

SUMMARY

FOREIGN AIR CARRIER PERMIT APPLICATION Docket OST-97-2196

Air Comet S.A.

Flag: Spain

Federal Register Notice: 62 FR 13935, March 24, 1997

Filing Date: March 10, 1997

Authority Sought: Initial foreign air carrier permit to engage in charter foreign air transportation of persons, property and mail between Spain and the United States; and to perform other charters subject to Part 212 of the Department's regulations.

Pleadings: No answers were filed in response to Air Comet's application. However, Universal Air Travel Plan filed copies of a letter it wrote to Air Comet regarding Air Comet's use of the tradename Air Plus Comet. We discuss this matter in the order at 1, n. 2.

Public Interest: Aviation relations between the United States and Spain are governed by the U.S.-Spain Air Transport Services Agreement (entered into force August 3, 1973), as amended. Although the Agreement does not provide for the operation of charter services between the two countries, we find that adequate comity and reciprocity and our overall aviation relationship with Spain support favorable action on Air Comet's application.

Fitness: Air Comet was incorporated in Madrid on January 1, 1997, received initial Department authority on March 19, 1997, and commenced passenger charter operations between Spain and the United States the same month. See Order 97-4-28. On April 30, 1999, we renewed that authority for one year, through April 30, 2000. See Notice of Action Taken, dated April 30, 1999, in Docket OST-97-2197.

Air Comet has experienced management and has had no safety violations, fatal accidents or tariff violations in the last five years.^{1/} Air Comet holds appropriate licenses from its government to conduct the proposed operations.

^{1/} Air Comet reports that during 1998 it inadvertently conducted a number of flight operations to/from the United States with a new aircraft (A-310) prior to including the aircraft on its FAR Part 129 Operations Specifications. The FAA's New York office reports that Air Comet subsequently paid a \$7,000 civil penalty to resolve the violations and is now in good standing with that office. See FAA Docket 98EA29001.

By Memorandum dated March 18, 1997, the FAA's International Liaison Staff (AFS-50) advised us that it knew of no reason why Air Comet's request for a foreign air carrier permit should not be approved.

Air Comet appears financially sound:

Financial Indicators

(\$ thousands) year ending February 28	<u>1999</u> ^{2/}	<u>1998</u>
Total Assets	17,904	11,030
Total Liabilities	12,183	9,583
Owner's Equity	5,721	1,447
Operating Profit or (Loss)	4,289	664

DOT verifies compliance with 14 CFR Parts 203 (Warsaw liability waiver), 205 (Insurance requirements) and 129 (FAA Operations Specifications).

Ownership and Control: Air Comet is substantially owned and effectively controlled by citizens of Spain. Air Comet is a privately held company, owned by four Spanish companies (Autobuses Urbanos del Sur, S.A.; Transportes de Cercanías, S.A.; Proturín, S.A. and Segetur, S.A.). All of Air Comet's officers, directors and key management personnel are citizens of Spain.

^{2/} The 1999 figures, which cover the period March 1-December 31, 1998, do not represent the entire fiscal year.