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## Aviation Group Client Update

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### **FAA ISSUES AC ON CONSIDERATIONS FOR U.S.-BASED LEASING COMPANIES OPERATING LARGE TRANSPORT CATEGORY AIRPLANES.**

The FAA issued [AC 120-116](#) on operations and airworthiness considerations for U.S.-based leasing companies on October 27, 2017.

**Purpose.** This advisory circular (AC) provides additional information and guidance for U.S.-based leasing companies conducting operations of large transport category airplanes with a valid U.S. registration certificate that meet 14 CFR part 125 applicability.

**Application.** This AC is not mandatory and is not a regulation. It describes acceptable means for U.S.-based leasing companies to operate U.S.-registered large transport category airplanes.

**Considerations.** Adding an airplane to the U.S. registry per the requirements of part 47, with no intentions to operate that airplane, may result in limited involvement of the FAA; on the other hand, choosing to place an airplane on the U.S. registry per the requirements of part 47, and operate that airplane, will involve the FAA.

Leasing companies placing airplanes that meet applicability requirements of part 125 on the U.S. registry could choose one of three options: (1) apply for a part 125 operating certificate and operate in accordance with part 125 and other parts of 14 CFR, as applicable; (2) apply for a Letter of Deviation Authority (LODA) from the requirements of holding an operating certificate and OpSpecs – the LODA does not relieve the operator from the other requirements of part 125 and operations under this LODA are limited to noncommercial operations, and (3) apply for a LODA to operate airplane(s) with part 125 under part 91 - operations conducted by airplanes with 20 or more passenger seats or a maximum payload capacity of 6,000 pounds or more, may be allowed deviation from part 125 and allowed to conduct operations in accordance with part 91.

If you have any questions or would like further information, please contact Shelley Ewalt.

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McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.

