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Federal Aviation Administration

Advisory Circular

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FOREWORD

This advisory circular (AC) describes an acceptable means, but not the only means, to apply for and obtain authorization to conduct a fractional ownership program under Title 14 of the Code of Federal Regulations (14 CFR) part 91 subpart K. This AC also provides continuing guidance for a fractional ownership program.

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CONTENTS

CHAPTER 1. GENERAL INFORMATION

100. PURPOSE.

a. This advisory circular (AC) provides background information, and describes fractional ownership programs and the application process for obtaining management specifications (MSpecs) to operate under Title 14 of the Code of Federal Regulations (14 CFR) part 91 subpart K (part 91K).

b. Federal Aviation Administration (FAA) personnel will brief applicants in as much detail as necessary during meetings. The information in this document and referenced reading material will assist you in completing the process with minimal delays and complications.

101. RELATED REGULATIONS. Title 14 CFR parts 21, 61, 91, 119, 121, 125, 135, and 142 and Title 49 of the Code of Federal Regulations (49 CFR) parts 100–177 (hazardous materials). The Code of Federal Regulations may be found at the following FAA Web site: http://www.airweb.faa.gov/Regulatory_and_Guidance_Library/rgFAR.nsf/MainFrame?OpenFrameSet.

102. RELATED READING MATERIAL.

a. The FAA publishes Booklet FAA-APA-PG, Guide to Federal Aviation Administration Publications. This booklet is revised annually. It has complete information on how to order ACs, Federal aviation regulations, FAA orders/handbooks, the Aeronautical Information Manual (AIM), and other publications of interest to air carrier operations. The guide may be acquired free of charge by writing to the U.S. Department of Transportation, Utilization and Storage Section, M-443.2, Washington, D.C. 20590. For approval for more than 10 copies, write to Federal Aviation Administration, APA-230, 800 Independence Avenue, S.W., Washington, D.C. 20591.

b. Related FAA and/or other U.S. Government Web sites and references:

(1) http://www.airweb.faa.gov/Regulatory_and_Guidance_Library/rgAdvisoryCircular.nsf.

- AC 00-2, Advisory Circular Checklist (as amended), and
- ACs that are appropriate to various types of operations.

(2) http://www.faa.gov/library/manuals/.

- Flight Standards Information Management System (FSIMS), FAA Order 8900.1,
- FAA notices, and
- FAA orders.

(3) http://www.faa.gov/about/office_org/headquarters_offices/avs/offices/aam/drug_alcohol/policy/. Aviation Industry Anti-drug & Alcohol Misuse Prevention Program.

103. BACKGROUND.

a. The fractional ownership concept began in 1986 with the creation of an industry program that offered increased flexibility in aircraft ownership and operation. At that time this program used existing aircraft acquisition concepts, including shared aircraft ownership, and provided for the management of the aircraft by an aircraft management company. The aircraft owners that participated in the program purchased a minimum share of an aircraft, shared that specific aircraft with others having an ownership interest in that aircraft, and participated in an aircraft exchange program with other owners in the program. The aircraft owners used a common management company to maintain the aircraft, lease the aircraft among the owners, and provide other aviation expertise and professional management services.

b. Since then, the number of companies offering fractional ownership programs has grown. During the 1990s this growth was substantial and sustained. While growth in new fractional ownership programs is minimal, the FAA expects existing programs to continue increasing in size.

c. As fractional ownership programs grew in size, complexity, and number, there was considerable controversy within the aviation community as to their appropriate regulatory structure. Additionally, the FAA had growing concerns regarding issues of accountability, operational control, and regulatory compliance. The debate centered on whether these operations were private or commercial. In October 1999, the FAA convened a special aviation rulemaking committee, the Fractional Ownership Aviation Rulemaking Committee (FOARC), to address the issues surrounding the regulation of fractional ownership program operations. The FOARC presented its recommendations to the FAA, which became the basis for the fractional ownership final rule and oversight program.

d. The Fractional Ownership Rule, published on September 17, 2003, identifies fractional ownership programs as private, general aviation programs conducted under part 91K. This subpart provides the regulatory definitions and safety standards for fractional ownership programs; defines the program and program elements; allocates operational control responsibilities and authority to the owners and program manager; and provides increased operational and maintenance safety requirements for fractional ownership programs. Additional requirements can be found in part 91 subpart F.

e. Fractional ownership programs are subject to an FAA oversight program similar to that provided to air carriers, with the exception of line checks and en route inspections. FAA aviation safety inspectors (ASI) conduct scheduled and unscheduled inspections, and surveillance of personnel, aircraft, records, and other documents to ensure compliance with the regulations.

CHAPTER 2. FRACTIONAL OWNERSHIP PROGRAMS

200. PROGRAM DESCRIPTIONS AND DETERMINATION OF APPROPRIATE OPERATING REGULATIONS. This paragraph defines a fractional ownership program under Title 14 of the Code of Federal Regulations (14 CFR) part 91 subpart K (part 91K). It also describes other air carrier or ownership options.

a. Fractional Ownership Program. A fractional ownership program is a program of shared aircraft ownership that is conducted under the requirements of part 91. As defined in part 91K, a fractional ownership program must contain all of the following elements:

(1) Single program manager who provides aviation expertise and management services,

(2) Two or more airworthy aircraft,

(3) One or more fractional owners per program aircraft,

(4) Possession of at least a minimum fractional ownership interest in one or more program aircraft by each fractional owner ($1/16^{th}$ for airplanes/$1/32^{nd}$ for helicopters),

(5) Dry-lease exchange agreements among owners, and

(6) Multiyear contracts or program agreements for management services and aircraft dry-lease exchange.

NOTE: See Appendix 1 for all definitions pertaining to fractional ownership programs and program elements.

NOTE: See Appendix 2 for a summary of the key differences between a fractional ownership program and 14 CFR part 135.

b. Operating Under Both Part 91K and Part 135. A program manager can hold authority to operate under both part 91K and under 14 CFR part 121 or 135. Aircraft used in a fractional ownership program can be leased to an air carrier for operations under part 135 or 121. Part 91K has provisions for these dual operations. Part 91, § 91.1007(b) allows a program manager who also holds an air carrier certificate under 14 CFR part 119 to conduct a flight for a fractional owner under part 135 or 121 if the program aircraft is also listed on that certificate holder's operations specifications for part 135 or 121. If there is a difference between the part 91K requirements (operations/flightcrew/company requirements, etc.) and part 135 or 121, as applicable, the flight must comply with the rules applicable to that particular flight.

c. Operating Under Part 121 or Part 135 Instead of Part 91K. There are a number of scenarios under which a flight will be conducted under either part 121 or 135 instead of under part 91:

(1) There may be business or tax benefits for the purchase of an aircraft; however, the owner may not want the operational control responsibility or liability inherent in a fractional ownership program. In such cases the owner will not sign the operational acknowledgment

required by part 91, § 91.1013. Instead, the owner can elect to have all of his or her flights conducted under air carrier rules, provided the program manager also holds a certificate under part 119 to operate under either part 121 or 135.

(2) If a non-program aircraft is used to substitute for a program flight, the flight must be conducted under part 121 or 135.

(3) If a person or property is carried for compensation or hire, or the carriage of persons does not meet the exceptions listed in part 91, §§ 91.501 and 91.321 the flight must be conducted under either part 121 or 135.

(4) If an owner exceeds the number of flight hours associated with the fractional owner's share of ownership, the additional flights must be conducted under either part 121 or 135 unless the owner purchases additional shares.

(5) If a person sells or leases an aircraft interest in a fractional ownership program that is smaller than the minimum fractional ownership interest, flights associated with that interest must be operated under either part 121 or 135.

d. Fractional Ownership Business Model. An operator electing to use a fractional ownership business model, but conducts all flights under part 121 or 135, as applicable, must meet the following criteria:

- Be certificated under part 119 to conduct operations under either part 121 or 135,
- Inform the owners that owner flights must be conducted under either part 121 or 135, as applicable,
- The provisions of part 91K, including operational control responsibilities and acknowledgements do not apply, and

e. Other Shared Aircraft Ownership/Arrangements. Any shared aircraft ownership or management arrangements that do not fit within the regulatory definitions or applicability of part 91K should be reviewed to determine the appropriate regulatory requirements (e.g., a shared aircraft arrangement where the owners pilot their own aircraft might more appropriately fit the definition of a flying club or other ownership option not subject to part 91). Operations that involve compensation should be closely examined to determine if they can be operated under the provisions of § 91.501 (interchange, joint ownership, or time share); under exceptions to part 119, 121, or 135; or whether they are subject to the rules applicable to air carriers or commercial operators. Programs marketed as fractional ownership programs that do not meet the regulatory definitions of a fractional ownership program should not continue to market the programs as a fractional ownership program. These programs are encouraged to change their marketing names to reflect the appropriate regulatory requirements.

201. DISCUSSION OF FRACTIONAL OWNERSHIP PROGRAM ELEMENTS. This paragraph provides additional information and guidance on elements of a fractional ownership program.

a. Two or More Airworthy Aircraft. To establish the dry-lease exchange provision of the program, at least two aircraft are necessary. A program with a single aircraft and multiple owners does not meet the definition of fractional ownership and is more appropriately classified as either a joint ownership, partnership, or another form of shared aircraft ownership. An aircraft that is briefly or temporarily unairworthy because of mechanical failure or required maintenance or inspection does not affect this definition of airworthy aircraft or the ability of the program to continue to operate under part 91K.

b. One or More Owners per Fractional Ownership Program Aircraft, with at Least One Aircraft Having More Than One Owner. The owners' names are depicted on an aircraft's registration certificate. A long-term lease arrangement is considered to be a method of financing an ownership interest and is considered equivalent to an ownership interest.

c. Possession of a Minimum Fractional Ownership Interest in One or More Program Aircraft by Each Fractional Owner. A substantive ownership interest is the essential element to validate fractional ownership as a private operation under part 91. A minimum share is at least $1/16^{th}$ for a subsonic, fixed-wing or powered-lift fractional ownership program; aircraft or at least $1/32^{nd}$ for a rotorcraft fractional ownership program aircraft. Programs that provide more than 16 owners per aircraft, including subleased shares that result in an ownership interest smaller than $1/16^{th}$, or $1/32^{nd}$ for rotorcraft, must operate under either part 121 or 135, as applicable. Ownership interests are converted to a number of hours based on a predetermined ratio or formula. Each owner's use of the program aircraft cannot exceed the ownership share. Other methods of allocating owner's hours of use may include a points system or allocated number of days of use, provided the formula is predetermined and equates to hours of use, and the owner's use does not exceed the ownership share. The need for additional hours or use can be obtained through a number of means, including:

- Charter,
- Purchase of additional shares within that program, and
- Purchase of additional aircraft outside of that program.

d. Aircraft Owned in Whole or Part by the Program Manager. A program manager may own an entire aircraft or shares in an aircraft, which are used to supplement the program. These aircraft are referred to as "core aircraft." For example, the program manager may own shares of an aircraft during initial establishment of a program or may buy back shares in accordance with contract requirements. The percentage of core aircraft in a fleet may vary; however, this percentage should be a minority percentage, except during the initial inception of the program. Core aircraft must be included in the dry-lease exchange agreement.

e. Contracts and Program Agreements. An owner and program manager will sign contracts concerning the sale or long-term lease of the aircraft, provision of management services, and for the dry-lease exchange provisions of the program. Program agreements are multiyear agreements. The regulation does not specify the number of years in a multiyear contract; however, the industry average is 3–5 years.

(1) Required Contracts and Agreements.

(a) Management Contract. The management contract must include:

1. Requirements for the program manager to comply with specified regulations.

2. The owners' right to audit program records directly related to the operational safety of the program, and compliance with management specifications (MSpecs) and applicable regulations.

3. The designation of the program manager as the owner's agent for service. Normally most correspondence, program approvals and coordination, and other contact will take place between the Federal Aviation Administration (FAA) and the agent for service or identified points of contact.

4. Acknowledgement of the FAA's right to directly contact an owner(s), if the Federal Aviation Administration (FAA) determines that direct contact is necessary.

5. An operational control acknowledgement must be included with the management contract.

(b) Dry-Lease Aircraft Exchange Agreement Among All the Owners. The Dry-Lease Exchange Agreement requires all owners to provide their share of their aircraft to other owners in the program. The agreement also includes core aircraft. It allows an owner to use any aircraft in the "program aircraft pool" for that program manager or affiliate of that program manager. An owner's share of an aircraft equates to a predetermined number of flight hours, or ratio of flight hours, in the type or types of aircraft in the program fleet. The dry-lease exchange provision applies to affiliate programs, but does not allow the dry-lease exchange among other fractional ownership programs that are not affiliates.

(2) Contract and Agreement Review. The program manager is responsible to prepare, execute, and maintain all required program agreements and contracts. The owner is responsible to review and sign all required program agreements and contracts. The program manager does not need to submit these documents for FAA approval. The FAA retains the right to inspect all program contracts and agreements. The program manager must certify to the FAA that these agreements and contracts have been executed and contain the provisions required under part 91K.

NOTE: See Appendix 3 for a copy of the Certification of the Execution of Agreements.

(3) Amendments to Contracts and Agreements. The program manager may amend required contracts and agreements without FAA notification or reissuance of the Certification of the Execution of Agreements as long as they contain the provisions required under part 91K. The program manager is required to maintain the current contracts and agreements.

202. OPERATIONAL CONTROL.

a. Part 91, §§ 91.1009 through 91.1013. These sections set forth operational control responsibilities inherent in a fractional ownership program.

(1) An individual owner is in operational control when he or she directs the carriage of people or property, and the aircraft is carrying those people or property. That owner has operational control regardless of whether he or she owns the aircraft, or uses it under the dry lease exchange agreement.

(2) The program manager has operational control when using the aircraft for administrative purposes such as training, sales demonstration, ferry, or positioning flights.

(3) A part 135 or 121 air carrier has operational control when it leases and operates a program aircraft.

b. Fractional Owner. The fractional owner is ultimately responsible for safe operations and compliance with the regulations. The owner(s) may delegate the performance of tasks to the program manager and can rely on the program manager for aviation expertise and management services, but an owner cannot delegate his or her operational control responsibilities. When tasks are delegated, both the owner and the program manager are jointly and individually responsible for compliance. Enforcement of violations of the regulations could penalize the fractional owner, the program manager, or both, depending on the nature of the violation, and will be reviewed on a case-by-case basis. Enforcement could result in suspension or revocation of MSpecs, which could ultimately affect all owners in the program.

c. Acknowledgment of Owner's Operational Control Responsibilities. At the time an owner initially signs, renews, or extends a management contract, the program manager must brief the owner on the owner's operational control responsibilities. At this time, the owner must sign an "Acknowledgment of Owner's Operational Control Responsibilities." The owner's signature serves as an affirmation that he or she has read, understands, and accepts the operational control responsibilities. The Acknowledgment must:

(1) Define when a fractional owner is in operational control.

(2) Define the owner's responsibilities and liabilities under the program. These include:

- Responsibilities for compliance with MSpecs and applicable regulations, including owner prohibitions and limitations;
- Enforcement actions for noncompliance; and
- Liability risks in the event of a flight-related occurrence that causes personal injury or property damage.

203. OWNER PROHIBITIONS AND LIMITATIONS. There are certain prohibitions and limitations on an owner specified in part 91K that should be addressed in program contracts and agreements. These include:

a. An owner cannot carry persons or property for compensation or hire on a program flight except for the carriage of candidates in Federal, State, and local elections or as provided in the exceptions listed in § 91.501.

b. During the term of the multiyear agreement an owner's flight hours are limited to the total hours associated with his or her share of ownership.

c. Prohibits the sale or lease of aircraft interest that is lesser than the "minimum fractional ownership interest" unless the flights associated with that interest are operated under either part 121 or 135 and are conducted by an air carrier or commercial operator certificated under part 119.

CHAPTER 3. APPLICATION PROCESS

300. PROCESS OVERVIEW.

a. The Application Process. The application process is designed to ensure that you, the prospective program managers and owners, understand and are capable of fulfilling this duty. If satisfactorily completed, the application process will ensure that you comply with Title 14 of the Code of Federal Regulations (14 CFR), Title 49 of the United States Code (49 U.S.C.) and all other applicable regulations.

b. Qualifications for 14 CFR Part 91 Subpart K (Part 91K) Management Specifications (MSpecs).

(1) There are five phases in the application process which consists of the following:

- Preapplication,
- Formal application,
- Document compliance,
- Demonstration and inspection, and
- Documentation.

(2) Included in the five phases are three gates. The three gates are points in the process at which requirements must be met before proceeding to the next part of the application process.

NOTE: See Appendix 4 for additional guidance on the Five Phases of Application and Requirements of the Gate System for part 91K.

NOTE: Certain cases may dictate that the guidance and suggested sequence of events in this advisory circular (AC) be modified. In such situations, the fractional program manager and the local Flight Standards District Office (FSDO) should consider existing conditions and circumstances. The Federal Aviation Administration (FAA) will not issue MSpecs until it determines that: (1) all requested authorizations can be conducted in a safe manner; and (2) all applicable FAA regulations, guidance, and policy have been complied with.

301. PHASE 1—PREAPPLICATION. A prospective part 91K applicant should plan as far in advance as possible so that the formal application is submitted no less than 90 days before the anticipated start of operations. As an applicant, you should contact the nearest FSDO and inform them of your intent to apply for MSpecs. You will be asked to schedule an appointment to discuss the proposed operation and to meet with an FAA representative.

NOTE: See the FAA Web site: http://www.faa.gov/about/office_org/field_offices/fsdo/ to locate your nearest FSDO.

a. Initial Contact Meeting. The FAA will use this meeting to ensure that you fully understand the application process by providing detailed explanations of specific requirements. Key management personnel must attend this meeting and be prepared to discuss, in general

terms, the plans of the proposed operation. Many problems can be avoided by discussing all aspects of the proposed operation and the requirements that must be accomplished before being issued MSpecs by the FAA.

(1) At this meeting FSDO personnel will brief you on the basic information and general application requirements. If you intend to proceed with the application process, complete and sign a statement of intent (SOI) and return it to the FSDO.

NOTE: See Appendix 5 for an example of a SOI.

(2) The FSDO will review the phases and gates concept with you, as depicted in Appendix 4. Emphasis should be placed on the importance of thorough familiarization with the gate system before continuing with the process.

(3) The FSDO should provide you with an application package that includes the following documents, or direct you to the FAA Web site to retrieve these documents. (Refer to chapter 1, paragraph 102 for a list of Web sites from where to retrieve many of the documents):

(a) Applicable sections of FAA Order 8900.1, Flight Standards Information Management System (FSIMS), including associated notices and bulletins.

(b) Applicable FAA orders.

(c) Fractional ownership rule and preamble.

(d) SOI (see Appendix 5).

(e) Parts 91, 119, 121, and 135, as applicable.

(f) Schedule of Events (SOE) that outlines the approval process (see Appendix 6).

(4) Be prepared to discuss, in general terms, the plans of your proposed operation.

b. Second Meeting/Contact. During the second meeting, you should be prepared to:

(1) Identify locations for training, maintenance, and principal base of operations.

(2) Submit documentation to substantiate a fractional ownership program or business plan.

(3) Submit the completed SOI.

(4) Submit proposed application SOE.

(5) Identify management representatives.

c. Once the FSDO has accepted everything in the preapplication phase and all Gate 1 requirements have been met, you may begin Phase 2.

302. PHASE 2—FORMAL APPLICATION. Under the regulations, an application for MSpecs must be made in a form and manner acceptable to the FAA. You should make a formal application by a letter that includes a request to be issued MSpecs to conduct operations under part 91K. The letter should include a mailing address and indicate the full name, title, and address of the designated agent for service, if other than you. Paragraph 303 lists the items addressed in the attachments that must accompany the formal application letter.

a. You should submit the formal application at least 90 days before operations will begin, and preferably as far in advance of the proposed startup date as possible. When you have fully developed the formal application, forward it to the assigned FSDO.

b. The FAA will notify you by letter whether it accepts or rejects your formal application. FAA acceptance of a formal application does not constitute approval or acceptance of individual attachments. These documents will be thoroughly evaluated during subsequent phases of the application process. If the formal application is not accepted, it will be returned with a written explanation of the reasons for its return.

(1) Application Processing. At this time, the FSDO will form an application team and assign an inspector as the project manager. The project manager will be your point of contact at the FSDO for all matters related to your application.

(2) FSDO Team Actions. After you submit your application, the FSDO team will:

(a) Review the application package to confirm that it contains the required information and attachments. If there are omissions or errors, the team will return the formal application and all attachments to you with a letter outlining the reasons for its return.

(b) Initiate electronic MSpecs installation and training.

Note: In 2009, MSpecs will be issued under WEBOPSS.

(3) Formal Application Meeting. Once the application team has reviewed your application, it will schedule a formal application meeting. All of your key management personnel should attend the formal application meeting. If you have a comprehensive understanding of the requirements of part 91K, you should be able to resolve any omissions, deficiencies, or open questions during this meeting. The meeting will focus on the practicality of the SOE. The FAA team will fully discuss and explain the subsequent phases of the application process. You should ask for clarification of any item or event that you do not clearly understand.

303. FORMAL APPLICATION ATTACHMENTS.

a. Management Personnel Documentation. Identify personnel authorized to sign MSpecs and designated as a company points of contact. Additionally, if you request a Continuous Airworthiness Maintenance Program (CAMP), you must provide a résumé outlining the qualifications and experience for applicable management personnel.

b. Requests for Deviations. Part 91K permits you to request a deviation from certain regulations. The formal application should include the requested deviations and supporting justification. The only permissible deviations to part 91K are:

- Part 91, § 91.1041(g), proving tests—reduction of proving test hours,
- Part 91, § 91.1049(b), single-pilot operations,
- Part 91, § 91.1049(d), two-pilot operations,
- Part 91, § 91.1053, crewmember flight experience requirements,
- Part 91, § 91.1055, crew pairing requirements,
- Part 91, § 91.1063(b), part 121 training requirements, and
- Part 91, § 91.1063(c), part 135 training requirements.

c. Program Operating Manual (POM). This manual or sections of manuals contain information about your general policies, duties, responsibilities of personnel, operational control policy, and procedures. Part 91K requires that your manuals include instructions and information that allow your personnel to perform their duties and responsibilities. You should provide a draft outline of the major parts of all required manuals before Gate II.

NOTE: This draft outline will help ensure that all required material is accounted for and that the major parts of any incomplete manual are listed in the SOE with proposed dates for submission to the FAA.

(1) POM General Requirements.

(a) Part 91, § 91.1023 requires you to prepare and keep current a POM that sets forth procedures and policies acceptable to the FAA. As applicable, the manual must contain the contents required by part 91, § 91.1025 in enough detail so that your flight, ground, and maintenance personnel may properly perform their assigned duties. During the preparation of the POM, you should ensure that no conflict with the regulations exists that would prevent the FAA's acceptance of the POM.

(b) You are responsible for developing the policy and procedures contained in the POM. The district office will provide you with guidance for developing your POM, should time and resources be available. The district office will not draft, or otherwise prepare, nor accept responsibility for developing the content of the manual. Acceptance of the POM depends upon your organizational ability to develop and manage your proposed operation.

(c) The FAA will review and accept your POM to ensure that it meets the requirements of part 91K.

(d) Program managers that are also certificated to operate under part 121 or 135 may be authorized to use the operating manual required by those parts to meet the program operating manual required by part 91K provided the policies and procedures are consistent for both operations, or, when the policies and procedures are different, the applicable policies and procedures are identified and used.

NOTE: MSpec MA059, Authorization to Use Alternate Manuals, Programs, or Systems, provides information about authorization for alternate manuals, programs, and systems.

(2) POM Revisions. Usually, the program manager initiates POM revisions; however, the FAA may require changes in accordance with § 91.1025. You must have a system that ensures all manuals, publications, checklists, and airport analyses that are continually revised are kept current and have a means to ensure regulatory compliance. You may amend your manuals and incorporate new or revised policies and procedures, provided they comply with the appropriate regulations.

(a) The FAA will review and approve all revisions to the MSpecs you make before you distribute and use the approved material.

(b) The program manager should not distribute sections of the POM that require approval without first obtaining such approval from the FAA.

(c) The program manager should establish procedures for manual system distribution. You must copy the manual(s) or the appropriate portions of the manual (including revisions) available to all of the program crewmembers, maintenance, and ground operations personnel. You must also issue a copy of the POM to the FAA. Each individual issued a POM, or appropriate portions, must keep it up to date with all revisions, as required by part 91, § 91.1023(a).

(d) When you revise the POM, the manual should have a tracking system to record the revisions made to the manual, the date the revision was inserted into the manual, and the date the revision became effective. Manual users should keep a record of manual revisions to provide evidence of currency. As of the effective date of a revision, all people required to have such revisions should have received and inserted the revision or the manual holder will be considered to have noncurrent manuals.

(3) Components of the POM. Section 91.1025 requires you to include the following in the POM:

- Weight and balance procedures;
- Applicable sections of the MSpecs;
- Accident notification requirements;
- Procedures ensuring the pilot in command (PIC) knows that the required maintenance inspections have been completed;
- PIC reporting and recording of mechanical irregularities before, during and after flight;
- PIC procedures regarding previous flight irregularities or deferred items;

- PIC procedures for maintenance and servicing of the aircraft at out stations and/or acting in behalf of the operator;
- Minimum equipment list (MEL) procedures;
- Refueling procedures;
- Passenger briefings;
- Crewmember emergency procedures;
- Approved aircraft inspection program, if applicable;
- Evacuation procedures for persons needing assistance;
- Performance planning;
- Destination Airport Analysis Program (DAAP), if applicable;
- Maintenance recordkeeping;
- Flight locating and scheduling procedures; and
- Other procedures and policy required by the FAA or deemed necessary by the program manager.

d. Aircraft Inspection Program/Maintenance Manual. See Appendix 7.

e. Internal Safety Reporting Procedures and Incident/Accident Response Procedures, 14 CFR § 91.1021. For additional information, see AC 120-92, Introduction to Safety Management Systems for Air Operators.

f. Training Program. The training curriculum must be attached to the formal application letter. If authorized by the FAA, § 91.1063 allows a program manager to comply with the applicable training and testing sections of part 121 or 135, except for the operating experience requirements, instead of part 91, §§ 91.1065 through 91.1107. Training curricula must include at least the following curriculum segments appropriate to each crewmember position:

- Basic indoctrination training,
- Emergency training,
- Initial aircraft ground/flight training,
- Upgrade/Transition/Recurrent/Requalification training,
- Differences training, and
- Hazardous materials recognition.

g. Aircraft Operations Manual (AOM). An AOM is not required for part 91K operators who choose to use the manufacturers approved Aircraft Flight Manual (AFM). The AFM is not

required to be attached to the application; however, a current AFM must be available for review during the demonstration and inspection phase.

h. MEL/CDL.

(1) Part 91, § 91.1115 provides for the use of an approved MEL to allow the fractional ownership program manager to operate its aircraft with certain inoperable equipment and instruments. Your operating manual will describe how your personnel will use the approved MEL. The manual will contain instructions and procedures for guidance of flight and ground personnel, including a procedure to properly evaluate the existing conditions to ensure the release of a safe aircraft.

(2) You must apply to your FSDO for authorization to use an MEL approved under part 91K.

(3) If you use an aircraft that does not have an FAA-approved Master Minimum Equipment List (MMEL), you should apply to your FSDO if you desire to use an MEL. In the application, you should specify the instruments and equipment to be included in the aircraft's MMEL. The FAA FSDO will forward the request to the Flight Operations Evaluation Board (FOEB) for consideration.

(4) If you operate aircraft under part 91K and parts 121, 125, or 135, and have an approved MEL under part 121, 125, or 135, you must use that MEL for part 91K operations.

i. Initial Compliance Statement.

(1) Preparation of the compliance statement benefits the applicant by systematically ensuring that all applicable regulatory aspects are appropriately addressed during the application process. The compliance statement should be in the form of a complete listing of all appropriate 14 CFR sections pertinent to the operation the applicant is proposing. This list should reference applicable subparts and each relevant section of the subparts. Next to each subparagraph, the applicant must provide a specific reference to a manual or other document, and may provide a brief narrative description of how the applicant will comply with each regulation. This statement also serves as a master index to the applicant's manual system to expedite the FAA's review and approval of the operation and manual system. The compliance statement is a living document that must be updated as changes are incorporated in the applicant's system.

(2) Where the compliance information has been developed (e.g., the manual material submitted with the formal application), a manual reference or description of the method of compliance must be entered next to the applicable regulatory section.

(3) Present the list of the specific regulations and subparts, including all subparagraphs, in the manner prescribed below:

(a) Example 1, Compliance Statement. Part 91, § 91.1035, Passenger Awareness.

1. Content of Passenger Briefing: POM p. 217, par. 237.

2. Briefing of Persons needing assistance: POM p. 218, par. 238.

3. Advising passengers of entity in operational control: POM p. 219, par. 239.

4. Requirement for Passenger briefing conducted by PIC or another crewmember: POM p. 220, par. 240.

5. Use of an approved recording playback device for passenger briefing: POM p. 221, par. 241.

6. Printed briefing cards: Attached example of briefing card: POM p. 222, par. 242.

(b) Example 2, Compliance Statement. Part 91, § 91.1025(e), Program Operating Manual Contents. The POM, page 37-5, paragraph 35, instructs the PIC on the requirements for, and methods of completing, the aircraft discrepancy log. The PIC must review the log before each flight and ascertain the status of each previous entry. The GMM page 58-33, paragraph 665(1)(A), instructs maintenance personnel on the requirement to record discrepancies discovered during preflight checks and other types of checks.

j. Cockpit Checklist, 14 CFR, § 91.1033. (Including emergency, if applicable.)

k. Passenger Briefing Cards. For additional information, see AC 121-24, Passenger Safety Information Briefing and Briefing Cards.

l. Flight and Rest Scheduling Program. If authorized, a program manager may use the applicable unscheduled flight time limitations, duty time limitations, and rest restrictions of either part 121 or 135 instead of the flight time, duty time and rest requirements of part 91K. A program manager does not have to additionally hold an air carrier/commercial operator certificate to use the flight, duty, and rest rules of part 121 or 135. This provision is authorized by MSpecs.

m. Hazardous Materials Recognition Program 14 CFR, § 91.1085.

n. Certification of the Execution of Agreements and Acknowledgment of Owner's Operational Control Responsibilities. It is not necessary to submit copies of all the required contracts or owner's operational control acknowledgments. The program manager can certify that the contracts and agreements contain the regulatory elements. The FAA reserves the right to inspect contracts and acknowledgment forms. See Appendix 3 for a copy of this document.

o. Pilot Safety Background Checks and Procedures.

p. Drug and Alcohol Misuse Education Program.

(1) Each direct employee and/or contract employee must receive drug and alcohol misuse education, which will include:

(a) Effects and consequences of drug use and alcohol misuse on personal health, safety, and work environment.

(b) Manifestations and behavioral cues that may indicate drug use and alcohol misuse and abuse.

(2) Materials can be obtained from:

(a) Private and public organizations.

(b) Web sites on drug and alcohol misuse and abuse such as: http://www.faa.gov/about/office_org/headquarters_offices/avs/offices/aam/drug_alcohol/policy/ and http://www.dot.gov/ost/dapc/.

(3) Fractional ownership employees may only be tested under their company's authority. Department of Transportation (DOT)/FAA regulations only cover employees performing safety-sensitive functions for:

- Part 121 Air Carrier,
- Part 135 Commuter and On-Demand Operations, and
- Part 135.1(c) Sightseeing Operations.

(4) Company drug and alcohol testing programs must be separate and distinct from the DOT drug and alcohol testing program.

(5) Fractional owners are prohibited from using Federal Custody and Control Forms and Alcohol Testing Forms for non-DOT drug and alcohol tests.

(6) When in need of emergency maintenance (as defined in part 91, § 91.1047) fractional ownership companies must first exhaust options of attaining maintenance personnel who have already received drug and alcohol misuse education before performing emergency maintenance on an aircraft.

q. Load Manifest Form. Each program manager is responsible for the accurate preparation of a load manifest form in duplicate before each takeoff. The PIC of the aircraft for which the manifest was prepared must carry the manifest to its destination. It must include the following information:

(1) The number of passengers;

(2) The total weight of the loaded aircraft;

(3) The maximum allowable takeoff weight for that flight;

(4) The center of gravity limits;

(5) The center of gravity of the loaded aircraft, except that the actual center of gravity need not be computed if the aircraft is loaded according to a loading schedule or other approved

method that ensures that the center of gravity of the loaded aircraft is within approved limits. In those cases, an entry on manifest must indicate that the center of gravity is within limits according to a loading schedule or other approved method;

(6) The registration number of the aircraft or flight number;

(7) The origin and destination; and

(8) Identification of crewmembers and their crew position assignments.

r. List of All Fractional Owners and Associated Aircraft. This list must contain the names of all fractional owners and types of aircraft, and aircraft registration markings and serial numbers. The list can be contained in the program manager's management specifications, or kept at the principal base of operations or other approved location and referenced in the MSpecs.

s. SOE. The SOE lists the items, activities, programs, and aircraft and/or facility acquisitions that you must accomplish or make ready for FAA inspection before application. It must include your best estimate of the date you will acquire each item or accomplish each event, including a planned start and completion date. These estimated dates must be logically sequenced. For example, your training programs must be approved before beginning crewmember training. When FAA approval is required before beginning a subsequent event or item, you should allow at least 30 days for the FAA to review, inspect, and approve each item or event. Failure to accomplish an item or event in a satisfactory manner, or in accordance with the SOE, could delay the issuance of MSpecs. If at any time during the application process you find it necessary to revise the SOE, you should notify the FAA project manager as soon as practical. See Appendix 6 for a sample SOE for part 91K.

t. Other Programs, Manuals, and Material. The following is a list of additional programs, manuals, and material that may apply to the fractional ownership program:

(1) Configuration Deviation List (CDL).

(2) Environmental Review.

(3) Destination Airport Analysis Program. Required for turbine-engine-powered, large, transport-category airplanes in accordance with part 91, § 91.1037(c) (80 percent rule). See Appendix 8 for further guidance.

(4) Proving and/or validation test plan.

(5) Continuous analysis and surveillance system for aircraft maintained under a CAMP. (See Appendix 7 for further guidance).

(6) Flight Locating Program

(7) Other requested authorizations.

NOTE: The FAA does not require applicants to submit security programs; however, the Transportation Security Administration (TSA) may require a security program. For further guidance please check the TSA Web site at: www.tsa.gov.

304. PHASE 3—DOCUMENT COMPLIANCE.

a. The FSDO team will:

(1) Conduct an extensive review of your application package.

(2) Brief you on the findings as the review progresses. You will need to make revisions, as necessary.

b. After any required revisions are made, the FSDO team will:

(1) Review your revised documents and approve, accept, or recommend revisions as necessary.

(2) Conduct a formal meeting with you to review your document revision plans and the plans for proving and validation tests, if required.

NOTE: These documents may include paper representation of data intended for display on the airplane; for example, electronic checklists or approved flight manuals. Guidance on the use of electronic checklists is provided in AC 120-64, Operational Use and Modification of Electronic Checklists. Operators' use of electronic checklists should be consistent with the provisions of AC 120-64 (as amended).

305. PHASE 4—DEMONSTRATION AND INSPECTION.

a. Section 91.1041 requires you to demonstrate the ability to comply with regulations and safe operating practices before you begin operations. These demonstrations include actual performance of activities and/or operations while being observed by FAA inspectors, and on-site evaluations of aircraft maintenance equipment and support facilities. During these demonstrations and inspections, the FAA evaluates the effectiveness of the policies, methods, procedures, and instructions (as described in your manuals and other documents). The FAA will focus on your management effectiveness during this phase and identify any deficiencies. You must take corrective action before the FAA will issue MSpecs.

b. The following list provides examples of the types of items, equipment, facilities, and activities evaluated during the demonstration and inspection phase. This list is not all-inclusive, and certain items may not apply to a particular type of operation:

(1) Conduct of training programs (e.g., classroom, simulators, aircraft, crewmember training, scheduling or flight release personnel training, and maintenance personnel training).

(2) Crewmember testing (e.g., pilots, Flight Attendants (F/A), as applicable).

(3) Facilities (e.g., equipment, procedures, and personnel).

(4) Recordkeeping procedures (e.g., documentation of training, flight and duty times, flight papers).

NOTE: Program managers that are also certificated to operate under part 121 or 135 may satisfy the recordkeeping requirements of part 91, §§ 91.1027 and 91.1113 with records maintained to fulfill equivalent obligations under part 121 or 135.

(5) Flight Scheduling and Locating.

(6) Maintenance and inspection programs (e.g., procedures, recordkeeping).

(7) Maintenance facilities (e.g., personnel, procedures, technical information, spare parts, equipment, fueling).

(8) Aircraft (e.g., conformity inspection and aircraft maintenance records, AFM).

(9) MEL and CDL (e.g., compliance with operating and maintenance procedures, if applicable).

(10) Weight and balance procedures (e.g., accuracy, and document control).

(11) Operating information. (To include checklists and charts.)

306. PROVING/VALIDATION TESTING.

a. General. Proving tests are conducted to allow you to demonstrate your capability to operate a specific type of aircraft within the scope of the proposed MSpecs and applicable sections of the regulations. When the FAA conducts validation testing it scrutinizes the applicable portions of your proposed procedures, operational control, training programs, manuals, facilities, and maintenance programs. The FAA conducts validation tests so that you can demonstrate your proficiency to operate:

(1) Over specific areas of operation, while using specific navigational equipment.

(2) Within specified limitations in critical areas.

(3) A new program aircraft that is not considered similar to a previously proven aircraft.

(4) Procedural or operational authorizations.

NOTE: Refer to FAA Order 8900.1 for additional guidance.

NOTE: Proving and validation tests conducted under part 121 or 135 may be used to justify a partial or complete deviation to the proving and validation test requirements of part 91K. Conversely, proving and validation tests

under part 91K can be used to justify a partial or complete deviation to the proving and validation test requirements of part 121 or 135.

b. Before any proving and validation tests, you must:

(1) Have all manuals reviewed and discrepancies corrected and approved or accepted, as required.

(2) Have your training programs initially approved and sufficient personnel trained.

(3) Have your inspection/maintenance programs approved and conformity checks satisfactorily completed.

(4) Have your proving and validation test schedule reviewed and accepted.

(5) Have all other discrepancies and open questions satisfactorily resolved.

NOTE: See table 3-1 below to determine if proving and/or validation testing are applicable.

TABLE 3-1. PROVING AND VALIDATION TESTING TABLE

Steps	**Two-Pilot "Aircraft" by Type Certificate (Non-Turbojet)**			**Turbojet Airplane**	
PROVING TESTS/FLIGHTS **1. Initial Aircraft Type** Each Requires a Proving Test if not previously authorized on MSpecs/OpSpecs	**Airplane**		**Rotorcraft/ TiltRotor**	**Airplane**	
VALIDATION TESTS/FLIGHTS **2. Each Additional A/C Type**	**≤ 99,000 lb MGTOW** Validate Additional Authorizations	**> 99,000 lb MGTOW** Validate each "Type Rating" and Validate Additional Authorizations	Validate each "Type Rating" and Validate Additional Authorizations	**≤ 99,000 lb MGTOW** Validate Additional Authorizations	**> 99,000 lb MGTOW** Validate each "Type Rating" and Validate Additional Authorizations

Notes: (applies to all aircraft)

- A table of authorizations that require procedural and/or flight validation testing for aircraft operating under part 91K, and part 135 can be found in FAA Order 8900.1, Flight Standards Information Management System.
- MGTOW based upon the MGTOW contained in the original aircraft type certificate.

307. PHASE 5—DOCUMENTATION.

a. MSpecs Approval. After the applicant has satisfactorily completed the document compliance, demonstration, and inspection phases (including proving and validation testing, as applicable), the FAA project manager will prepare, approve and sign the applicable MSpecs. The MSpecs contain authorizations, limitations, and provisions specific to an applicant's operation. Any fractional ownership applicant must request access to the Industry Operations Specifications Subsystem (OPSS/WEBOPSS). The FAA will work with the applicant to develop appropriate MSpecs. Access to OPSS/WEBOPSS requires the creation of an AVS user account. Before applying for the digital signature, applicants should complete the AVS New User Request Form for Industry OPSS/WEBOPSS found in Appendix 9, and have their principal inspector (PI) forward the completed form to '9-awa-afs-opssprob@faa.gov, as the PI needs to approve the request for access. Direct questions regarding this process to the OPSS Support Center (405) 954-7272.

Note: In 2009, MSpecs will be issued under WEBOPSS.

b. Owner/Program Manager. The owner/program manager are jointly responsible for continued compliance with the regulations and authorizations, limitations, and provisions of its MSpecs. When the owner/program manager operation changes, the MSpecs will be amended accordingly. The process for amending MSpecs is similar to the application process, but may be a less complex procedure, depending on the requirements of the amendment. In accordance with part 91, § 91.1019, the FAA is responsible for periodically inspecting the owner/fractional program manager's operation to ensure continued compliance with the regulations and safe operating practices.

NOTE: Once MSpecs have been issued to the operator and operations have commenced, amended MSpecs must be approved by the POI before the implementation of the specific request.

308. FAA Oversight. Part 91K operations are subject to equivalent FAA oversight as part 135 air carriers, except for cabin and cockpit en route inspections, and line checks. FAA Order 8900.1 contains guidance that outlines the required inspections and requirements that must be accomplished before beginning operations and for continued operations.

APPENDIX 1. DEFINITIONS.

NOTE: Definitions of a fractional ownership program and the elements of that program are contained in part 91, § 91.1001. These definitions are summarized below and are the basis for additional discussion of program elements and requirements contained in this document.

1. AFFILIATE OF A PROGRAM MANAGER. A manager that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another program manager. The holding of at least 40 percent of the equity and 40 percent of the voting power of an entity will be presumed to constitute control for purposes of determining an affiliation.

2. DRY-LEASE AIRCRAFT EXCHANGE. An arrangement, documented by the written program agreements, under which the program aircraft are available on an as-needed basis without crew to each fractional owner.

3. FRACTIONAL OWNER OR OWNER. An individual or entity that possesses a minimum fractional ownership interest in a program aircraft and that has entered into the applicable program agreements; provided, however, that in the case of the flight operations described in part 91, § 91.1001(b)(6)(ii), and solely for purposes of requirements pertaining to those flight operations, the fractional owner operating the aircraft will be deemed to be a fractional owner in the program managed by the affiliate.

4. FRACTIONAL OWNERSHIP INTEREST. The ownership of an interest or holding of a multiyear leasehold interest and/or a multiyear leasehold interest that is convertible into an ownership interest in a program aircraft.

5. FRACTIONAL OWNERSHIP PROGRAM OR PROGRAM. Any system of aircraft ownership and exchange that consists of all of the following elements:

a. The provision for fractional ownership program management services by a single fractional ownership program manager on behalf of the fractional owners.

b. Two or more airworthy aircraft.

c. One or more fractional owners per program aircraft, with at least one program aircraft having more than one owner.

d. Possession of at least a minimum fractional ownership interest in one or more program aircraft by each fractional owner.

e. A dry-lease aircraft exchange arrangement among all of the fractional owners.

f. Multiyear program agreements covering the fractional ownership, fractional ownership program management services, and dry-lease aircraft exchange aspects of the program.

6. FRACTIONAL OWNERSHIP PROGRAM AIRCRAFT OR PROGRAM AIRCRAFT.

a. An aircraft in which a fractional owner has a minimal fractional ownership interest and that has been included in the dry-lease aircraft exchange pursuant to the program agreements; or

b. In the case of a fractional owner from one program operating an aircraft in a different fractional ownership program managed by an affiliate of the operating owner's program manager, the aircraft being operated by the fractional owner, so long as the aircraft is:

(1) Included in the fractional ownership program managed by the affiliate of the operating owner's program manager, and

(2) Included in the operating owner's program's dry-lease aircraft exchange pursuant to the program agreements of the operating owner's program.

c. An aircraft owned in whole or in part by the program manager or affiliate that has been included in the dry-lease aircraft exchange and is used to supplement program operations.

7. FRACTIONAL OWNERSHIP PROGRAM FLIGHT OR PROGRAM FLIGHT. A flight under part 91K when one or more passengers or property designated by a fractional owner are onboard the aircraft.

8. FRACTIONAL OWNERSHIP PROGRAM MANAGEMENT SERVICES OR PROGRAM MANAGEMENT SERVICES. Administrative and aviation support services furnished in accordance with the applicable requirements of part 91K or provided by the program manager on behalf of the fractional owners, including, but not limited to, the:

a. Establishment and implementation of program safety guidelines;

b. Employment, furnishing, or contracting of pilots and other crewmembers;

c. Training and qualification of pilots and other crewmembers and personnel;

d. Scheduling and coordination of the program aircraft and crews;

e. Maintenance of program aircraft;

f. Satisfaction of recordkeeping requirements;

g. Development and use of a program operations manual and procedures; and

h. Application for and maintenance of management specifications (MSpecs) and other authorizations and approvals.

9. FRACTIONAL OWNERSHIP PROGRAM MANAGER OR PROGRAM MANAGER. The entity that offers fractional ownership program management services to fractional owners, and is designated in the multiyear program agreements referenced in part 91, § 91.1001(b)(5)(vi) to fulfill the requirements of the rule applicable to program manager containing the aircraft being flown. When a fractional owner is operating an aircraft in a fractional ownership program

managed by an affiliate of the owner's program manager, the references in part 91K to the flight-related responsibilities of the program manager apply, with respect to that particular flight, to the affiliate of the owner's program manager rather than to the owner's program manager.

10. MINIMUM FRACTIONAL OWNERSHIP INTEREST.

(1) A fractional ownership interest equal to, or greater than, $1/16^{th}$ of at least one subsonic, fixed-wing or powered-lift program aircraft; or

(2) A fractional ownership interest equal to, or greater than, $1/32^{nd}$ of at least one rotorcraft program aircraft.

APPENDIX 2. FRACTIONAL OWNERSHIP VS. 14 CFR PART 135

NOTE: The following is a summary of the key differences between a fractional ownership program and 14 CFR part 135.

Fractional Ownership	Part 135
General	
The program is open *only* to owners in that program or affiliate programs. An air carrier must conduct leases or subleases of shares less than the minimum size. An owner cannot exceed the number of hours in excess of hours associated with a share. An owner cannot carry people or property for compensation or hire on a program flight.	A certificate holder can hold out to the public to provide transportation. No minimum or maximum hours specified.
Citizenship	
There is no citizenship requirement for program managers. Fractional owners must consider citizenship in the context of aircraft registration and reimbursement for use.	The certificate holder must be a U.S. citizen.
Contracts	
Multiple contracts are required defining operational control responsibilities, owner/ program manager responsibilities, dry-lease, etc.	There are no required contracts.
Purchase and Use	
Hours may not exceed total hours associated with share. Share size may not be smaller than $1/16^{th}$ for airplanes and $1/32^{nd}$ for helicopters. An air carrier must conduct a sale or sublease of a share less than the minimum size.	There is no maximum or minimum purchase or utilization. Charter can be purchased on a single trip basis or block charter.
Operational Control	
The owner is in operational control of a program flight when the owner has directed the flight and the aircraft is carrying those persons or property. The program manager has operational control on administrative flights, sales demos, positioning, ferrying, maintenance or crew training, and no passengers designated by the owner(s) are carried. If the aircraft is also used under 14 CFR part 121 or 135, that air carrier has operational control. The owner is ultimately responsible for safe operations and rule compliance. • Can delegate performance of tasks, but not the responsibility;	Air carrier has all responsibility for operational control.

Fractional Ownership	Part 135
• Can rely on the program manager for aviation expertise and aviation management services; • Signs acknowledgement of responsibilities; • Other required contracts; and • When tasks are delegated to program manager, the owner and program manager are jointly and individually responsible for compliance.	
Management Specifications (MSpecs)	
There is no certificate issued. The program manager receives MSpecs on behalf of the collective owners. Content similar to air carrier operations specifications (OpSpecs).	Certificate issued (14 CFR part 119). OpSpecs are issued to the air carrier.
Drug and Alcohol Testing Program	
Drug and alcohol misuse education program required. There is no drug and alcohol testing program required by regulation; however, may have company testing but must disclose differences between Federal Aviation Administration (FAA) and company testing programs to the owners. Must not use Federal forms.	Drug and alcohol testing program required by regulation.
Emergency Maintenance	
Can use maintenance personnel who have not received drug and alcohol misuse education. Reporting requirements apply.	Cannot use maintenance personnel who have not received drug and alcohol misuse testing. Reporting requirements apply.
Passenger Briefings	
Safety briefing similar to part 135. Must include name of person who has operational control.	Safety briefing required.
Load Manifest	
Required for all aircraft. Must also carry a written document that states the name of the entity having operational control on that flight and the part under which the flight is operated.	Required for multiengine aircraft.
Management Personnel	
There are no required management personnel or qualifications, but must designate points of contact/ people authorized to sign MSpecs. Certain management personnel are required for a Continuous Airworthiness Maintenance Program (CAMP).	Required management personnel (except for a single-pilot operation) • Director of Operations. • Chief Pilot. • Director of Maintenance.
Pilot Qualifications	
Must have adequate number of pilots per	No set number of pilots.

Fractional Ownership	Part 135
program aircraft to meet program needs. Two pilots required unless deviation issued. PIC must have 1,500 hours/second in command (SIC) 500 hours.	Pilot in Command (PIC) for instrument flight rules (IFR) must have 1,200 hours/airline transport pilot (ATP) or Commercial depending on type of aircraft and authorized operation. Single-pilot operations authorized. PIC for visual flight rules (VFR) must have 50 hours. PIC for IFR must have 1,200 hours. No regulatory time specified for SIC. "Eligible on-demand operator" must use two pilots—PIC 1,500 hours/SIC 500 hours.
Crew Pairing	
Crew pairing and operating limits required.	Crew pairing and operating limits required for "eligible on-demand operator" only.
Pilot Background Checks	
Check required.	Check required.
Scheduling/Flight Release	
Must have trained and qualified scheduling/ flight release personnel on duty.	Must have flight locating system. Specific personnel not specified.
Flight Duty/Rest	
Can use part 91K program or 135 or 121 flight, duty and rest program. Pilot/flight attendant schedules must be published in advance.	Part 135 flight/duty and rest requirements apply.
Performance	
Runway performance requirements specified. Can use "80 percent rule" with approved destination airport analysis program.	Runway performance requirements specified—Eligible on-demand operator can use "80 percent rule."
Proving/Validation Testing	
Proving and validation tests if applicable to aircraft and authorizations. Part 135 experience can justify deviations from proving and validation requirements.	Proving and validation tests if applicable to aircraft and authorizations. Fractional ownership experience can justify deviations from proving and validation requirements.
Maintenance Programs	
Will use part 135 program if aircraft also used in part 135 operation. Aircraft inspection program must be FAA approved. CAMP may be authorized. Maintenance training required.	Maintenance program.
Minimum Equipment List (MEL)	
Approved MEL required. If aircraft also used in part 135, must use that MEL.	Approved MEL required.

Fractional Ownership	Part 135
Manuals	
Manuals are required. If aircraft also used in part 135, can use part 135 manual if any differences are noted.	Manuals are required (except for single-pilot operation).
Flight Crewmember Training and Testing	
Training and testing program—can use a part 135 qualification program in lieu of part 91K program. Competency and proficiency checks (PIC and SIC). If simulator available, at least one training session per year must be in simulator.	Training program required (except for single-pilot operation). Competency (PIC and SIC). Proficiency and line checks (PIC only).
Aircraft	
There is no aircraft size limit. Aircraft size or type does not affect the minimum ownership share, but the share remains at 1/16th for airplanes and 1/32nd for helicopters.	On demand: Airplanes 30 or fewer passenger seats and 7,500 lb payload or less, and helicopters. Scheduled: Airplanes, except turbojets, 9 or fewer passenger seats and helicopters.
Equipment	
Applicable to aircraft size and seating capacity. Refer to air carrier rule for specific applicability requirements. If more than 30 seats or payload capacity more than 7,500 lb: Cockpit voice recorder (CVR)—Same requirement as part 121, § 121.359. Flight data recorder (FDR)—Same requirement as part 121, §§ 121.343 or 121.344. Terrain Awareness and Warning Systems (TAWS)—Same requirement as part 121, § 121.354. Traffic Alert and Collision Avoidance System (TCAS)—Same requirement as part 121, § 121.356. Weather radar—Same requirement as part 121, § 121.357. Aircraft with 30 pax seats or fewer and 7,500 lb or less payload: CVR—Same requirement as part 135, § 135.151.	See noted rules in part 91K column for air carrier requirements.

Fractional Ownership	Part 135
FDR—Same requirement as part 135, § 135.152. TAWS—Same requirement as part 135, § 135.154. TCAS—Same requirement as part 135, § 135.180. Thunderstorm detection—Same requirement as part 135, § 135.173. Weather radar—Same requirement as part 135, § 135.175.	
FAA Oversight	
Assigned principal inspectors. Subject to inspections except for line checks and en route inspections.	Assigned principal inspectors and inspection program. Subject to all types of FAA inspections.

APPENDIX 3. CERTIFICATION OF THE EXECUTION OF AGREEMENTS

I, _____, an officer of _____ (the program manager), which manages the _____ fractional ownership program (the Program), certify that the program satisfies the eligibility requirements of Title 14 of the Code of Federal Regulations (14 CFR) part 91 subpart K (part 91K), and that the agreements required under part 91K have been executed. These agreements include (1) a Dry Lease Exchange Agreement; (2) a Management Contract; and (3) statements of Acknowledgement of Fractional Owner's Operational Control Responsibilities. The owners and I understand that the Federal Aviation Administration (FAA) has the right to inspect all contracts.

1. DRY LEASE EXCHANGE AGREEMENT. The Dry Lease Exchange Agreement or other program agreements between the program manager and owners related to aircraft exchange address the following:

a. Mandate that two or more airworthy aircraft be available in the long term.

b. Allow the fractional owners of an aircraft to use (through the program manager) aircraft owned by other fractional owners within the same program.

c. Clarify that the program manager will schedule the aircraft from within the dry lease exchange pool and provide other aviation expertise and services to the owners.

d. Specify this is a multiyear program agreement.

2. MANAGEMENT CONTRACT. The management contract or other agreements between the program manager and the owners related to program management services address the following:

a. Specify this is a multiyear program contract.

b. Require the program manager to ensure that the program conforms to all applicable requirements of part 91K.

c. Provide the owner or owner's designee the right to inspect and to audit the records of the program manager that related to the operational safety of the program and those records required to show compliance with the management specifications and all applicable regulations.

d. Designate the program manager as the owner's agent to receive service of notices from the FAA.

e. Acknowledge the FAA's right to contact the owner directly.

f. Prohibit an owner from carrying persons or property for compensation or hire on a program flight except if such operations are carried out in compliance with 14 CFR parts 135 or 121.

g. Limit the flight hours used during the term of the multiyear agreement to the total hours associated with the owner's share of ownership.

h. Prohibit the sale or lease of aircraft interest that is lesser than the "minimum fractional ownership interest" unless the flights associated with that interest are operated under part 121 or 135 and are conducted by an air carrier or commercial operator certificated under 14 CFR part 119.

i. State that the program manager will provide the owner the following operating services and functions:

(1) Establishment and implementation of safety program guidelines.

(2) Employment, furnishing, or contracting of pilots and other crewmembers.

(3) Training and qualification of pilots and other crewmembers and personnel.

(4) Scheduling and coordination of the program aircraft and crews.

(5) Maintenance of program aircraft under the terms of this agreement.

(6) Satisfaction of record keeping requirements.

(7) Development and use of a program operations manual and procedures.

(8) Application for and maintenance of management specifications and other authorizations and approvals from the FAA.

(9) Training in the recognition of hazardous materials.

3. ACKNOWLEDGMENT OF OWNER'S OPERATIONAL CONTROL RESPONSIBILITIES. Each owner in the fractional ownership program has signed an Acknowledgment of Owner's Operational Control Responsibilities, and under the acknowledgment:

a. The owner understands that he or she is in operational control of a program aircraft and must operate it in accordance with part 91K when: (1) the owner has the rights and is subject to the limitations applicable to the owner as set forth under part 91, §§ 91.1003 through 91.1013; (2) the owner has directed that a program aircraft carry passengers or property he or she designates; and (3) the program aircraft is carrying those passengers or property.

b. The owner understands that he or she is in operational control of a program aircraft, even where he or she leases the program aircraft from another owner through the Dry Lease Aircraft Exchange (or Interchange) arrangement.

c. The owner understands and agrees to the responsibilities and potential liabilities described below. When the owner is in operational control, the following apply:

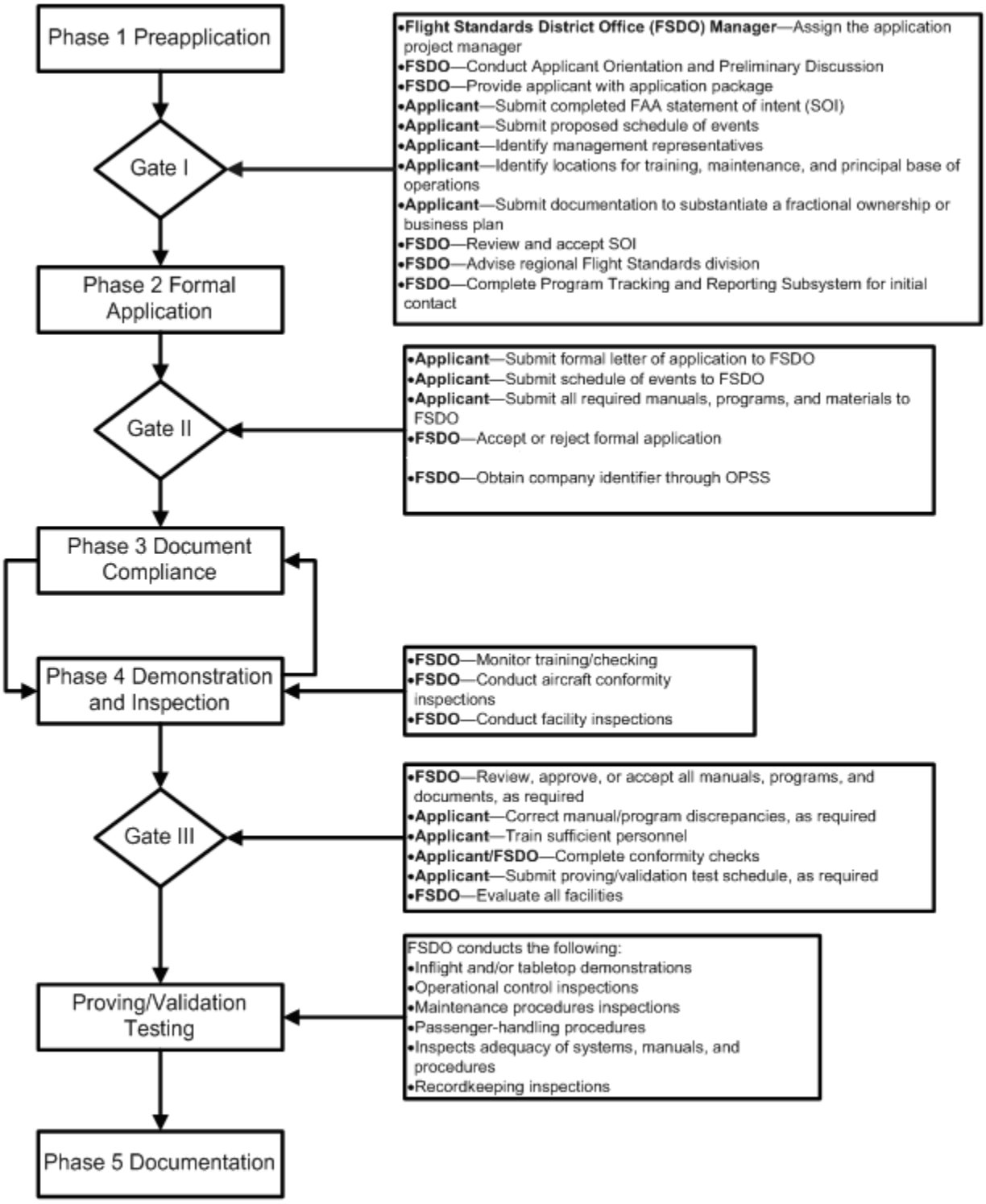
(1) The owner is responsible for safe operations, for complying with all applicable laws and regulations, and the management specifications (MSpecs) issued to program manager.

(2) Even though the owner may delegate to the program manager performance of some or all of the tasks associated with carrying out owner's responsibilities, the owner continues to be jointly and individually responsible, along with the program manager, for performance of these tasks and for compliance with applicable requirements.

(3) The owner may have liability risks in connection with the operation of the program aircraft, including possible liability risks for at least enforcement actions for any noncompliance, and liability if a flight-related occurrence causes personal injury or property damage.

_____	_____
Name	Title
_____	_____
Signature	Date

APPENDIX 4. FIVE PHASES OF APPLICATION AND REQUIREMENTS OF THE GATE SYSTEM FOR PART 91K



APPENDIX 5. STATEMENT OF INTENT

STATEMENT OF INTENT FOR FRACTIONAL OWNERSHIP PROGRAMS

Section 1.

1. Name and mailing address	**2. Address of principal base where operations will be conducted**

3. Proposed startup date	**4. Requested three-letter company identifier in order of preference** 1. __ __ __**K** 2. __ __ __ **K** 3. __ __ __**K**

5. Program Manager Representative

Name (Last, first, middle)	Company Name	Telephone (including area code)

6. Type of operation

Other Certificate(s) Held:

☐ **Part 125** **Certificate No:** ____ ____ ____ ____ ____ ____ ____ ____

☐ **Part 121** **Certificate No:** ____ ____ ____ ____ ____ ____ ____ ____

☐ **Part 135** **Certificate No:** ____ ____ ____ ____ ____ ____ ____ ____

☐ **Other Affiliate Part 91K ID No:** ____ ____ ____ ____ ____ ____ ____ ____

☐ **Other Affiliate Part 91K ID No:** ____ ____ ____ ____ ____ ____ ____ ____

☐ **Other Affiliate Part 91K ID No:** ____ ____ ____ ____ ____ ____ ____ ____

7. Aircraft data		**8. Geographic area of intended operations**
Number and types of aircraft (by make, model, and series)	List may be attached	
		☐ **US**
		☐ **US and International**

APPENDIX 5. STATEMENT OF INTENT (Continued)

9. Additional information that provides a better understanding of the proposed fractional ownership		
10. The statements and information contained on this form denote an intent to apply for management specifications.		
Signature	Date	Name and Title
Section 2. To Be Completed By FAA District Office		
Received By (district office):	**Date Scheduled for IOPSS**	
Date:	**For:** ☐ Action ☐ Information only	
Has this program manager ever been assigned any 4-digit designator ☐ ***yes*** ☐ ***no*** ☐ ***unknown Designator Code:***		
Remarks:		

APPENDIX 6. SCHEDULE OF EVENTS FOR PART 91K

Company Name: _____

Phase I—Preapplication:			
1. Initial Contact Meeting Date:_____ 2. Second Contact Meeting Date:_____	**Date Submitted/ Received**	**Date Returned**	**Date Approved/ Accepted**
a. Statement of Intent (SOI)			
b. Proposed Schedule of Events (SOE)			
c. Management Specifications (MSpecs) Worksheet.			
Phase II—Formal Application:			
1. Formal Application Meeting Date:_____			
2. Formal Application			
3. Formal Application Attachments:			
• Management Personnel Documentation			
• Compliance Statement			
• Program Operating Manual (POM). **Ref. 91.1025**			
• Requests for Deviations			
• Approved Inspection Program/General Maintenance Manual (GMM), as required.			
• Weight & Balance Procedures/Program			
• Internal Safety Reporting Procedures and incident/accident response procedures. **Ref. 91.1021**			
• Training Programs			
• Aircraft Flight Manual (AFM) or Aircraft Operations Manual			
• Minimum Equipment List (MEL)			
• Cockpit Checklists (Normal, Abnormal, Emergency). **Ref. 91.1033**			
• Passenger Briefing Cards. **Ref. 91.1035**			
• Flight & Rest Scheduling Program			
• HAZMAT Recognition Program. **Ref. 91.1085**			

• Certification and Execution of Agreements and Acknowledgement of Owners' operational control responsibilities.			
• Pilot Safety Background Checks & Procedures (Pilot Records Improvement Act (PRIA)). **Ref. 91.1051**			
• Drug & Alcohol Misuse Education Program. **Ref. 91.1047**			
• List of Owners & Associated Aircraft **Ref. 91.1027**			
• Configuration Deviation List (CDL)			
• Environmental Review **Ref. 8900.1 Vol. 11, Chapter 6, Section 3**			
• Destination Airport Analysis Program (DAAP). **Ref. 91.1037**			
• Proving and/or Validation Test Plan. **Ref. 91.1041**			
• Continuous Analysis & Surveillance System (CAMP), if required. **Ref. 91.1411**			
• Security Program			
• Flight Locating Procedures			
• Other Requested Authorizations			
Phase III—Document Compliance:			
• Management Personnel Documentation			
• Compliance Statement			
• Program Operating Manual (POM). **Ref. 91.1025**			
• Requests for Deviations			
• Approved Inspection Program/General Maintenance Manual (GMM), as required.			
• Weight & Balance Procedures/Program			
• Internal Safety Reporting Procedures and			

incident/accident response procedures. **Ref. 91.1021**			
• Training Programs			
• Aircraft Flight Manual (AFM) or Aircraft Operations Manual			
• Minimum Equipment List (MEL)			
• Cockpit Checklists (Normal, Abnormal, Emergency). **Ref. 91.1033**			
• Passenger Briefing Cards. **Ref. 91.1035**			
• Flight & Rest Scheduling Program			
• HAZMAT Recognition Program. **Ref. 91.1085**			
• Certification and Execution of Agreements and Acknowledgement of Owners' operational control responsibilities.			
• Pilot Safety Background Checks & Procedures (Pilot Records Improvement Act (PRIA)). **Ref. 91.1051**			
• Drug & Alcohol Misuse Education Program. **Ref. 91.1047**			
• Load Manifest. **Ref. 91.1027**			
• List of Owners & Associated Aircraft **Ref. 91.1027**			
• Configuration Deviation List (CDL)			
• Environmental Review **Ref. 8900.1, Vol. 11, Chapter 6, Section 3**			
• Destination Airport Analysis Program (DAAP). **Ref. 91.1037**			
• Flight Attendant Manual			
• Proving and/or Validation Test Plan. **Ref. 91.1041**			
• Continuous Analysis & Surveillance System (CAMP), if required. **Ref. 91.1411**			
• Security Program			
• Flight Locating Procedures			
• Other Requested Authorizations			

Phase IV—Demonstration & Inspection:			
• Monitor Training			
• Flight Crewmembers—Proficiency Checks			
• Check Pilots			
• Maintenance Training			
• Flight Attendant—Competency Checks			
• Aircraft Conformity Inspections			
• Principal Base of Operations Inspection			
• Maintenance Base Inspection			
• Proving/Validation Testing			
• Table-Top Demonstrations			
• Operational Control Inspection			
• Maintenance Procedures Inspection			
• Passenger Handling Inspection			
• Record Keeping Inspection			
Phase V—Documentation:			
1. Issuance of Management Specifications (MSpecs)			
2. PTRS Completion			
3. Update VIS Information			
4. File Appropriate Documents			

APPENDIX 7. MAINTENANCE PROGRAMS

1. GENERAL PROGRAM INFORMATION. Several types of inspection programs are available to Title 14 of the Code of Federal Regulations (14 CFR) part 91 fractional managers operating under 14 CFR part 91 subpart K (part 91K). All part 91K inspection programs must be submitted to the local FSDO for approval. You must obtain this approval regardless of any previous approval of the program. Fractional ownership programs may use a Continuous Airworthiness Maintenance Program (CAMP), in accordance with the requirements of part 91K. For aircraft operating under part 91K, you are required to establish an aircraft inspection program under the provisions of part 91, § 91.1109. You will act on behalf of the fractional owners (collectively) for any authorizations or approvals concerning the program aircraft.

a. The program must be derived from one of the following:

(1) An inspection program currently recommended by the manufacturer.

(2) An inspection program that is part of a CAMP currently in use by a person holding an air carrier or operating certificate issued under 14 CFR part 119 and operating that make and model aircraft under 14 CFR part 121 or 135.

(3) An aircraft inspection program approved under part 135, § 135.419 and currently in use under part 135 by a person holding a certificate issued under part 119.

(4) An aircraft inspection program approved under 14 CFR part 125, § 125.247 and currently in use under part 125 of this chapter by a person holding a certificate under part 125.

(5) A CAMP approved for you by your principal maintenance inspector. If you elect to use another operator's program, you must still submit it for approval, regardless of any other approvals.

NOTE: The Federal Aviation Administration (FAA) may require revision of the inspection program approved under this section in accordance with the provisions of part 91, § 91.415.

b. The program must be in writing and be included in your manual. The details must include the following:

(1) Instructions and procedures for conducting inspections, including necessary tests and checks.

(2) Inspection intervals, expressed in terms of time in service, calendar time, number of system operations, or any combination of these.

(3) The parts and areas that must be inspected.

2. MAINTENANCE RECORDS. Each program manager must keep the records specified in part 91, § 91.417(a) for the periods specified in part 91, § 91.417(b). This system should be described in the manual required under part 91, § 91.1025. If you are using a CAMP, these

records must be transferred to the purchaser at the time of sale and when the aircraft is removed from the list of program aircraft on your management specifications (MSpecs).

3. CAMPs. A CAMP combines the maintenance and inspection functions used to fulfill your total maintenance needs. The regulations specify that each program manager must have a maintenance program adequate to perform the work and a separate inspection program adequate to perform required inspections. For fractional ownership program managers, a CAMP must meet the requirements of part 135.

a. Definitions. (14 CFR part 1 and part 43.)

(1) Airworthiness. A condition in which the aircraft, airframe, engine, propeller, accessories, and appliances meet their type design and are in a condition for safe operation.

(2) Inspection. The routine performance of inspection tasks at prescribed intervals. The inspection must ensure the airworthiness of an aircraft up to and including its overhaul or life-limits.

(3) Scheduled (Routine) Maintenance. The performance of maintenance tasks at prescribed intervals.

(4) Unscheduled (Non-Routine) Maintenance. The performance of maintenance tasks when mechanical irregularities occur. These irregularities are categorized as to whether they occur during flight time.

(5) Structural Inspection. A detailed inspection of the airframe structure that may require special inspection techniques to determine the continuous integrity of the airframe and its related parts.

b. Program Requirements. Basic requirements of a CAMP include the following:

- Inspection,
- Scheduled maintenance,
- Unscheduled maintenance,
- Overhaul and repair,
- Structural inspection,
- Required Inspection Items (RII),
- Reliability program (if appropriate), and
- Continuing Analysis and Surveillance System (CASS).

c. Manuals.

(1) Instructions and standards for unscheduled maintenance must be in your technical manuals. The manuals must contain procedures when using these manuals and recording scheduled and unscheduled maintenance. Each manual must include at least the following:

(a) The method of performing routine and non-routine maintenance (other than required inspections), preventive maintenance, or alterations.

(b) A designation of maintenance and alteration items that must be inspected (required inspections), including at least those that could result in a failure, malfunction, or defect, endangering the safe operation of the aircraft, if not performed properly or if improper parts or materials are used.

(c) The method of performing required inspections and a designation by occupational title of personnel authorized to perform each required inspection.

(d) Procedures for the reinspection of work performed under previous required inspection findings (buy-back procedures).

(e) Procedures, standards, and limits necessary for required inspections; for acceptance or rejection of the inspected items; and for periodic inspection and calibration of precision tools, measuring devices, and test equipment.

(f) Procedures to ensure that all required inspections are performed.

(g) Instructions to prevent any person who performs any item of work from performing any required inspection of that work.

(h) Instructions and procedures to prevent an inspector's decision regarding any required inspection from being countermanded by people other than supervisory personnel of the inspection unit, or a person at the level of administrative control that has overall responsibility for the management of both the required inspection functions and the other maintenance, preventive maintenance, or alteration functions.

(i) Procedures to ensure that maintenance (including required inspections), preventive maintenance, or alterations that are not completed due to work interruptions are properly completed before the aircraft is released to service.

(2) You must put in the manual a suitable system (which may include an electronic or coded system) that provides for the retention of the following information:

(a) A description (or reference to data acceptable to the FAA) of the work performed;

(b) The name of the person performing the work, if the work is performed by a person outside your organization; and

(c) The name or other positive identification of the individual approving the work.

d. MSpecs. CAMPs are approved according to the MSpecs for fractional ownership programs. These MSpecs describe the scope of the program, reference manuals, and other technical data. Details of the program must be included in your manual.

e. Required Personnel. Each program manager who maintains program aircraft using a CAMP must employ two people to fulfill two important maintenance/inspection roles. These two positions—director of maintenance and chief inspector—cannot be filled by a single person. The

director of maintenance, or equivalent position, must be a certificated mechanic with an Airframe and Powerplant (A&P) rating that has responsibility for the maintenance program on all aircraft maintained under the CAMP. You must also employ a chief inspector, or equivalent position, that has overall responsibility for the inspection aspects of the CAMP. This person must also be a certificated mechanic with A&P ratings.

f. Program Manager's Organization. You must have an organization adequate to carry out the provisions of the CAMP. If the work will be performed outside of your organization, the contractor must meet the same requirements. In determining the adequacy of the organization, consider the following:

- The complexity of the organization,
- The aircraft,
- The experience of the personnel, and
- The number of personnel.

4. INSPECTIONS.

a. Applicability. During the original issuance of MSpecs of a program manager, the manager and the FAA should ensure that the CAMP applies to the operation in question. The FAA inspector should inform you of the pertinent policies, procedures, and requirements of the regulations. The same holds true during the process for issuing you MSpecs.

b. Scheduling. You and the FAA inspector should develop a plan to determine a schedule for the submission of required documents.

(1) Scheduled Maintenance. Maintenance tasks performed at prescribed intervals are considered scheduled maintenance. Some of these tasks are performed concurrently with inspection tasks and may be included on the same work form. Work forms that include maintenance instructions must be provided for a record of the accomplishment of these tasks.

(a) Scheduled tasks include replacement of life limited items and components requiring periodic overhaul, nondestructive inspections (such as X-rays), checks or tests for noncondition items, lubrications, and weighing aircraft.

(b) Prime factors considered for inspection intervals are aircraft use, environmental conditions, and the type of operation. Examples include extreme changes in temperature, frequency of landings and takeoffs, operation in areas of high industrial pollutants or coastal areas with high concentrations of salt air, and passenger or cargo operations.

(c) To ensure proper maintenance, each inspection interval must be stated in terms of calendar times, cycles, and hours, as required.

(2) Unscheduled Maintenance. Unscheduled maintenance takes place when mechanical irregularities occur.

(a) Mechanical Irregularities Occurring During Flight (Block-to-Block). These include operational failures, malfunctions, and abnormal flight operations, such as hard or

overweight landings. The aircraft maintenance record required by part 91, § 91.1415 must be used to record each irregularity and its corrective action.

(b) Mechanical Irregularities Not Occurring During Flight Time. These include all other failures, malfunctions, and discrepancies, including, but not limited to, inspection findings. A discrepancy form or equivalent system must be used to record each irregularity and its corrective action.

c. Types of Maintenance.

(1) Overhaul and Repair (Airframe, Engine, Propeller, and Appliance). Maintenance for these items, whether scheduled or unscheduled, may be independent from maintenance performed on the aircraft. You must provide instructions and standards for repair and overhaul, along with a method of approving and recording the work. Appropriate life limited parts replacement requirements should be included in this portion of the CAMP.

(2) Structural Inspection.

(a) Each level of inspection must be clearly defined in your CAMP. For example, a specific area of the aircraft may require only a visual inspection during preflight "A" and "B" checks, but will require a detailed, Non-Destructive Testing (NDT) inspection in the same area for a "C" or "D" check.

(b) Some aircraft are subject to a supplemental structural inspection document, which requires additional age-related structural inspections to be incorporated into the maintenance program.

d. Return to Service. Through the provisions of parts 43, 121, and 135, if a certificated operator uses a CAMP, the FAA considers that operator a maintenance organization. Program managers are not maintenance organizations and do not have the privileges of a certificated organization, although they may have related organizations, such as repair stations that are certificated.

(1) The people exercising certificate privileges have always had the responsibility to show compliance with regulations and determine conformance and safety. The need to ensure that a replacement part was produced by an FAA approved source is, therefore, critical.

(2) You must fully understand § 43.13 and the resulting responsibility to show that any/all parts and/or materials used, from any source, are airworthy (i.e., conform to type design), are equal to the original or properly altered condition, and have been properly maintained.

e. Maintenance Performed for Other Operators. An operator with an approved CAMP under part 121 or 135 may also perform maintenance for another certificate holder under the same regulatory part. Such maintenance must be performed in accordance with that certificate holder's approved program, including aircraft of nine or fewer passenger seats. An operator under part 135 is not authorized to perform maintenance for an operator under part 121, and vice versa. Although fractional owner program managers may use a CAMP, they are not authorized to perform maintenance for other program managers because they do not have a certificate.

5. MAINTENANCE PROGRAM PROCEDURES. The maintenance program must incorporate a set of procedures that ensures the following:

a. Maintenance, preventive maintenance, and alterations are performed according to your manual.

b. Competent personnel and adequate facilities and equipment are provided for the proper performance of maintenance, preventive maintenance, and alterations.

c. Each aircraft released to service is airworthy.

d. Airworthiness inspections and RIIs are performed per your manual, by qualified personnel.

e. A system is in place that addresses how specific RIIs are developed, controlled, and reviewed to ensure the continued airworthiness of aircraft.

(1) Airworthiness Inspections. Part 91, § 91.1427 stipulates that each program manager's manual must discuss airworthiness inspections, including instructions covering procedures, standards, responsibilities, and authority of inspection personnel. The methods and procedures established by your manual must be followed. Items not designated as RII will also be inspected according to the manual's instructions.

(2) RII. Section 91.1427 discusses the designation of maintenance and alteration work that must be inspected.

(a) The manual must contain a designation of the items of maintenance and alteration that must be inspected. These will include, at a minimum, those items that could result in failure, malfunction, or defect, endangering the safe operation of the aircraft if maintenance is not performed properly or if improper parts or materials are used. You must evaluate your work program to identify RII. Such items may be identified with the abbreviation "RII," an asterisk, or any similar method.

(b) In determining the work items that are to be categorized as RII, you should consider the importance of the following:

1. Installation, rigging, and adjustments of flight control.

2. Installation and repair of major structural components.

3. Installation of aircraft engines, propellers, and rotors.

4. Overhaul, calibration, or rigging of components, such as engines, propellers, transmissions, gearboxes, and navigation equipment.

6. INSPECTION ORGANIZATIONS. You must have an organization adequate to perform required inspections. Organize the performance of required inspections so as to separate the

required inspection functions from other maintenance, preventive maintenance, and alteration functions.

a. Personnel Considerations. You must maintain a current listing of persons qualified to inspect its RII. When other organizations perform such maintenance, you must determine that the contractor maintains such a list. Each individual must be identified by name, occupational title, and the RII that individual is authorized to inspect.

(1) To comply with these requirements, your personnel roster (or the contractor's roster) may be used. This roster should include a method for positive identification of those who are trained, qualified, authorized, certificated, and current.

(2) Authorized individuals may be informed by letter or by a list showing the extent of their responsibilities, authorities, and inspection limitations. If a list is used, it should be signed by each authorized individual to confirm that the authorized person is fully aware of any inspection limitations.

b. Maintenance and Inspections. The separation of your maintenance organization from the inspection organization does not apply to the accomplishment of airworthiness inspections.

7. MAINTENANCE TRAINING PROGRAMS. You must ensure that all employees who are responsible for maintenance related to program aircraft undergo appropriate initial and annual recurrent training and are competent to perform those duties. This training can be formal classroom training, factory provided training, on-the-job training, or any type of training deemed adequate for the type of maintenance that is being performed. If you elect to use a CAMP, you must have a training program to ensure that each person (including inspection personnel) that determines the adequacy of work done is fully informed about procedures and techniques and new equipment in use and is competent to perform that person's duties.

APPENDIX 8. DESTINATION AIRPORT ANALYSIS PROGRAM

1. INTRODUCTION. The Federal Aviation Administration (FAA) regulations governing operations under Title 14 of the Code of Federal Regulations (14 CFR) part 91 subpart K (part 91K) and part 135 provide for reducing effective runway length requirements for turbine engine-powered, large transport category airplanes. These reductions must be met before a flight's release, provided the operator meets certain requirements. For destination airports, normal landing distance requirements for these types of operations are 60 percent of the available runway length. For alternate airport landing distance requirements, part 91K remains at 60 percent, while part 135 allows for 70 percent of the effective runway length. If an operator desires to reduce landing distance requirements to 80 percent of the available runway length, that operator must meet regulatory requirements in two areas:

- Eligible on-demand operator or fractional ownership program experience; and
- FAA-approved Destination Airport Analysis Program (DAAP). The DAAP must address specific regulatory requirements and be approved for use through that operator's management specifications (MSpecs) or operations specifications (OpSpecs), as applicable.

2. EXPERIENCE REQUIREMENTS. An eligible on-demand operator is defined under part 135, § 135.4. Fractional ownership programs must meet the same requirements and are identified under part 91, §§ 91.1053 and 91.1055. The requirements include:

a. Two-Pilot Crew. The flightcrew must consist of at least two qualified pilots employed or contracted by the certificate/application holder.

b. Flightcrew Experience. The crewmembers must have met the applicable requirements of 14 CFR part 61 and have the following experience and ratings:

(1) Total flight time for all pilots:

(a) Pilot in command (PIC)—A minimum of 1,500 hours.

(b) Second in command (SIC)—A minimum of 500 hours.

(2) For multiengine, turbine-powered, fixed wing and powered lift aircraft, the following FAA certification and ratings requirements:

(a) PIC—Airline transport pilot and applicable type ratings.

(b) SIC—Commercial pilot and instrument ratings.

(3) For all other aircraft, the following FAA certification and rating requirements:

(a) PIC—Commercial pilot and instrument ratings.

(b) SIC—Commercial pilot and instrument ratings.

c. Pilot Operating Limitations. If the SIC of a fixed-wing aircraft has fewer than 100 hours of flight time as SIC flying in the aircraft make and model, and if a type rating is required in the type of aircraft being flown, and the PIC is not an appropriately qualified check pilot, the PIC will make all takeoffs and landings in any of the following situations:

(1) Landings at the destination airport when a destination airport analysis is required under part 91, § 91/1037(c); and

(2) In any of the following conditions:

(a) The prevailing visibility for the airport is at or below 3/4 of a mile.

(b) The runway visual range for the runway to be used is at or below 4,000 feet.

(c) The runway to be used has water, snow, slush, ice, or similar contamination that may adversely affect aircraft performance.

(d) The braking action on the runway to be used is reported to be less than "good."

(e) The crosswind component for the runway to be used is in excess of 15 knots.

(f) Wind shear is reported in the vicinity of the airport.

(g) Any other condition in which the PIC determines it to be prudent to exercise the his or her authority.

d. Crew Pairing. Either the PIC or the SIC must have at least 75 hours' flight time as either PIC or SIC in that aircraft type, make, or model.

3. DAAP REQUIREMENTS. DAAP requirements for large, turbine powered, transport category airplanes are found under part 91, § 91.1025 and part 135, § 135.23. Specifically, if required by part 91, § 91.1037(c); or part 135, §§ 135.385 or 135.387, as applicable, the destination airport analysis establishing runway safety margins must include the following elements, supported by aircraft performance data supplied by the aircraft manufacturer for the appropriate runway conditions at the airport(s) to be used, if a reduction below 60 percent of the available runway length is planned:

a. Pilot Qualifications and Experience. The operator is responsible for including all applicable regulatory requirements to establish a pilot's eligibility to reduce effective runway planning requirements below 60 percent of the available runway length. Experience requirements include pilots with fewer than 100 hours' flight time in type ("high minimums"), total flight time, and crew-pairing limitations (fewer than 75 hours in type).

b. Aircraft Performance Data to Include Normal, Abnormal, and Emergency Procedures as Supplied by the Aircraft Manufacturer. Landing distance calculations should be completed using the FAA-approved procedures and data. Consider abnormal and emergency procedures, as some of these procedures may increase approach speeds and consequently,

landing distance requirements. Planned takeoff weight for the departure from that airport should be evaluated before operating into that airport.

c. Airport Facilities and Topography. Consider what services are available at the airport. Services such as communications, maintenance, and fueling may impact operations to and from that airport. Terrain features may figure prominently in or near a particular airport. High, fast rising terrain may require special approach or departure procedures, which may impact performance requirements. For example, an aircraft certification criterion uses a 3.5 degree glideslope angle in computing landing distance data. Glideslope angles of 2.5–3 degrees are common and have the effect of lengthening actual landing distance. Airports on top of hilly terrain or downwind of mountainous terrain may occasionally experience gusty winds or winds shifting from a headwind to a tailwind. Such conditions are an important consideration during the landing maneuver, particularly during the flare, and increase landing distance requirements.

d. Runway Conditions (Including Contamination). Runway features, such as slope and surface composition, can cause the actual landing distance to be longer than the calculated landing distance. Wet or slippery runways may preclude reductions from being taken and, in fact, require 115 percent of the distance derived from calculations, whether a reduction was used or not. This distance is calculated by increasing the distance required under dry conditions by an additional 15 percent (e.g., if Aircraft Flight Manual (AFM) data shows the actual landing distance will be 2,000 feet, the effective runway length required is 3,334 feet using 60 percent in this example. If the runway is expected to be wet or slippery upon arrival, the effective runway length required is 3,834 feet). Braking action always impacts the landing distance required as it deteriorates. Always consider the most current braking action report and the likelihood of an update prior to the flight's arrival at a particular airport.

e. Airport or Area Weather Reporting. Some airports may not have current weather reports and forecasts available for flight planning. Others may have automated observations for operational use. Still others may depend on a nearby airport's forecast for operations. Area forecasts are also very valuable in evaluating weather conditions for a particular operation. Comparing forecasted conditions to current conditions will lend insight to changes taking place as weather systems move and forecasts are updated. Longer flight segments may lean more heavily on the forecast for the expected time of arrival, as current conditions may change significantly as weather systems move. For example, if a flight is planned for 5 hours en route, the current conditions may not provide as much insight as a forecast for the arrival time if a cold front is expected to pass through the area while a flight is en route.

f. Appropriate Additional Runway Safety Margins, If Required. Displaced thresholds, airport construction, and temporary obstacles (e.g., cranes and drawbridges) may impact runway length available for landing. Consult Notices to Airmen before conducting a flight; they are a good source of information on items such as these.

g. Airplane Inoperative Equipment. Thrust reversers, on airplanes so equipped, provide some effect of reducing landing rollout distance. However, they are not considered in landing distance performance requirements and data provided by airplane manufacturers during certification. Rather, they provide an added margin of safety when used. If thrust reversers are inoperable or not installed, that additional safety margin does not exist. Also, their effectiveness

is directly related to many factors, including pilot technique, reverser deployment rates, engine speeds, and environmental conditions (e.g., wet or contaminated runways in conjunction with crosswinds). Their actual effectiveness varies greatly. Other airplane systems that directly impact landing distance requirements include antiskid and ground spoilers (if installed), brake and tire condition, and landing flap selection, to name a few.

h. Environmental Conditions. Many environmental conditions directly and indirectly affect actual landing distance requirements. Frontal passage usually causes winds to shift, sometimes causing a tailwind component. Tailwinds generally have a significantly greater impact on landing distance than headwinds. Thunderstorms in the vicinity of airports can introduce wind gusts from different directions, including wind shear, to varying degrees that are difficult to predict in advance or during the actual landing maneuver itself. Density and pressure altitudes also directly impact landing distance requirements. Landing distance tables may take these factors into account. However, variations from planned conditions and actual conditions at time of landing can vary and impact actual landing distance requirements. Stronger than forecasted tailwinds en route can cause the airplane to weigh more than projected, causing the actual landing distance to be longer than planned. If icing conditions were encountered while en route and temperatures above freezing are not reached before landing, any ice remaining behind removal devices or on areas that are not protected add additional weight and drag to the airplane, which in turn requires higher airspeeds and longer landing distances.

i. Other Criteria that Affect Aircraft Performance. Many other variables affect landing distance. To name a few, approach speed, flap configuration, airplane weight, tire and brake condition, airplane equipment, and environmental conditions all directly impact required landing distance. With these and many other factors, it is the pilot who must apply their application through the use of procedures and technique, the latter being highly variable. While specific additives are provided by manufacturer's landing data, a pilot usually applies techniques acquired through experience in dealing with similar circumstances. Pilots may opt for an especially smooth landing on longer runways by "floating" in ground effect, before touchdown. While possibly yielding a smooth landing, this technique will add to the landing distance requirement, as landing data provided by manufacturer's data through the certification process assumes a touchdown rate of descent of 8 feet per second. The following operational considerations may affect landing distance requirements. Policies and procedures addressing them should be included in the operator's FAA approved DAAP.

NOTE: Certification Criterion is 3.5 degree glideslope angle.

- 2.5 to 3 degree glideslope angle,
- 2 to 4 ft/sec touchdown rate of descent,
- 5 to 10 knots approach speed exceedances,
- Longer flare distance ("float"),
- Less than full braking effort,
- Delays in obtaining full braking configuration,
- Higher temperatures not accounted for (temperature accountability not required),
- Downhill runway slope not accounted for (runway slope accountability not required),
- Icy, slippery, or contaminated runway surface,

- Airplane heavier at time of landing than predicted at time of dispatch,
- Airplane higher than 50 feet over the threshold, and
- Airport pressure altitude higher than predicted at time of dispatch.

NOTE: See table 1 below for examples of other variables that affect landing distance requirements.

TABLE 1. OTHER VARIABLE CONSIDERATIONS

Steady-State Variables	Non-steady-State Variables	Actual Operations vs. Flight Test	Actual vs. Forecast/Planned Conditions
Runway slope	Wind gusts/turbulence	Flare technique	Runway or direction (affecting slope)
Temperature	Flightpath deviations	Time to activate deceleration devices	Airplane weight
Runway surface condition (dry, wet, icy, texture)		Flightpath angle	Approach speed
Brake/tire condition		Rate of descent at touchdown	Environmental conditions (for example, temperature, wind, pressure altitude)
Speed additives		Approach/touchdown speed	Engine failure
Crosswinds		Height at threshold Speed control	

NOTE: Operators are responsible for preparing their DAAP if they desire to reduce landing distance planning requirements below 60 percent of the effective runway length. Operators must ensure that their policies and procedures reflect at least minimum regulatory requirements and adequate policies and procedures prior to submitting their program to the FAA for approval.

j. Destination Airport Analysis Program Checklist. Table 2 should be used to ensure the operator and its DAAP meet minimum regulatory requirements. The operator should complete this checklist and provide it to the FAA office with approval authority, along with the DAAP and request for approval and issuance of OpSpecs or MSpecs, as applicable. The checklist is completed using the following methodology:

- No.—Item and sub item number;

- Item Description—Description of the item;

- Response—Circle "Yes" or "No" to indicate whether or not the item is adequately addressed in the program; and

- Manual Page Reference—Enter the manual page number where the item is addressed.

TABLE 2. DESTINATION AIRPORT ANALYSIS PROGRAM CHECKLIST

NO.	ITEM DESCRIPTION	RESPONSE	MANUAL PAGE REFERENCE
	OPERATOR OR PROGRAM MANAGER REQUIREMENTS		
1.	Does the operator or program manager restrict reduced planning requirements to two-pilot crews?	Yes No	
2.	Does the operator or program manager restrict reduced planning requirements to flight crews that meet the following minimum experience requirements:		
a.	PIC—Airline Transport Pilot Certificate; applicable type rating; 1,500 hours of flight time?	Yes No	
b.	SIC—Commercial Pilot Certificate; instrument rating; 500 hours of flight time?	Yes No	
3.	Does the operator or program manager require the PIC to perform all takeoffs and landings when the SIC has less than 100 hours in make, model, and type (if required) under these conditions (unless PIC is check pilot):		
a.	Landings when DAAP is used to reduce effective runway length below 60 percent?	Yes No	
b.	Airport visibility is at or below ¾ mile?	Yes No	
c.	Runway Visual Range (RVR) for the runway to be used is less than 4,000 feet?	Yes No	
d.	The runway is contaminated?	Yes No	
e.	Reported braking action for the runway to be used is less than "good"?	Yes No	
f.	Crosswind component of runway to be used is in excess of 15 knots?	Yes No	
g.	Wind shear is reported in the vicinity of the airport?	Yes No	
h.	Any condition in which the PIC determines it to be prudent to exercise the PIC authority?	Yes No	
4.	Crew pairing limitations—either PIC or SIC must have at least 75 hours' flight time in type?	Yes No	
5.	OpSpecs or MSpecs issued (following FAA approval of DAAP and determination that operator or program manager meets applicable requirements)?	Yes No	

NO.	ITEM DESCRIPTION	RESPONSE	MANUAL PAGE REFERENCE
DAAP CONTENT REQUIREMENTS			
1.	Does the DAAP take pilot information into account, including:		
a.	Qualifications?	Yes No	
b.	Experience?	Yes No	
2.	Does the DAAP take into account aircraft performance data, as supplied by the aircraft manufacturer, that includes:		
a.	Normal procedures?	Yes No	
b.	Abnormal procedures?	Yes No	
c.	Emergency procedures?	Yes No	
3.	Does the DAAP take airport information into account, including:		
a.	Facilities?	Yes No	
b.	Topography?	Yes No	
4.	Does the DAAP take into account runway:		
a.	Conditions?	Yes No	
b.	Contamination?	Yes No	
5.	Does the DAAP take into account weather reporting for that:		
a.	Airport and/or	Yes No	
b.	Area?	Yes No	
6.	Does the DAAP take any additional runway safety margins (if required) into account?	Yes No	
7.	Does the DAAP take airplane inoperative equipment into account?	Yes No	
8.	Does the DAAP take environmental conditions into account?	Yes No	
9.	Does the DAAP take other performance criteria into account?	Yes No	

APPENDIX 9. AVS NEW USER REQUEST FORM FOR INDUSTRY OPSS/WEBOPSS

AVS New User Request Form for Industry OPSS/WEBOPSS

1. Date:	
2. Operator Name:	
3. Operator Designator:	
4. FAA Office ID:	
5. FAA Contact:	
6. Industry Contact:	

7. Last Name	8. First Name	9. MI	10. SSN Last 4	11. Telephone and Extension	12. E-mail Address	13. Title

Principal Inspector needs to submit the completed form to 9-AWA-AFS-OPSSPROB@FAA.GOV