

CHAPTER 102 EVALUATE FAR PART 125 OPERATOR

Section 1 Background

1. PTRS ACTIVITY CODES

A. *Maintenance*: 3202

B. *Avionics*: 5202

C. *Cabin Safety*: Pending

3. OBJECTIVE. This chapter provides guidance for evaluating an applicant for a FAR Part 125 operating certificate.

5. GENERAL

A. *Certification Process.* The certification process provides for interaction between the applicant and the FAA from initial inquiry to certificate issuance or denial. The certification process consists of five phases:

- Preapplication Phase
- Formal Application Phase
- Document Compliance Phase
- Demonstration and Inspection Phase
- Certification Phase

B. *Change of Name.* A change of official name must be approached with care. A name change has the effect of a new certification; therefore, a new certificate and certificate number will be issued.

7. PREAPPLICATION PHASE

A. *Initial Inquiry.* An initial request for information regarding certification may be verbal or in writing.

B. *Preapplication Statement of Intent (PASI)*

(1) The submission of a Preapplication Statement of Intent (PASI), shows intent and prompts the district office to allocate resources. A Preapplication Statement of Intent should be submitted only after the applicant has reviewed the appropriate regulations and advisory material.

(2) The PASI is used by the district office manager to evaluate the complexity of the proposed operation.

C. *The Certification Team.* The district office manager will select a certification team consisting of at least two Airworthiness Aviation Safety Inspectors (ASIs) (maintenance and avionics) and one Operations ASI. Additional ASIs, including Cabin Safety Specialists may be used.

(1) The district office manager will designate one team member as a Certification Project Manager (CPM). The Certification Project Manager is the primary spokesperson for the FAA throughout the certification process. The person selected as Certification Project Manager should have previous experience in certifying an operator under FAR Part 125.

(a) The Certification Project Manager is the primary contact with the applicant. The Certification Project Manager schedules and conducts meetings and coordinates any correspondence with the applicant.

(b) The Certification Project Manager must be sure each certification task is completed in an acceptable and timely manner. Responsibilities include ensuring all certification matters are thoroughly coordinated with each team member.

(c) The Certification Project Manager should schedule periodic meetings with the certification team, unit supervisors, and/or the district office manager to ensure

that everyone is fully informed of the current status of the certification. The Certification Project Manager must notify the unit supervisors and/or the district office manager of any information that may significantly affect or delay certification or that may attract media or political interest.

(2) Each team member will respond to requests for assistance made by the Certification Project Manager and keep the Certification Project Manager apprised of the status of the certification. Anything that may delay certification must be brought to the attention of the Certification Project Manager immediately.

NOTE: Although guidance should be provided to the applicant, it is important that each document, procedure, demonstration, or inspection reflects the applicant's knowledge, skills, and abilities. Therefore, refrain from providing explicit instructions on how a task should be accomplished.

D. *Preapplication Meeting.* At the preapplication meeting, the following should occur:

(1) The applicant should be briefed in as much detail as necessary to ensure that the certification process is understood

(2) The Certification Project Manager should use the schedule of events to facilitate any discussions. This document will help ensure that all elements of the certification process are described.

(3) The applicant should be encouraged to ask questions about any area of the process that is not clearly understood

(4) If the applicant plans to petition for deviation, processing time must be considered in developing the Schedule of Events. FAR § 125.3 requires that a petition for deviation be submitted to AVS-1 at least 60 days before the date of intended operation.

E. *Formal Application.* At the preapplication meeting, the form, content, and documents required for formal application are discussed. The formal application must be

submitted to the assigned district office. The applicant is encouraged to submit the application as far in advance as possible of the intended starting date. The formal application must be in letter format and must contain the following:

(1) A statement that the letter is a formal application for a FAR Part 125 operating certificate

(2) The applicant's mailing address and the physical location of its principal base of operations

(3) A list of flight crewmembers and the type of certificates held, including certificate number and ratings

(4) The names and titles of appropriate management personnel, such as the General Manager, Director of Operations, and person responsible for scheduling inspections

(5) The names, titles, and signatures of persons authorized to initiate or respond to correspondence and sign operations specifications on behalf of the operator

(6) If a request for deviation from any requirement is anticipated, it should be noted in the initial compliance statement. The request and justification for the deviation must be made under separate cover and submitted to the local FSDO in accordance with FAR § 125.3.

(7) The formal application letter must be dated, show the name of the state where incorporated, if applicable, and be signed as follows:

- By the owner, when applying as an individual
- By each partner, when applying as a partnership
- By an authorized officer when applying as an organization, such as a company or corporation

F. *Formal Application Attachments.* The formal application must be accompanied by the following:

(1) *Schedule of Events.* The Schedule of Events lists documents, activities, and acquisitions required for

certification. Each item is accompanied by the applicant's best estimate of the date the item will be submitted, acquired, and/or ready for inspection.

(a) The schedule must provide the FAA a reasonable amount of time for the FAA to review and accept or approve each item or event.

(b) The number and types of events and activities that occur during certification vary according to the operation proposed. The Schedule of Events must list each document to be submitted, the activity to be performed, and the item to be inspected.

(c) The Schedule of Events is intended to encourage an applicant to submit material well in advance of the date operations are proposed to begin. If, however, the application is submitted with only the minimum lead time required by the regulation, complete documents (such as maintenance manuals) may be required at the time of formal application.

NOTE: Final certification could be delayed if the applicant fails to accomplish an item or event in a satisfactory manner or in accordance with the Schedule of Events. In addition, delays may be caused by the need to correct deficiencies in documents, such as manuals or maintenance/inspection programs.

(2) *Company manual.* The company manual contains information about the applicant's organization, general policies, duties, responsibilities, operational control policy, and procedures in accordance with FAR § 125.71. It may be in the form of one or more manuals or sections of manuals. At the time of formal application, certain portions of the manual must be submitted.

(a) The manual submitted at the time of formal application must show compliance with at least FAR § 125.73(a), (d) through (m), (o) through (q), and § 125.249(a)(1) and (b). Compliance with FAR §§ 125.73(b), (c), (n), and (r), and 125.249(a)(2) and (3) should be indicated on the Schedule of Events.

(b) Team members must ensure that all required material is shown on the Schedule of Events and that adequate time is allowed for review.

(c) The applicant must show sufficient management personnel to conduct operations safely and in accordance with the requirements of FAR Part 125. The policies and procedures manual required by FAR § 125.71 must accomplish the following:

- Set forth the duties, responsibilities, and authority of management personnel
- List the name and address of each person employed in a management position
- Designate persons responsible for scheduling inspections and for updating the approved weight and balance procedures on all airplanes to be operated by the applicant

(3) *Initial compliance statement.* A compliance statement benefits both the applicant and the FAA by ensuring that all applicable regulatory aspects are addressed during the certification process.

(a) The initial compliance statement must be a complete list of all FAR Part 125 regulations. The list should refer to all subparts and each applicable section. The applicant must provide a brief narrative description or, preferably, a specific reference to a manual or other document which describes the method of compliance. The applicant should note and explain any subparts or sections that do not apply.

(b) Specific regulations and subparts must be listed in the same numerical sequence as the regulations.

(c) Where compliance information has been developed, a manual reference or a description of the method of compliance must be entered next to the applicable regulatory section.

(d) If the method of compliance has not been fully developed, the applicant must submit a final compliance statement which provides this information.

(e) When the method of compliance is formalized, a description can be added to the list in preparation for the final compliance statement.

(f) The Schedule of Events must show when the final compliance statement will be submitted.

(g) The final compliance statement must be reviewed and accepted before certain inspections and demonstrations can begin.

9. FORMAL APPLICATION PHASE

A. Beginning the Formal Application Phase The formal application phase begins when the applicant presents a formal request for certification to the FAA. The team ensures that each required document has been submitted.

B. Meeting with the Applicant At the discretion of the Certification Project Manager, the team may meet with the applicant to discuss the Schedule of Events or any other document submitted.

C. Ending the Formal Application Phase The Formal Application Phase ends when the applicant has been notified, in writing, that the application is either accepted or rejected.

11. DOCUMENT COMPLIANCE PHASE

A. Reviewing Documents In the Document Compliance Phase, the applicant's manuals and other documents are thoroughly reviewed and approved, accepted, or rejected. Each document must have an in depth review to be sure it complies with applicable regulations.

B. Coordination The team must coordinate its efforts in reviewing manuals and other documents. The Schedule of Events determines the priority of items to be reviewed and shows if and when additional inspector support is needed.

C. Document Deficiencies If there are deficiencies in any document, team members should be ready to offer guidance but must avoid rewriting the applicant's documents.

D. Concurrent Actions The Document Compliance Phase and the Demonstration Phase may overlap in practice.

13. DEMONSTRATION AND INSPECTION PHASE.

In this phase the team determines if the applicant's proposed procedures and programs are effective and whether facilities and equipment are satisfactory. Emphasis is on compliance with regulations and safe operating practices. Throughout this phase the Certification Project Manager must ensure that each aspect of the applicant's required demonstrations is observed and is accepted or rejected.

15. CERTIFICATION PHASE. An applicant is entitled to a certificate when the following criteria are met:

- The certification process is completed
- Each unsatisfactory item has been corrected
- It has been determined the applicant is capable of complying with the Federal Aviation Regulations
- The applicant's ability to conduct operations in a safe manner has been demonstrated
- It is determined that the applicant has met all regulatory requirements and understands the conditions of the operating certificate

Section 2 Procedures

1. PREREQUISITES AND COORDINATION REQUIREMENTS

A. Prerequisites.

- Knowledge of the regulatory requirements of FAR Part 125
- Familiarity with the type equipment to be used by applicant
- Completion of the Airworthiness Inspectors Indoctrination String Course or equivalent

B. *Coordination.* This task requires coordination with Airworthiness Aviation Safety Inspectors (ASIs), Operations ASIs, and regional Flight Standards Division specialists.

3. REFERENCES, FORMS, AND JOB AIDS

A. References.

- SFAR 38-2
- FAR Parts 25, 43, 45, 47, 65, 91, and 145
- Advisory Circular 20-42, Hand Fire Extinguishers for Use in Aircraft, as amended
- Advisory Circular 125-1, Operations of Large Airplanes Subject to FAR Part 125, as amended
- 49 CFR Part 173, Shippers-General Requirements for Shipments and Packages
- 49 CFR Part 175, Carriage by Aircraft, if appropriate (hazardous materials)
- 49 CFR Part 830, Notification and Reporting of Aircraft Accidents or Incidents and Overdue Aircraft, and Preservation of Aircraft Wreckage, Mail, Cargo, and Records (NTSB)

A. Forms

- FAA Form 8400-6, Preapplication Statement of Intent
- FAA Form 8430-21, Operating Certificate
- FAA Form 8400-7, Operations Specifications

B. Job Aids. None.

5. PREAPPLICATION PHASE

A. *Receive Initial Inquiry.* Before providing the potential applicant with a Preapplication Statement of Intent (PASI), determine if the proposed operation is applicable to FAR § 125.1.

(1) The applicant must have available a U.S.-registered civil aircraft with a seating configuration of 20 or more passengers or a maximum payload of 6,000 pounds or more.

NOTE: Temporary registration (pink copy) must be verified through the Aircraft Registry for proof of registration.

(2) The airplane must have an appropriate and current airworthiness certificate.

(3) Limitations

(a) Ensure that the applicant is not operating airplanes under FAR Part 91 that are certificated under FAR Parts 121, 129, 135, or 137.

(b) Ensure that the operating certificate will not be held jointly by more than one person or corporation.

NOTE: A partnership is considered a single person even though it may consist of more than one person or corporation. Where both a parent and a subsidiary corporation exist, only one of the two corporations may apply for any one certificate. Regardless of common ownership, the parent and subsidiary corporation are considered by law as separate persons.

(c) Ensure that the applicant's operation does not result, directly or indirectly, from any individual's holding out to the public to furnish transportation.

B. *If a Deviation Is Requested, Refer the Applicant to FAR § 125.3*

C. *Discuss the Preapplication Package.* Provide the applicant with FAA Form 8400-6, Preapplication Statement of Intent, with instructions to complete it and submit it to the district office.

(1) Advise the applicant that a completed PASI signals an intent by the applicant to continue the certification process.

(2) Recommend that the PASI be submitted only after the applicant has reviewed the appropriate regulations and advisory material.

(3) Advise the applicant that after receiving and processing the PASI, the FAA will arrange a preapplication meeting at which the certification process will be discussed in detail.

D. *Review the Preapplication Statement of Intent.* Within 5 working days of receipt of a signed PASI, determine if the information is complete, accurate, and acceptable. Ensure that the proposed operation is consistent with the Federal Aviation Regulations.

(1) If the PASI is unacceptable, accomplish the following:

- Note the reasons in Section 2 of the PASI
- Notify the applicant in writing of the discrepancies detailed in Section 2

NOTE: A new PASI is required to resume the certification process.

(2) If the PASI is acceptable, accomplish the following:

- Complete Section 2 of the PASI
- Check the "Action" box of the PASI
- Contact AVN-120 for a precertification number

NOTE: A final certificate number may be requested instead of a precertification number.

- Forward the PASI to the regional office
- Check the "Information only" block and enter the date the PASI was sent to the region
- Enter "Proceeding with formal certification" in the Remarks section and show the precertification or final certificate number

E. *Select Certification Team.* When the district office has received a precertification number, the manager will select the certification team. Additional ASIs, including Cabin Safety Specialists, qualified on the types of aircraft to be used, may be used. One team member will be designated as the Certification Project Manager.

F. *Schedule Preapplication Meeting.* Contact the applicant to arrange a preapplication meeting. Advise the applicant that the meeting is to discuss, in general terms, specific aspects of the applicant's proposed operation.

G. *Conduct Preapplication Meeting*

(1) Review the PASI with the applicant and verify that all information is current and correct. The applicant must note any changes on the PASI.

NOTE: If the changes significantly affect the anticipated scope and/or type of operation, forward a copy of the revised PASI to the regional office. If the changes indicate the need to reassign certification responsibilities, immediately notify the regional office.

(2) Provide the applicant with an overview of the five-phase certification process described in this chapter.

(3) Advise the applicant of all applicable Federal Aviation Regulations.

(4) Recommend the applicant read and review any associated Advisory Circulars.

(5) Ensure that the applicant understands the form and content of each document required for formal application. The formal application must consist of at least the following:

- A formal application letter
- A Schedule of Events
- An Initial Compliance Statement
- Policies and Procedures Manual
- Documentation that the applicant has or intends to acquire airplanes and facilities
- A copy of any deviation authority granted under FAR § 125.3

NOTE: Inform the applicant that while FAA inspectors may furnish informal guidance, it is solely the applicant's responsibility to produce acceptable documents and manuals.

(6) Advise the applicant that a formal application must be submitted at least 60 days before the proposed start-up date.

(7) Verify that the applicant intends to continue the certification process. Encourage the applicant to submit required items in draft form before the formal package is submitted. The Certification Project Manager should be notified immediately of any problems or changes in the proposed operation.

(8) Inform the applicant of any reasons for concern. If necessary, advise the applicant to request another preapplication meeting after more complete preparation. It is appropriate for the Certification Project Manager to recommend to the applicant one or more of the following actions:

- A more thorough review of the applicable regulations
- Changes in proposed key management personnel
- Obtaining the services of a professional aviation consultant
- Ceasing certification efforts

(9) Advise the applicant to maintain contact with the Certification Project Manager regularly on the status of certification efforts. Inform the applicant that if there is no communication within any 60-day period after formal application, certification efforts may be terminated.

(10) If at any time during the preapplication phase the applicant formally terminates certification efforts or the Certification Project Manager determines that the applicant will not proceed with certification, the Certification Project Manager will:

(a) Return the PASI to the applicant, stating that the preapplication process is terminated and that a new PASI is required to resume the certification process

(b) Notify the regional office that the project has been terminated

(c) Notify AVN-120 that the certification process is terminated and the precertification number is no longer needed

7. FORMAL APPLICATION PHASE

A. *Review Formal Application.* Determine that each item required for formal application has been submitted.

(1) If any required item is missing, reject the entire application and return it with a letter stating the reasons for rejection.

(2) Conduct an in depth review of the Schedule of Events.

B. Conduct Formal Application Meeting. The Certification Project Manager should conduct a formal application meeting when appropriate. Each member of the certification team should be present.

(1) Discuss each document and resolve each issue or deficiency.

(2) Review the upcoming certification process and discuss the impact on the applicant of not meeting the Schedule of Events.

(3) If any issue or deficiency cannot be resolved, the Certification Project Manager should end the meeting and inform the applicant that the formal application is not acceptable. The formal application must be returned to the applicant with a letter explaining the reasons for the rejection.

(4) Before concluding the meeting, the Certification Project Manager must ensure that the applicant clearly understands the following:

- Written notification of acceptance or rejection of the application package will be sent within five working days after the meeting
- Accepting a formal application package does not mean acceptance or approval of the attachments. Each document must be reviewed further and the applicant must take corrective action as required. Acceptance or approval of each attachment must be indicated as the certification process continues.

C. Accept or Reject the Formal Application Package.

Send the applicant a letter either accepting or rejecting the formal application package. If the package is rejected, return the application and attachments and indicate specific reasons for rejection.

NOTE: Document thoroughly the reasons for rejection. The reasons must clearly indicate that to proceed with the certification process would not be productive.

9. DOCUMENT COMPLIANCE PHASE

A. Review Documents. Ensure that each document is complete and correct. Review documents by referencing the Federal Aviation Regulations, completed portions of the compliance statement, and the appropriate manual or document. The team must evaluate the following documents:

- Policies and Procedures Manual
- Management Personnel Qualifications
- Minimum Equipment Lists
- Flight Attendant Training Programs
- Flight Attendant Manual
- Final compliance statement
- Noise emission control standard
- Weight and balance procedures
- Inspection programs and maintenance procedures
- Documents showing the applicant has, or is acquiring, airplanes and appropriate facilities
- Any previously granted deviation
- Emergency evacuation/ditching demonstration plan, if applicable
- Any other appropriate document referenced in the operator's policies and procedures manual

B. Obtain and Review a Profile of the Applicant and Personnel from the Vital Information System (VIS)

C. *Address Deficiencies.* If deficiencies are found in any document, notify the applicant.

(1) If the deficiencies can be resolved informally (by phone or meeting), prepare a record showing the deficiencies and the corrective action agreed on. Provide a copy of the record to the applicant. When the action is completed, note the date on the office file copy and advise the applicant that the action is satisfactory.

(2) If significant revision is required, return the document to the applicant with a letter outlining the deficiencies. Address any impact on the Schedule of Events.

11. DEMONSTRATION AND INSPECTION PHASE

A. *Conduct Demonstrations and Inspections*

(1) Observe company and/or contract maintenance personnel performing scheduled and unscheduled aircraft maintenance and inspections.

NOTE: Since a FAR Part 125 applicant is not required to conduct proving flights, it may not be possible to observe the maintenance and inspections being performed. If this situation occurs, the Schedule of Events must show that this item will be accomplished during post-certification surveillance. The applicant must advise the Principal Maintenance Inspector (PMI) when and where the maintenance and inspections will be performed.

(2) Review aircraft records.

(3) Inspect airplanes for conformity with appropriate type certificates and FAR Part 125.

(4) Inspect the airplanes for conformity with noise control standards.

(5) Evaluate principal maintenance base.

(6) Conduct an inspection of the principal operations base.

(7) Evaluate the applicant's ability to keep and maintain records and reports.

(8) Observe the applicant testing flight attendant crewmembers.

(9) Observe the applicant's emergency evacuation and/or ditching demonstration, as required. (See Vol. 2, Ch. 108, Evaluate FAR Part 125 Emergency Evacuation/Ditching Demonstration/Procedures).

(10) Inspect the airplanes to ensure that the emergency equipment meets the requirements as stated in FAR §125.207.

(11) Evaluate other facilities, equipment, personnel, and operations determined necessary by the Certification Project Manager/team.

B. *Document Deficiencies, as Required*

(1) If the applicant does not adequately demonstrate compliance or discrepancies cannot be resolved, forward a letter listing all unacceptable items to the applicant within 10 working days.

(2) After correcting all unacceptable items, the applicant must notify the Certification Project Manager in writing, detailing the corrective actions taken.

13. CERTIFICATION PHASE

A. *Prepare the Operating Certificate.* When the applicant has met all regulatory requirements for certification, the Certification Project Manager must prepare FAA Form

8430-21 as follows:

(1) *Certificate holder's name.* Enter the certificate holder's full and legal name directly below the words "This certifies that."

(2) *Certificate holder's address.* Enter the address of the certificate holder's principal base of operations directly below the certificate holder's name. A post office box address is not acceptable unless it also reflects the physical location of the principal base of operations.

(3) *Certification Statement of Authority.* Do not modify the pre-printed certification statement of authority. Type “**Part 125 Operations**” in the space provided.

(4) *Certificate Number.* Obtain the final certificate number from AVN-120.

(5) *Effective Date.* The effective date must be the date all requirements for certification were met. If amending a certificate to reflect an address change or a change of the assigned district office, show the date of original issuance on the new certificate.

(6) *Issued at.* Enter the four-character, alpha-numeric designator and city and state of the Certificate Holding District Office (for example, EA18, Richmond, VA).

(7) *Signature.* Operating certificates issued to air operators complying with FAR Part 125 must be signed by the Certificate Holding District Office manager.

(8) *Signature, Title, and Region/Office.* Enter the full title of the district office manager in the space provided. Show the acronyms of the region and the FSDO and number in the “region/office” space.

B. Sign the Operations Specifications. Operations specifications must be signed and dated by the applicant and the appropriate principal inspectors. Give the original certificate and operations specifications to the new certificate holder.

C. Prepare the Certification Report. Within 30 days after issuing the certificate, the Certification Project Manager must ensure that a certification report is prepared. This report must include the name and title of each inspector who assisted in the certification project and be signed by the Certification Project Manager. The report will contain the following:

- A copy of the PASI
- The letter of application

- The Schedule of Events
- The Final Compliance Statement
- The Emergency Evacuation Demonstration Evaluation
- A copy of the Operating Certificate issued
- A copy of all operations specifications issued
- A summary of any difficulty encountered during certification
- A copy of any partial deviation or waiver issued

D. Distribute Certification Report

(1) Retain the original certification report in the district office.

(2) Send one copy of the report to the regional office for information.

(3) If airplanes will be domiciled outside the certifying district office’s jurisdiction, the principal inspectors may wish to provide any or all of the certification file to the appropriate district office.

15. TASK OUTCOMES

A. File PTRS Transmittal Form

B. Completion of this task will result in one of the

following:

- Issuance of an operating certificate and operations specifications
- A letter to the applicant indicating the certificate is denied
- A letter to the applicant confirming termination of the certification process by the applicant

C. *Establish an Office File.* This file must contain at least the following:

- The certification report and attachments
- Approved minimum equipment lists, as applicable

- General correspondence relevant to the operator
- Follow-on action requirements
- Other data relevant to the operator

17. FUTURE ACTIVITIES. Normal surveillance.

