U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of the Chief Counsel

800 Independence Ave., S.W.
Washington, D.C. 20591

OCT 19 [redacted]

James W. Dymond
[redacted]

Dear Mr. Dymond:

This letter responds to the request for a legal interpretation that you sent to this office via email on September 3, 2009. Specifically, you have requested clarification regarding the application of 14 C.F.R. § 91.501(b)(4) to the facts set forth below.

In the first scenario you present, your client and three other individuals would like to jointly purchase an aircraft as co-owners, and use the aircraft for personal use only. Each owner would agree to share the costs of owning and maintaining the aircraft. Each owner, however, would hire his own pilots and pay all of the costs associated with his or her personal use of the aircraft. We assume for purposes of this interpretation that the aircraft in question is a large airplane of U.S. registry or a turbojet-powered civil airplane of U.S. registry as required under §91.501(a). In addition, because you have indicated that the airplane is exclusively for the "personal use" of the co-owners, we assume that none of the parties to the agreement is a corporate entity. *See* Legal Interpretation to Ms. Wadsworth from Rebecca MacPherson, Assistant Chief Counsel, Regulations Division (Jan. 27, 2007) (providing that corporations have only a business use for the aircraft and as such, the personal use provision of 91.501(b)(4) does not apply to businesses).

Section 91.501(b)(4) allows an operator to conduct flights for his or her personal transportation or the transportation of his or her guests when no charge, assessment or fee is made for the transportation. The term "operator" in § 91.501(b)(4) applies to individuals operating an aircraft for personal use. *See* Wadsworth Interpretation. You are concerned that the fees shared by the owners to maintain and own the aircraft could be construed as compensation for the provided transportation. Although the FAA construes compensation broadly, in this instance, given that neither the other owners, nor their guests, are present on the aircraft when it is being operated by one of the owners for his or her personal use, the FAA would not construe the shared maintenance and ownership fees as a "charge, assessment, or fee for the transportation." 14 C.F.R. § 91.501(b)(4).

In your second scenario, you ask whether the flight operations would qualify under § 91.501(b)(6) if the co-owners enter into a "joint ownership agreement" under § 91.501(c)(3) and contract with a third-party aircraft management company to manage and maintain the aircraft and provide the pilots for each flight. Because § 91.501(b)(6) applies to carriage of

corporate officials, employees, and guests of a company, the provision does not apply to the facts you have presented. *See* Legal Interpretation to Mr. Hartman from Rebecca MacPherson, Assistant Chief Counsel, Regulations Division (July 27, 2007).

This response was prepared Anne Bechdolt, an attorney in the Operations Branch of the Regulations Division of the Office of the Chief Counsel and coordinated with the General Aviation and Commercial Division of the Flight Standard Service. We hope this response has been helpful to you. If you have additional questions regarding this matter, please contact us at your convenience at (202) 267-3073.

Sincerely,

Rebecca B. MacPherson
Assistant Chief Counsel, Regulations Division