Aviation Group Client Update

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Contact: Lisa A. Harig, Partner
                Washington DC Office
                lharig@mklawdc.com
                +1 703 247 5487

FAA HOLDS PUBLIC MEETING ON NON-CITIZEN TRUSTS

On June 6, 2012, FAA held a public meeting to discuss its Notice of Proposed Policy Clarification regarding owner trustee responsibilities in the case of non-citizen trusts (NCT). FAA representatives presiding over the meeting included recently appointed Chief Counsel Kathryn Thomson, who made it clear that FAA was not wedded to any particular policy and would consider all comments.

Speakers from the Aviation Working Group (AWG) emphasized the importance of NCTs to the U.S. economy, particularly in the area of business aircraft finance and leasing. In addition, AWG proffered several modifications to the proposed amendments of the Standard Trust Agreement, including modifications to:

- Owner Trustee removal and resignation provisions;
- Provisions regarding the filing of Aircraft Operating Agreements with FAA;
- Language concerning the timing of Owner Trustee responses to FAA requests for information on operations and maintenance; and
- Distribution of Airworthiness Directives (AD) to the Trustor and Operator provisions.

FAA representatives asked a series of clarifying questions, but expressed no opinion on the AWG presentation or the remarks of other speakers. AWG and others committed to filing written comments with FAA by the **July 6, 2012** deadline. We will be monitoring this process closely and will provide a summary of comments in mid-July.

If you have any questions regarding the correction or would like assistance in preparation or submission of comments, please contact our office.

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