursuant to 49 U.S.C. § 41102
(Interstate Large-Aircraft Operations)

SUPPLEMENT NO. 4 TO
APPLICATION OF
BOSTON-MAINE AIRWAYS CORP.
FOR AMENDED CERTIFICATE AUTHORITY

Communications with respect to this document should be sent to:

John R. Nadolny
Senior Vice President and
General Counsel
BOSTON-MAINE AIRWAYS CORP.
Pease International Tradeport
14 Aviation Avenue
Portsmouth, NH 03801
(603) 766-2000 (tel)
(603) 766-2094 (fax)

Nathaniel P. Breed, Jr.
ZUCKERT SCOUTT &
RASENBERGER L.L.P.
888 17TH Street NW Suite 700
Washington, D.C. 20006-3309
(202) 298-8660 (tel)
(202) 342-0683 (fax)

Attorneys for
BOSTON-MAINE AIRWAYS CORP.

November 7, 2002
Application of

BOSTON-MAINE AIRWAYS CORP. : Docket OST-00-7668
for issuance of an amended certificate of public
convenience and necessity pursuant to 49 U.S.C. § 41102
(Interstate Large-Aircraft Operations)

November 7, 2002

SUPPLEMENT NO. 4 TO
APPLICATION OF
BOSTON-MAINE AIRWAYS CORP.
FOR AMENDED CERTIFICATE AUTHORITY

Boston-Maine Airways Corp., d/b/a Pan Am Clipper Connection ("BMAC")
hereby submits this Supplement No. 4 to the captioned application for the purpose of
responding to certain further questions and requests for information contained in the
November 4, 2002 request by the Air Carrier Fitness Division (Attachment A, infra),
as follows:

1. Operating Management. Upon review of its filings in the docket of this
proceeding from BMAC's initial application for Section 41102 certification on July 19,
2000 through BMAC's most recent filing of a Supplement No. 3 in the large-aircraft
certificate amendment phase of this proceeding on October 21, 2002, BMAC has
discovered that it inadvertently failed to advise the Department of the return of Gordon R. Long to the Director of Operations position with BMAC on January 10, 2001.

The circumstances which resulted in that inadvertent omission were as follows: At the time of BMAC’s initial certificate application on July 19, 2000, Mr. Long held the positions of Vice President, General Manager and Director of Operations with BMAC. Subsequently, in late July 2000, Mr. John J. Hughes replaced Mr. Long as Director of Operations. Mr. Long continued to hold the positions of Vice President and General Manager with BMAC. That management change was reported to the Department in Supplement No. 1 to BMAC’s initial certificate application, filed on August 16, 2000.

As noted above, Mr. Long resumed the position of Director of Operations, replacing Mr. Hughes on January 10, 2001. Subsequently, when BMAC filed its application for large-aircraft authority on August 27, 2002, BMAC advised the Department of a change in its Director of Safety position from Captain Hobart C. Livingston, who retired, to Mr. Edward C. MacNeil, effective June 21, 2002, but forgot about Mr. Long’s interrupted service as Director of Operations for BMAC, and, thus failed to report his resumption of the Director of Operations position in its August 27, 2002 certificate amendment application.

BMAC regrets that oversight, and will promptly report any further changes in its executive and operating management personnel to the Department during the remainder of this certificate amendment proceeding, and in the context of any subsequent
applications by BMAC for further DOT authority involving a fitness determination. Any changes in key operating management personnel will be immediately reported to the FAA, as BMAC has done in the past.

In its November 4, 2002 letter, the Fitness Division has requested BMAC to “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” (Fitness Div. Letter, p.1). BMAC is not able to provide such a statement relating to the FAA’s approval of Mr. Long to serve as Director of Operations for BMAC’s large-aircraft operations at this time, since the FAA CSET team handling BMAC’s large aircraft Ops Specs amendment application has not yet made a determination of that question. However, BMAC’s FSDO has informally advised BMAC that Mr. Long appears to meet the FAA’s requirements as specified in Section 119.67(a) of the FARs to hold the Director of Operations position.

Similarly, BMAC’s FAA CSET team has not yet expressed its view regarding the qualifications of two other recently-installed large-aircraft operations managers for BMAC – Messrs. Craig Jollifee and Burnell Bailey – to provide operational and technical supervision of BMAC’s planned large-aircraft operations.¹

¹ BMAC’s statement that the installation of Messrs. Jollifee and Bailey “addressed” the FAA’s concerns about the supervision of BMAC’s large-aircraft operations accurately reflected the FAA FSDO’s informal response to BMAC’s submission of those individuals for FAA review. BMAC did not state, nor did it intend to imply, that the FAA has formally approved those individuals to hold the positions they have been designated to hold.
BMAC will immediately advise the Department of the FAA’s acceptance or rejection of any of those individuals to supervise and manage BMAC’s large aircraft operations. In the event that any further personnel changes are required as a result of the FAA’s determination, or for any other reason, BMAC will immediately notify the Department of any newly-hired operations management personnel, and will provide detailed biographical, management experience and fitness information relating to any newly-hired operations management personnel, as appropriate.

A complete listing of the names, titles, and date of installation of all current executive and key operations management personnel of BMAC is set forth in Exhibit BMA-S/4-1, infra. Biographical resumes and fitness information for each of those individuals has been previously filed with the Department in this docket. There has been no material change adversely affecting any previously-filed information relating to any of the listed individuals. An organization chart setting forth the lines of authority and reporting relationships of BMAC’s executive and operations management is contained in Exhibit BMA-S/4-2, infra.

2. Trade Name Issue. BMAC acknowledges that it has utilized the two-letter designator code (“PN”) of its sister carrier, Pan American Airways Corp. (“Pan Am”) in its schedule listings in the Official Airline Guide and on its shared Internet website with Pan Am. BMAC does not currently have its own two-letter code, and believed that its use of the “PN” code would not cause any public confusion that its published schedules were operated by Pan Am, rather than by BMAC. BMAC now recognizes
that its participation in a joint website with Pan Am, and its reliance on a common reservations systems with Pan Am, could present a potential risk of public confusion as to the schedules operated by the two affiliated, but separately operated, carriers. As noted below, BMAC is taking immediate steps to eliminate that risk. In all of its other publications, press releases, advertising, ticket stock, and aircraft liveries, BMAC has been scrupulously careful to make wholly clear to the travelling public that the services provided and schedules operated by BMAC are held out, sold, and operated in the name of “Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection”. BMAC has duly registered that trade name with the Department and has been expressly authorized by the Department to utilize that trade name in holding out service to the public (Order 2001-12-21, served December 27, 2001).

Following its receipt of the Department’s November 4, 2002 letter, BMAC has taken immediate steps to terminate its use of the Pan Am two-letter designator code in its schedule listings and website, and has taken other steps to eliminate any potential risk of public confusion in differentiating between services offered by BMAC and services offered by Pan Am as follows:

1. BMAC has initiated the process of applying for and obtaining its own IATA two-character designator code.

2. Pending the assignment of its new designator code, BMAC has worked with representatives of the OAG to have an explanatory note included in the OAG printed and electronic schedule listings for all BMAC flights currently identified with the “PN” code which are actually operated by BMAC. See Exhibit BMA-S/4-3, pp. 1-2.
3. BMAC has implemented revisions to its website and reservation system which provide notice to potential BMAC customers at the outset of their inquiry (as opposed to at time of booking) that the flights which they are interested in are Jetstream 3100 flights operated by BMAC under the trade name “Pan Am Clipper Connection”. See Exhibit BMA-S/403, pp. 3-4.

In addition to the foregoing steps, BMAC has clearly held out its service to the public under the trade name “Pan Am Clipper Connection”, as demonstrated by the examples of various press releases, and photographs of the Jetstream aircraft operated by BMAC, all of which clearly and unequivocally hold out BMAC’s service to the public as service provided by “Boston-Maine Airways Corp. d/b/a Pan Am Clipper Connection”. See, Exhibit BMA-S/4-3, infra.

Upon receipt of its own IATA designator code, and certainly prior to its receipt of large-aircraft authority from the Department and the FAA, BMAC will hold out, sell, and operate its small-aircraft and future large-aircraft services under its own two-letter designator code and under the trade name “Pan Am Clipper Connection” in all printed and electronic media.

Finally, BMAC’s modifications to the reservations system used jointly by Pan Am and BMAC, to more fully differentiate between the separate services of BMAC and Pan Am, will not involve any incremental additional cost to BMAC. Accordingly, those changes do not require any recalculation of the pre-operating expenses and projected first-year operating expenses associated with the introduction of large-aircraft services by BMAC in this proceeding.
A Title 18 Certification verifying the accuracy and completeness of the foregoing responses of BMAC is set forth in Exhibit BMA-S/4-4.

WHEREFORE, BMAC requests the Department to expedite its issuance of an amended Certificate of Public Convenience and Necessity authorizing BMAC to provide interstate air transportation of persons, property and mail, utilizing both small and large aircraft, as requested in its pending application in this proceeding.

Respectfully submitted,

[Signature]
Nathaniel P. Breed, Jr.
ZUCKERT SCOUTT & RASENBERGER L.L.P.
Attorneys for
BOSTON-MAINE AIRWAYS CORP.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Supplement No. 4 to Application of Boston-Maine Airways Corp. by messenger, telexcopier transmission, or United States mail, properly addressed and with postage prepaid, upon each of the persons listed in the Service List attached hereto.

[Signature]
Joyce S. Allen

Washington, D.C.
November 7, 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.  

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
Air Carrier Fitness Division

c: 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 FSIO-05
2 Al McKay Avenue
Portland, ME 04102

Mr. Jerry Anker
Mr. Russell Bailey
Air Line Pilots Association
1625 Massachusetts Avenue, N.W.
Washington, DC 20036

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.