

(e) *Charter air transportation* means charter flights in air transportation authorized under Part A of Subtitle VII of Title 49 of the United States Code.

(f) *Direct air carrier and foreign direct air carrier* mean a U.S. or foreign air carrier that provides or offers to provide air transportation and that has control over the operational functions performed in providing that transportation.

(g) *Indirect air carrier and foreign indirect air carrier* mean a person or entity that, as a principal, holds out, sells, or arranges air transportation and separately contracts with direct air carriers and/or foreign direct air carriers.

(h) *Single entity charter* means a charter for the entire capacity of the aircraft, the cost of which is borne by the charterer and not directly or indirectly by individual passengers, except when individual passengers self-aggregate to form a single entity for flights to be operated using small aircraft.

(i) *Statute* means Subtitle VII of Title 49 of the United States Code (Transportation).

(j) *Large aircraft* means any aircraft originally designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.

(k) *Small aircraft* means any aircraft originally designed to have a maximum passenger capacity of 60 seats or fewer or a maximum payload capacity of 18,000 pounds or less.

#### § 295.7 Agency relationships.

An air charter broker acting as an indirect air carrier or foreign indirect air carrier may choose to act as a bona fide agent in individual cases where a charterer, direct air carrier, or foreign direct air carrier has expressly authorized such agency relationship.

### Subpart B—Exemption Authority

#### § 295.10 Grant of economic authority; exemption from the statute.

To the extent necessary to permit air charter brokers, acting as indirect air carriers or foreign indirect air carriers, to hold out, sell, and undertake to arrange single entity charter air transportation, such air charter brokers are exempted from the following provisions

of Subtitle VII of Title 49 of the United States Code, except for the provisions noted, only if and so long as they comply with the provisions and the conditions imposed by this part: 49 U.S.C. 41101–41113, 49 U.S.C. 41301–41313, and 49 U.S.C. 41501–41511. Air charter brokers are not exempt from the following provision: 49 U.S.C. 41310 (nondiscrimination) with respect to foreign air transportation.

#### § 295.12 Suspension or revocation of exemption authority.

The Department reserves the power to alter, suspend, or revoke the exemption authority of any air charter broker acting as an indirect air carrier, without a hearing, if it finds that such action is in the public interest or is otherwise necessary to protect the traveling public.

### Subpart C—Consumer Protection

#### § 295.20 Use of duly authorized direct air carriers.

Air charter brokers are not authorized under this part to hold out, sell, or otherwise arrange charter air transportation to be operated by a person or entity that does not hold the requisite form of economic authority from the Department and appropriate safety authority from the Federal Aviation Administration and, if applicable, a foreign safety authority. Air charter brokers are not authorized under this part to hold out, sell, or arrange air transportation to be performed by a direct air carrier or direct foreign air carrier that the direct carrier is not authorized in its own right to hold out, sell, or operate. Only direct air carriers that are citizens of the United States as defined in 49 U.S.C. 40102(a)(15) may provide direct air transportation operations in interstate or intrastate air transportation.

#### § 295.22 Prohibited unfair or deceptive practices or unfair methods of competition.

An air charter broker shall not engage in any unfair or deceptive practice or unfair method of competition.