



U.S. Department
of Transportation

**Federal Aviation
Administration**

Mike Monroney
Aeronautical Center

P.O. Box 25082
Oklahoma City, Oklahoma 73125

January 23, 1998

Eugene D. Butler
Chief Operations Officer
PO Box 975
Nassau, Bahamas

Dear Mr. Butler:

RE: "Foreign Ownership of U.S. Registered
Aircraft - N35384 and N66841R"

As Ms. Mims indicated in her letter to you dated December 2, 1997, this will reply to your letter on November 26, 1997, concerning the legal basis of registration of the subject aircraft. (Note: your reference to N66841R is incorrect. The correct US aircraft registration number is N6841R.)

Aircraft records reflect the following:

N35384 (Piper PA-31-325, Serial No. 31-7912107).

In December 1996 Falcon Air Charters, Inc., (Falcon) sold the aircraft to N35384, Inc., of Wilmington, Delaware. N35384, Inc., applied for corporate U.S. registration and was issued a U.S. certificate of aircraft registration on December 16, 1996. Richard A. Asper was named as voting trustee on the aircraft registration application.

N6841R (Cessna 402C, Serial No. 402C-0494)

In May 1996 Corrine Brown sold the aircraft to Falcon Air Charters, Inc., (Falcon) of Wilmington, Delaware. Falcon applied for corporate U.S. registration and was issued a U.S. certificate of aircraft registration on May 17, 1996. Richard A. Asper was named as voting trustee on the aircraft registration application.

In your letter of November 26 you seek guidance with respect to U.S. registration based on a voting trust.

You say "The foreign parties involved are seeking to operate these aircraft privately in The Bahamas for an indefinite period. They are claiming that the Voting Trust agreement, and the fact that Federal Aviation Regulation (FAR) 47.7 requirements have been met allow them to own and operate these aircraft in The Bahamas.

The Director of Civil Aviation has asked those concerned to present evidence of ownership, as the Voting Trust agreement submitted is complete. The FAA Field Office in Miami has advised that the information does not prove ownership. See attachment.

Can you be so kind, to have the attached information reviewed, evaluated and the opinion of your agency, in terms of ownership of these aircraft, being incorporated under a U.S. company by a foreigner, for operations outside of the United States."

Let me attempt to clarify. With few exceptions (which are not relevant here) only aircraft owned by citizens of the United States are eligible for U.S. registration. 49 U.S.C. 44102(a) (2).

As pertinent to corporations, a citizen of the United States means a corporation "organized under the laws of the United States or a State, the District of Columbia, or a territory or possession of the United States, of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States." (emphasis added) 49 U.S.C. 40102 (a) (15) (C)

If a U.S. domestic corporation which otherwise meets the definitional requirements above, is having difficulty meeting the "voting interest" requirement because of non U.S. citizen ownership or control, it may use a voting trust to meet the 75 percent voting interest requirement. The requirements for such a voting trust are set out in Section 47.8 of the Federal Aviation Regulation (14 C.F.R. 47.8). The voting trust is a mechanism whereby voting interest is shifted from non-U.S. shareholders to a U.S. citizen voting trustee, thus making the U.S. domestic corporation a "citizen of the United States." A voting trust is not, and is not intended to be, a conveyance which affects title to, or an interest in, an aircraft.

With respect to civil aircraft N35384 and N6841R, it appears both are properly registered for the following reasons.

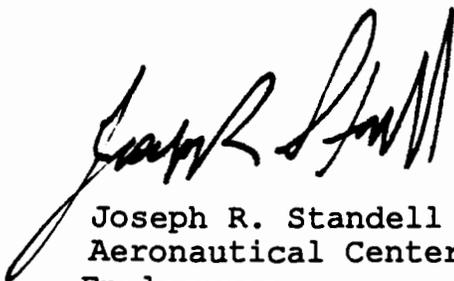
1. Aircraft bills of sale from the last previous registered owners to N35384, Inc., and Falcon Air Charters, Inc., respectively were provided to the FAA Aircraft Registry.

2. Both N35384, Inc., and Falcon have met the requirements of 14 C.F.R. 47.8 by providing to the FAA Aircraft Registry acceptable Voting Trust documents and Voting Trustee Affidavits.

Therefore, I am of the opinion that both aircraft appear to have effective and valid U.S. certificates of aircraft registration. I make no representations as to lawfulness of operation. Generally, operations of civil aircraft of U.S. registry outside of the United States are governed by 14 C.F.R. 91.703.

Copies of referenced citations are enclosed. If you or the Director of Civil Aviation have any further questions please contact me at Phone # 1 405 954 3296, or Fax # 1 405 954 4676.

Sincerely,



Joseph R. Standell
Aeronautical Center Counsel
Enclosures