their operations must observe all applicable safety standards and requirements.


§ 294.2 Definitions.

As used in this part:
(a) Agreement means the Air Transport Agreement Between the Government of the United States and the Government of Canada, signed at Ottawa, February 24, 1995, with Annexes and any amendments, supplements, reservations, or supersessions to it.
(b) Canadian charter air taxi operator means a foreign air carrier that is substantially owned and effectively controlled by Canadian citizens, the Government of Canada, or both, whose foreign air transportation operations are limited to charter air service between points in Canada and points in the United States, and that does not use large aircraft in those operations.
(c) Charter air service means non-scheduled commercial air transportation of persons and their accompanied baggage, and of property, on a time, mileage, or trip basis where the entire planeload capacity of one or more aircraft has been engaged, or the transportation of mail by aircraft.
(d) Large aircraft means any aircraft that are not small aircraft as defined in this section.
(e) Maximum authorized takeoff weight has the meaning assigned to it in regulations of the Canadian Transport Commission.
(f) Maximum certificated takeoff weight means the maximum takeoff weight authorized by the terms of the aircraft airworthiness certificate. This weight may be found in the airplane operating record or in the airplane flight manual that is incorporated by regulation into the airworthiness certificate.
(g) Maximum passenger capacity means the maximum number of passenger seats for which an aircraft is configured.
(h) Maximum payload capacity means the maximum certificated takeoff weight of an aircraft less the empty weight as defined in section 03 of part 241 of this chapter, less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward’s supplies, etc.). For purposes of this part, the allowance for weight of the crew, oil and fuel is as follows:
(1) Crew—200 pounds per crew member required under FAA regulations, (2) oil—350 pounds, (3) fuel—the minimum weight of fuel required under FAA regulations for a flight between domestic points 200 miles apart, assuming VFR weather conditions and flights not involving extended overwater operations. However, in the case of aircraft for which a maximum zero fuel weight is prescribed by the FAA, maximum payload capacity means the maximum zero fuel weight less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum flight crew, steward’s supplies, etc., but not including disposable fuel or oil).
(2) [Reserved]
(i) Small aircraft means any aircraft designed to have:
(1) A maximum passenger capacity of not more than 30 seats and a maximum payload capacity of not more than 7,500 pounds, and/or
(2) maximum authorized takeoff weight on wheels not greater than 35,000 pounds.


§ 294.3 General requirements for Canadian charter air taxi operators.

A Canadian charter air taxi operator shall conduct charter air service between the United States and Canada only if it:
(a) Has been registered by the Department under this part;
(b) Does not directly or indirectly utilize large aircraft in charter air services;
(c) Has and maintains in effect liability insurance coverage that complies with the requirements set forth in subpart E of this part and has and maintains a current certificate of insurance evidencing such coverage on file with the Department;
(d) Has and maintains in effect and on file with the Department a signed counterpart of Agreement 18900 (OST Form 4523) and complies with all other
requirements of part 203 of this chapter:

(e) Has effective authority from the Government of Canada to conduct charter air service between the United States and Canada.

(f) Has been granted Federal Aviation Administration operations specifications required under part 129 of the Federal Aviation Regulations;

(g) Is substantially owned and effectively controlled by Canadian citizens, or the Government of Canada, or a combination of both; and

(h) Complies with the terms, conditions, and limitations of this part.

(The reporting requirements contained in paragraph (d) were approved by the Office of Management and Budget under control number 3024–0064)


Subpart B—Exemption

§ 294.10 Exemption authority.

Canadian charter air taxi operators registered under this part are exempt from the following provisions of the Statute to the extent necessary to perform charter air service between the United States and Canada, and as long as they comply with the terms, conditions, and limitations of this part:

(a) Section 41302 (permits).

(b) Section 41501 (carrier’s duty to observe reasonable rates).

(c) Section 41310 (discrimination).

(d) Section 41313 (aviation disaster family assistance plans for foreign air carriers)


Subpart C—Registration for Exemption

§ 294.20 Applying for registration.

To apply for registration under this part, a Canadian charter air taxi operator shall file with the Department’s Office of International Aviation, Special Authorities Division, the following:

(a) A currently effective certificate of insurance (see §294.40); and

(b) Three copies of OST Forms 4523 and 4505, which may be obtained from the Department’s Office of International Aviation, Special Authorities Division. All the information required by OST Form 4505 shall be filled in, and it shall be certified by a responsible officer of the applicant Canadian charter air taxi operator.

(Approved by the Office of Management and Budget under control number 3024–0051)


§ 294.21 Procedure on receipt of registration form.

(a) The Department will list the names and addresses of all persons applying for registration under this part in its Weekly Summary of Filings.

(b) Any person objecting to the registration of a Canadian charter air taxi operator shall file an objection with the Office of International Aviation, Special Authorities Division, and serve a copy on the applicant within 28 days after the Department receives the properly completed registration application. Objections shall include any facts and arguments upon which they are based.

(c) Any answers to objections shall be filed within 14 days after the date that the objections were due.

(d) After receipt of OST Form 4505, the Department may request additional information.

(e) After the period for objections and answers has expired, the Department will take one of the following actions:

(1) Issue the registration by stamping its effective date on OST Form 4505 and sending a copy of it to the carrier.

(2) Reject the application for failure to comply with this part;

(3) Issue the registration subject to such terms, conditions, or limitations as may be consistent with the public interest; or

(4) Institute evidentiary proceedings to consider whether the registration should be issued.

(f) An action described in paragraph (e) of this section will normally be...