



U.S. Department
of Transportation

Federal Aviation
Administration

October 15, 1997

Mike Monroney
Aeronautical Center

P.O. Box 25082
Oklahoma City, Oklahoma 73125

Robin D. Jenson, Esq.
Crowe & Dunlevy
1800 Mid-America Tower
20 North Broadway
Oklahoma City, OK 73102

Dear Ms. Jenson:

Rolls Royce Aircraft Engines

This responds to your October 10, 1997, letter in which you asked if the Security Agreement with Security Supplement No. 1 attached thereto, between BWIA International Airways Limited, Grantor, and Rolls-Royce plc, Secured Party, is eligible for recording by the FAA Aircraft Registry.

The recording of security agreements affecting specifically identified aircraft engines having at least 750 rated takeoff horsepower or its equivalent is provided for under 49 U.S.C. §44107(a)(2)(A). Historically, however, FAA has reviewed such factors as the nationalities of the parties to the transaction, the intended location of the engine, etc. to determine the existence of a sufficient nexus to the United States before approving recording.

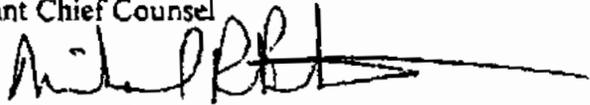
In this situation, although neither the Grantor nor the Secured Party is a "citizen of the United States" as defined in 49 U.S.C. § 40102(a)(15), apparently the Grantor is an air carrier that makes regularly scheduled flights into the United States. Further, Grantor maintains an office in the State of New York. (see Article III, Section 3.1(a)(ii)). Although not determinative, we do note that the parties have subjected themselves and the agreement to the laws of the State of New York.

Accordingly, provided the document is in otherwise recordable form, it is our opinion that there is a sufficient nexus with the United States to make the Security Agreement with Security Supplement No. 1 attached, eligible for recording under 49 U.S.C. § 44107.

Sincerely,

Joseph R. Standell
Assistant Chief Counsel

By:


Michael R. Burton
General Attorney