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Order 99-2-17



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

SERVED FEB 2 1999

Issued by the Department of Transportation
on the 2nd day of February, 1999

Application of

SUN JET INTERNATIONAL, INC.

Docket OST-98-3957 - 10

to resume operations pursuant to 14 CFR 204.7

ORDER TO SHOW CAUSE

Summary

By this order, we tentatively find that Sun Jet International, Inc. (Sun Jet) remains a U.S. citizen and is fit, willing, and able to resume its interstate charter air transportation operations of persons, property and mail, subject to conditions.

Background

Sun Jet, headquartered in Largo, Florida, currently holds a certificate authorizing it to conduct interstate charter air transportation of persons, property, and mail.² The carrier operated under its certificate until June 18, 1997, when it ceased all air transportation operations and sought protection under Chapter 11 of the United States Bankruptcy Code.

By letter dated June 19, 1997, we reminded Sun Jet of the requirements of section 204.7 of our rules which provide that, once a carrier ceases its air transportation operations, its certificate authority is automatically suspended; that it may not recommence certificated operations nor advertise such services until the Department has redetermined that it is fit to do so; and that, if it did not have its fitness redetermined and resume operations within one year of the date of its cessation (in this case, by June 18, 1998), its certificate authority would be revoked for reason of dormancy. By letter dated March 31, 1998, we again reminded Sun Jet of these requirements and also advised the carrier that, if it could not complete the steps required to resume operations by June 18, it could request an exemption from the revocation-for-dormancy provisions of section 204.7.

² See Order 93-9-15, issued September 14, 1993.

Following its cessation of operations, the carrier worked to reorganize its financial affairs. On May 27, 1998, the United States Bankruptcy Court for the Middle District of Florida confirmed a plan of reorganization. Under the plan, the estate was to receive approximately \$500,000 from Sun Jet's former owner, P. Thomas **Kolfenbach**,³ to settle certain creditor obligations of Sun Jet and its parent, Sun Jet Holdings. In return, Mr. Kolfenbach again became the airline's sole shareholder. Sun Jet also assumed the responsibility of paying off, over time, other obligations, including certain tax obligations owed to the State of Florida as well as passenger facility charges (**PFCs**) owed to the airports at Dallas/Fort Worth, Newark, and Ft. Lauderdale. The plan further commits Sun Jet to providing some creditors with a portion of its profits for the first five years after resumption of its air carrier operations.

On June 15, 1998, Sun Jet filed a notice in Docket OST-98-3957 stating that it planned to resume its charter operations.⁴ At the same time, it filed an application in Docket OST-98-3598 requesting that the Department exempt it from the revocation for dormancy provisions of section 204.7 pending receipt of its authority to resume operations.' The carrier states that it intends initially to provide passenger charter services with one 115-seat DC-g-32 aircraft. Sun Jet states that it plans to use the name "Southeast Airlines" in its resumed operations and has requested that the Department register this trade name under Part 215 of our rules.

No objections to Sun Jet's application have been filed, and no special issues requiring an oral evidentiary hearing have come to our attention. Under these circumstances, as is our practice, we propose to decide the issue of Sun Jet's fitness to resume operations on the basis of the written record. As discussed below, we tentatively conclude that Sun Jet is fit to resume its charter air transportation operations, subject to conditions. We will, however, give interested persons an opportunity to show cause why we should not adopt as final these tentative findings and conclusions.

FITNESS

The three areas of inquiry that must be addressed in order to determine a company's fitness to resume operations are the same as those used in determining its initial fitness to operate, specifically, whether the carrier (1) will have the managerial skills and technical ability to conduct its proposed operations, (2) will comply with the statute and regulations imposed by Federal and State agencies, and (3) will have access to sufficient financial resources to recommence operations without posing an undue risk to consumers. We must also find that the company is a U.S. citizen.

³ Mr. Kolfenbach founded Sun Jet in 1993 and continued to own the carrier until 1995 when he sold his interest in the company.

⁴ Sun Jet supplemented its notice with information in support of its fitness to do so.

⁵ By letters dated July 31, October 1, and December 17, 1998, we granted Sun Jet three 90-day extensions of the June 18, 1998, revocation date. The most recent extension expires on March 18, 1999.

Managerial Capabilities

P. Thomas Kolfenbach, Sun Jet's owner, is also the carrier's President. He served the carrier in this capacity during his earlier ownership from 1993 to 1995.⁶ Mr. Kolfenbach's qualifications were set out in detail in connection with Sun Jet's initial certification (see Order 93-8-10). Since selling the airline, Mr. Kolfenbach has run his own classic car retail business.

Robert H. Dunton assumed the duties of Director of Operations for Sun Jet in November 1998. Mr. Dunton previously served as the carrier's Chief Pilot (April 1993 through June 1997 and May through November 1998). From September 1997 through January 1998, he served as Chief Pilot for Sun Pacific International. He also served as a pilot at other airlines, including Key Airlines and Cam Air International, since the early 1980's. Mr. Dunton holds FAA-issued Airline Transport Pilot, Flight Engineer, and Airframe and Powerplant Mechanic licenses.

Sun Jet's Chief Pilot is David Weber. He has held this position since November 1998. Mr. Weber was a Captain for Sun Jet between September 1993 and June 1997; he rejoined the carrier as a Captain in June 1998 and assumed the responsibilities of Chief Pilot in November 1998. Mr. Weber has held pilot positions with other airlines in the past. Mr. Weber holds FAA-issued Airline Transport Pilot and Flight Instructor licenses, and has over 18,000 total flight hours, approximately 15,000 of which have been as pilot-in-command.

Sun Jet's Director of Maintenance is Brian Blaquiere. From 1993 to 1997, Mr. Blaquiere was a Lead Supervisor and Line Mechanic for Sun Jet.⁷ Prior to that, he held progressively more responsible maintenance positions with Pemco Aeroplex (1980-1989 and 1991-1993).⁸ From 1989 to 1991, he was a mechanic for Eastern Airlines, serving as a Maintenance Shift Supervisor during 1990-1991. Mr. Blaquiere holds an FAA-issued Airframe and Powerplant Mechanic license.

Randy Ryhal recently re-joined Sun Jet as Director of Quality Control/Chief Inspector, a position he held previously with the carrier from October 1996 through June 1997.⁹ Mr. Ryhal has approximately 20 years of experience in aviation maintenance positions. In addition

⁶ Mr. Kolfenbach resigned his position as President when he sold the company in September 1995, but continued to act as the carrier's Director of Operations until February 1996.

⁷ Mr. Blaquiere continued to be employed by the airline during its bankruptcy reorganization so that the carrier could maintain its aircraft and FAA authority.

⁸ These positions include mechanic (1980-1981), Leadsman (1981-1982), Foreman (1983-1985), Supervisor of Production (1985-1988), Project Manager (1988-1989), and Production Planning Foreman (1991-1993).

⁹ Mr. Ryhal actually joined Sun Jet in September 1995 as a Quality Control Supervisor, a position he held until August 1996. From August to October 1996, he served as Manager of Quality Control. Since leaving Sun Jet in 1997, he has primarily been self-employed as an aviation maintenance consultant.

to his tenure at Sun Jet, he also served as Director of Quality Assurance for two FAA Part 145 repair stations--Pemco Aeroplex (March 1985-September 1994)¹⁰ and Aero Aire Corporation (October 1994-September 1995). Mr. Ryhal holds FAA-issued Commercial Pilot and Airframe and Powerplant Mechanic licenses.

Frank T. Newman serves as Sun Jet's Director of Safety. Although Mr. Newman spent over 10 years (1978-1989) as a lawyer specializing in real estate matters, much of his career has been involved in aviation. From July 1993 to March 1997, he served as Sun Jet's Secretary, Vice President-Legal & Administration, Director of Ground Services and Ground Security Coordinator. Prior to that, he served as Director of Stations, Station Manager, Director of Inflight Services, and in-house Counsel for Key Airlines (1989-1993) and Ground Services Representative in England and Spain for Overseas National Airways.

C. Keeton Phillips is Sun Jet's Chief Financial Officer. Mr. Phillips is a Certified Public Accountant and was Sun Jet's Chief Financial Officer from April 1993 to September 1996. Mr. Phillips has held financial positions with other airlines as well, including Eastern Airlines (1967-1984), Arrow Air (1984-1985), and Cam Air International (1985-1986). When not employed directly by an airline, he has done airline financial consulting.

Based on the background and experience of the above individuals, coupled with the fact that the FAA must also review the qualifications of certain of the company's key technical personnel," we tentatively find that Sun Jet's key personnel have the managerial skills and technical ability to manage its proposed operations.

Operating Plan & Financial Position

Sun Jet anticipates that its initial first-year operations will be very limited, involving the operation of a single 115-seat DC-9-32 aircraft in passenger charter services for public charter operators or sub-service flights for other direct air carriers needing lift.¹² Sun Jet states that it expects that all of its operations will be conducted on an ACMI (aircraft, crew, maintenance, and insurance) basis.¹³

¹⁰ During this time, he also served for a period (November 1993-September 1994) as Director of Quality Assurance for a related company, Pemco Air Support Services.

¹¹ Before authorizing a company to conduct air transportation operations, the FAA evaluates certain of the carrier's key personnel with respect to the minimum qualifications for those positions as prescribed in the Federal Aviation Regulations. The FAA's evaluation of these key personnel provides an added practical and in-person test of the skills and technical ability of these individuals. In this case, the FAA has advised us that it has reviewed the qualifications of Messrs. Dunton, Weber, Blaquiere, Ryhal and Newman and that they have been accepted by that agency to hold their respective positions.

¹² Sun Jet estimates that it will operate approximately 2,000 block hours during its first year.

¹³ Under such arrangements, the contracting party is responsible for fuel, passenger and ground handling, reservations and other consumer-related aspects of the flights.

Sun Jet has provided a detailed listing of the expenses it expects to incur prior to resuming operations as well as those expected during its first year of operations. We have reviewed the company's projections and find them to be reasonable for the limited **ACMI** operations proposed.¹⁴ Based on the company's projections, we estimate that Sun Jet will need approximately \$1.33 million to meet our financial fitness test.¹⁵

Sun Jet has provided unaudited balance sheets for the reorganized company at May 27 and November 16, 1998. The November 16 statement shows the company to have \$851,000 in working capital,¹⁶ a current assets to current liabilities ratio of 7 to 1, and negative equity of approximately \$1.2 million. Sun Jet's sole shareholder, Mr. Kolfenbach, has committed to providing the carrier with all of the funding needed to resume its operations. We have received letters from United Bank showing that, as of December 30, 1998, Mr. Kolfenbach and Sun Jet together have approximately \$818,000 available in accounts in that institution. In addition, Mr. Kolfenbach has provided evidence that, as of December 21, 1998, he had approximately \$690,000 in liquid investments through another financial institution.

In light of the above, we tentatively find that Sun Jet will have access to sufficient financial resources to allow it to resume its passenger charter services. However, critical to our finding here is the limited operating plans set forth by the carrier. Were Sun Jet proposing a more expansive initial operation, or should it plan to expand its services in the future, it is not clear that our finding of fitness would continue to hold true. Therefore, if Sun Jet is found fit and authorized to resume its charter air transportation operations, we intend to require that, if the carrier decides to expand its fleet beyond the one aircraft it proposes at this time, it will need

¹⁴ We note that Sun Jet's maintenance costs are lower than those recently reported by other carriers. Sun Jet states that its forecast is based in part on its historical experience plus the fact that the aircraft it plans to use has recently undergone major maintenance overhauls. Sun Jet thus expects that it will not incur any major maintenance expenses on this aircraft in its first year of operations.

¹⁵ To meet the Department's financial fitness criteria, an applicant should have access to financial resources sufficient to cover its pre-operating expenses and expenses that are reasonably expected to be incurred during three months of normal certificated operations. Because projected expenses during the first several months of operations frequently do not include all of the costs that will be incurred during a "normal" period of operations, it is our practice to base our three-month test on one-quarter of the first year's operating cost forecast. Based on the company's current forecast, Sun Jet can be expected to incur approximately \$1.7 million in pre-operating expenses. This includes not only the costs directly attributable to the company's recommencement of operations but also payments required of Mr. Kolfenbach and/or Sun Jet to be made to Sun Jet's bankruptcy estate. Sun Jet states that it has already paid approximately \$1.32 million of these expenses (specifically, those expenses incurred through November 30, 1998), leaving the company with approximately \$362,000 in remaining pre-operating expenses. The company's forecast first-year expenses are approximately \$3.8 million. The \$1.33 million needed to meet our financial fitness test is comprised of approximately \$362,000 in remaining pre-operating expenses plus approximately \$972,000, which is one-quarter of the company's forecast first-year operating expenses. In calculating available resources, projected revenues may not be used.

¹⁶ Virtually all of the company's working capital is funds that Mr. Kolfenbach has committed to the carrier to support its operations.

to advise the Department at least **45-days** prior to any such planned expansion and file information demonstrating its fitness to expand prior to implementing such change.

Compliance Disposition

Sun Jet states that there are no actions or outstanding judgments against it, its owner, or key personnel, nor have there been any charges of unfair, deceptive or anti-competitive business practices, or of fraud, felony, or anti-trust violations brought against any of these parties within the past 10 years.”

A search of our records, including those of the FAA indicate that, since its inception in 1993, the carrier has been assessed approximately \$12,500 in civil penalties by the FAA in connection with six past violations of the **FARs**, and Sun Jet is currently the subject of one outstanding enforcement action involving an alleged previous violation of the company’s security procedures. We also note that Sun Jet has, from time to time in the past, been late in filing required Form 41 reports with the Department, and has been the subject of a number of consumer complaints and confusion between itself and its marketing partner and public charter operator, World Technology Services, which uses the trade name “Sun Jet International Sales”.¹⁸

The FAA has advised us that Sun Jet is close to completing the steps needed to receive FAA authority to resume operations and that that agency has no objection to the Department’s finding Sun Jet fit. Sun Jet has stated that it has taken steps to assure that any future reports will be filed in a timely fashion. While we are troubled by the number of complaints received against the carrier in the past, we note that Sun Jet has not been the subject of any enforcement action because of them. We also note that, as discussed in this order, Sun Jet intends to use the trade name of “Southeast Airlines” in its air carrier operations. It is our expectation that this should eliminate the confusion between the airline and the public charter operator, Sun Jet International Sales.” We also expect that many of the consumer issues raised in the past (particularly those involving consumer reservations, ticketing, refunds, and other consumer areas) should not occur given the limited **ACMI** operations proposed by the carrier. Thus,

¹⁷ There is currently an on-going civil legal action, Mercury ***Air Group, Inc., vs. Mansour, Banmiller, Mulligan, et. al.***, involving alleged wrongful actions of past Sun Jet personnel in connection with an earlier offering of stock **in the company**. Sun Jet, itself, is not a named party in this proceeding. We do note that Scott Bacon, the company’s current Director of Marketing and Administration, was initially named as a defendant in this action; however, he was subsequently dismissed as a named party in this lawsuit.

¹⁸ These complaints involved a number of different areas, including flight problems, oversales, reservations, fares, refunds, baggage and customer **service**.

¹⁹ The carrier has represented to us that there are no plans for World Technology Services to operate under the “Southeast Airlines” name.

while the carrier's past history is not unblemished, on balance, we find at this time that its compliance disposition is acceptable.*'

In light of the above, we tentatively conclude that Sun Jet has the proper regard for the laws and regulations governing its services to ensure that its aircraft and personnel conform to applicable safety standards and that acceptable consumer relations practices will be followed.

CITIZENSHIP

49 U.S.C. 41102 requires that certificates to engage in air transportation operations be held only by citizens of the United States as defined in 49 U.S.C. 40102(a)(15). That section specifies that the president and two-thirds of the board of directors and other managing officers be U.S. citizens and that at least 75 percent of the outstanding voting stock be owned by U.S. citizens. We have also interpreted the Statute to mean that, as a factual matter, the carrier must actually be controlled by U.S. citizens.

Sun Jet has submitted an affidavit attesting that it remains a citizen of the United States. Mr. Kolfenbach, the company's sole shareholder and President, is a U.S. citizen, as are all members of the company's key management personnel. Finally, there is no other information available to us that leads us to conclude that Sun Jet is under the control of non-U.S. citizens.

Based on the above, we tentatively conclude that Sun Jet is a citizen of the United States and is fit, willing, and able to resume its air transportation operations, subject to the limitations noted above.

REGISTRATION OF TRADE NAME

As part of its request to resume operations, Sun Jet has requested that we register the trade name, "Southeast Airlines" for use in its air transportation operations.

Part 21.5 of the Department's regulations provides that any carrier wishing to use an alternative trade name must first register that name with the Department. The rules **further** states that the Department may register such name after the carrier gives notification to similarly named carriers of the proposed use of the **name**.²¹ In this case, we identified one non-operating certificated air

²⁰ We will, however, monitor the company's future compliance with Department and FAA rules for any indication that the company's consumer practices or compliance disposition is unsatisfactory or for any indicators of confusion between the airline and the public charter operators that use its services. To this end, we remind Sun Jet (the airline) of its responsibilities under our **rules** to ensure that any public charter flight(s) operated under Part 380 comply with the requirements of that Part, including disclosure as to the identity of the air carrier operating the flights and that these are charters and not scheduled flights.

²¹ As a rule, the Department no longer makes public interest determinations regarding the use of similar names by air carriers; instead, carriers are encouraged to resolve potential problems among themselves according to applicable statutes and in the courts. The Department does, however, retain

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carrier with a similar name: Southeast Aviation in Ketchikan, Alaska. On September 3, 1998, Sun Jet provided us with a copy of an August 12, 1998, letter from Sun Jet to Southeast Aviation notifying that carrier of Sun Jet's plans to use the Southeast Airlines name.

Under the circumstances, if Sun Jet is found fit to resume operations, we will register the name "Southeast Airlines" as a trade name for use in Sun Jet's air transportation operations.²²

CONDITIONS ON AUTHORITY

If Sun Jet is found fit to resume its passenger charter air transportation operations, its authority to do so will not become effective until the carrier has provided evidence (1) that the FAA has authorized it to resume operations, (2) that it continues to have resources available to it sufficient to meet our financial fitness test, and (3) that it has in effect liability insurance coverage that meets the requirements of Part 205 of our rules. In addition, at the time that it submits the foregoing documents, we will require Sun Jet to provide a statement detailing any changes in its fitness (i.e., ownership, management, operations, compliance history, or financial position) since the issuance of this show cause order.

Furthermore, we remind Sun Jet of the requirements of 49 U.S.C. 41110(e). Specifically, that section requires that, once a company is found fit, it must remain fit in order to hold its authority. To be assured that certificated air carriers continue to be fit after effective authority has been issued to them, we require that they supply information describing any subsequent substantial changes they may undergo in areas affecting fitness. As noted earlier, if Sun Jet is issued effective authority to resume operations, we will require that the carrier notify the Department at least 45 days prior to any proposed expansion of its operations beyond the one aircraft discussed above and file information demonstrating its fitness to expand prior to implementing such change.²³ In addition, should Sun Jet propose other substantial changes in its ownership, **management**, or operations, it must first comply with the requirements of section 204.5 of our rules.²⁴ The carrier's compliance with this requirement is essential if we are to carry out our responsibilities under 49 U.S.C. 41110(e).

its authority under section 41712 to take enforcement against unfair or deceptive practices in the use of names should such action be necessary.

²² We are also taking this opportunity to reissue the carrier's certificate in the form attached. The reissued certificate reflects the "Southeast Airlines" trade name and the current format used in charter certificates (see Specimen certificate attached).

²³ The carrier shall accompany any such notice with updated fitness information relating to its expanded operations, including not only current financial information, but also information describing any managerial or other changes the company has made, or proposes to make, to support the use of additional aircraft.

²⁴ By Notice dated July 21, 1998, the Department requested air carriers to provide a 30-day advance notification of any proposed change in ownership, restructuring or recapitalization. Sun Jet may contact our Air Carrier Fitness Division to report proposed substantial changes and determine what information, if any, will be required under section 204.5. If the company fails to file the information, or if the information fails to demonstrate that the carrier will continue to be fit upon implementation of

(--footnote continued on next page--)

Moreover, to aid the Department in monitoring the fitness of new air carriers, we have adopted a requirement that all start-up carriers must submit a detailed progress report to the Air Carrier Fitness Division within 45 days following the end of the first year of actual flight operations? The report should 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 its operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements,²⁶ and a listing of current senior management and key technical personnel. The carrier should also be prepared to meet with staff members of the Fitness Division to discuss its current and future operations.

OBJECTIONS

We will give interested persons 10 days following the service date of this order to show cause why the tentative findings and conclusions set forth here should not be made final; answers to objections will be due within 5 calendar days **thereafter**.²⁷ We expect such persons to direct their objections, if any, to the application and points at issue and to support such objections with detailed economic analyses.*³ We will not entertain general, vague, or unsupported objections. If no substantive objections are filed, we will issue an order that will make final our tentative findings and conclusions with respect to Sun Jet's fitness to resume certificated air carrier operations.

such substantial change, the Department may take such action as is appropriate, including enforcement action or steps to modify, suspend, or revoke the carrier's certificate authority.

²⁵ Although Sun Jet is not obtaining new certificate authority, given the company's bankruptcy reorganization and the lengthy period of time that has elapsed since it ceased operations (over 18 months), as well as its recent change in ownership and management, we consider Sun Jet to be a new entrant for our purposes here.

²⁶ These financial statements should include a balance sheet as of the end of the company's first full year of actual flight operations and a 12-month income statement ending that same date.

²⁷ The FAA advises us that, barring unexpected developments, Sun Jet may complete the steps needed to obtain authority to resume operations by the end of January or early February. Under these circumstances, and in light of the fact that no objections to the carrier's application have been filed thus far, we have decided to shorten the answer and reply periods so as to not unduly delay the carrier's ability to recommence operations should it be authorized to do so.

²⁸ If an oral evidentiary hearing or discovery procedures are requested, the objector should state in detail why such a hearing or discovery is considered necessary and what material issues of decisional fact the objector would expect to establish through a hearing or discovery that cannot be established in written pleadings. The objector should consider whether discovery procedures alone would be sufficient to resolve material issues of decisional fact, If so, the type of procedure should be specified (See Part 302, Rules 19 and 20); if not, the reasons why not should be explained.

ACCORDINGLY,

1. We direct all interested persons to show cause why we should not issue an order making final the tentative findings and conclusions stated above and allow Sun Jet International, Inc., to resume its interstate charter air transportation operations of persons, property, and mail, subject to conditions, and reissue its interstate passenger charter certificate in the form and subject to the Terms, Conditions, and Limitations attached.
2. We direct any interested persons having objections to the issuance of an order making final any of the proposed findings and conclusions set forth here to file them with the Department of Transportation Dockets, 400 Seventh Street, SW, Washington, D.C. 20590, in Docket OST-98-3957, and serve them on all persons listed in Attachment A no later than 10 days after the service date of this order; answers to objections shall be filed no later than 5 days thereafter.
3. If timely and properly supported objections are filed, we will accord full consideration to the matters or issues raised by the objections before we take further **action**.²⁹
4. In the event that no objections are filed, we will consider all further procedural steps to be waived and we will enter an order making final our tentative findings and conclusions and reissue the carrier's interstate passenger charter certificate in the form and subject to the Terms, Conditions, and Limitations attached.
5. We will serve a copy of this order on the persons listed in Attachment A
6. We will publish a summary of this order in the Federal Register.

By

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

***An electronic version of this document is available on the World Wide Web at
http://dms.dot.gov/reports/reports_aviation.asp***

²⁹ Since we have provided for the filing of objections to this order, we will not entertain petitions for reconsideration

* As reissued by
Order

Attachment



SPECIMEN

Terms, Conditions, and Limitations

**SUN JET INTERNATIONAL, INC.
d/b/a SOUTHEAST AIRLINES**

is authorized to engage in interstate charter air transportation of persons, property, and mail between any point in any State, territory, or possession of the United States or the District of Columbia, and any other point in any of those entities.

This authority is subject to the following provisions:

(1) *The authority to operate under this certificate will not become effective until six (business) days after the Department has received the following documents; provided, however, that the Department may stay the effectiveness of this authority at any time prior to that date:*

(a) *A copy of the holder's Air Carrier Certificate and Operations Specifications authorizing such operations from the Federal Aviation Administration (FAA).*

(b) *A certificate of insurance on OST Form 6410 evidencing liability insurance coverage meeting the requirements of 14 CFR 205.5(b) for all of its aircraft.*

(c) *A statement of any changes the holder has undergone in its ownership, key personnel; operating plans, financial posture, or compliance history, since the date of the Show Cause Order in this case.*

(d) *A revised list of pm-operating expenses already paid and those remaining to be paid; as well as independent verification that the holder has available to it funds sufficient to cover any remaining pm-operating expenses and to provide a working capital reserve equal to the operating costs that would be incurred in three months of operations.*

*** This certificate is being reissued to (1) reflect the trade name "Southeast Airlines" and (2) reflect the format currently used in certificates.**

- (2) ***Pending receipt of effective authority, the holder may not accept payment of any kind (i.e., cash, check, or credit card), issue tickets for the operations proposed under this certificate, or enter into contracts with charter operators, and any advertisement by the holder must prominently state: "This service is subject to receipt of government operating authority."***
- (3) ***The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.***
- (4) ***The holder's authority is effective only to the extent that such operations are also authorized by the FAA.***
- (5) ***The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).***
- (6) ***The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this certificate.***
- (7) ***The holder is not authorized to engage in air transportation operations between points within the State of Alaska.***
- (8) ***Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.***
- (9) ***In the event that the holder does not commence actual flying operations under this certificate within one year of the date of the Department's determination of its fitness, its authority shall be revoked for dormancy, unless the holder is conducting operations under another type of certificate authority. Further, in the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under all certificates held shall be suspended under the terms of 14 CFR 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.***

SERVICE LIST FOR SUN JET INTERNATIONAL, INC.

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Mr. Jim Zammar, Dir. Revenue Acctg.
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