

revocation of the exemption authority granted in this part. In the case of a willful violation, the violator may be subject to criminal penalties under the provisions of 49 U.S.C. 46316.

## PART 296—INDIRECT AIR TRANSPORTATION OF PROPERTY

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AUTHORITY: 49 U.S.C. Chapters 401, 417.

SOURCE: ER–1261, 46 FR 54727, Nov. 4, 1981, unless otherwise noted.

### Subpart A—General

#### § 296.1 Purpose.

This part establishes rules for the indirect air transportation of property. It creates a class of air carriers to provide this air transportation and grants exemptions from certain provisions of the Subtitle VII of Title 49 of the United States Code (Transportation).

[ER–1257, 46 FR 52591, Oct. 27, 1981, as amended at 60 FR 43527, Aug. 22, 1995]

#### § 296.2 Applicability.

This part applies to air transportation of property by indirect cargo air carriers, and to persons entering into control relationships with indirect cargo air carriers.

#### § 296.3 Indirect cargo air carrier.

An indirect cargo air carrier is any U.S. citizen who undertakes to engage indirectly in air transportation of property, and uses for the whole or any part of such transportation the services of an air carrier or a foreign air carrier that directly engages in the op-

eration of aircraft under a certificate, regulation, order, or permit issued by the Department of Transportation or its predecessor to the extent that those actions, by law, are still in effect, or the services of its agent, or of another indirect cargo air carrier.

[ER–1261, 46 FR 54727, Nov. 4, 1981, as amended by Doc. No. 47939, 57 FR 40103, Sept. 2, 1992; DOT-OST-2014-0140, 84 FR 15934, Apr. 16, 2019]

#### § 296.4 Joint loading.

Nothing in this part shall preclude joint loading, meaning the pooling of shipments and their delivery to a direct air carrier for transportation as one shipment, under an agreement between two or more indirect air carriers or foreign indirect air carriers.

#### § 296.5 Agency relationships.

An indirect cargo air carrier may act as agent of a shipper, or of a direct air carrier that has authorized such agency, rather than as an air carrier, if it expressly reserves the option to do so when the shipment is accepted.

#### § 296.6 Public disclosure of cargo liability limits and insurance.

Every indirect cargo air carrier shall give notice in writing to the shipper, when any shipment is accepted, of the existence or absence of cargo liability accident insurance, and of the limits on the extent of its liability, if any. The notice shall be clear and conspicuously included on or attached to all of its rate sheets and airwaybills.

### Subpart B—Exemption for Indirect Air Transportation of Property

#### § 296.10 Exemption from the Statute.

(a) Indirect cargo air carriers are exempted from the provisions of 49 U.S.C. Subtitle VII only if and so long as they comply with the provisions of this part and its conditions, and to the extent necessary to permit them to organize and arrange their air freight shipments to provide indirect air transportation, except for the following sections:

(1) Section 41510(b) (solicitation of rebates). However, indirect cargo air carriers are exempt from section 41510(b) to the extent necessary to permit them

to solicit, accept, or receive fees from direct air carriers.

(2) Section 41702 to the extent required to provide safe service, equipment, and facilities in connection with air transportation.

(3) Section 41310 (nondiscrimination) with respect to foreign air transportation.

(4) Section 41708 (accounts, records, and reports) and section 41709 (inspection of accounts and property);

(5) Section 41712 (unfair or deceptive practices or method of competition);

(6) Section 40102(b) (form of control); and

(7) Section 41711 (inquiry into air carrier management).

(b)–(c) [Reserved]

(d) Direct air carriers are exempted from Chapter 415 of 49 U.S.C. Subtitle VII to the extent necessary to permit them to pay, directly or indirectly, fees to indirect cargo air carriers.

[ER–1261, 46 FR 54727, Nov. 4, 1981, as amended by ER–1335, 48 FR 22705, May 20, 1983; ER–1381, 49 FR 25226, June 20, 1984, 50 FR 31142, July 31, 1985; 60 FR 43527, Aug. 22, 1995; DOT–OST–2014–0140, 84 FR 15934, Apr. 16, 2019]

### Subpart C—Violations

#### § 296.20 Enforcement.

In case of any violation of any of the provisions of 49 U.S.C. Subtitle VII, or of this part, or any other rule, regulation, or order issued under the Statute, the violator may be subject to a proceeding under section 46101 of 49 U.S.C. Subtitle VII before the Department, or sections 46106 through 46108 of 49 U.S.C. Subtitle VII before a U.S. District Court, as the case may be, to compel compliance. The violator may also be subject to civil penalties under the provisions of section 46301 of 49 U.S.C. Subtitle VII, or other lawful sanctions.

[ER–1261, 46 FR 54727, Nov. 4, 1981, as amended by Doc. No. 47939, 57 FR 40103, Sept. 2, 1992; 60 FR 43527, Aug. 22, 1995; DOT–OST–2014–0140, 84 FR 15934, Apr. 16, 2019]

## PART 297—FOREIGN AIR FREIGHT FORWARDERS AND FOREIGN COOPERATIVE SHIPPERS ASSOCIATIONS

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297.50 Enforcement.

AUTHORITY: 49 U.S.C. Chapters 401, 417.

SOURCE: ER–1159, 44 FR 69635, Dec. 4, 1979, unless otherwise noted.

### Subpart A—General

#### § 297.1 Purpose.

This part establishes registration procedures and operating rules for foreign air carriers that engage indirectly in interstate or foreign air transportation of property. It relieves these