

§ 91.1002 Compliance date.

No person that conducted flights before November 17, 2003 under a program that meets the definition of fractional ownership program in § 91.1001 may conduct such flights after February 17, 2005 unless it has obtained management specifications under this subpart.

[Doc. No. FAA-2001-10047, 68 FR 54561, Sept. 17, 2003; 69 FR 74413, Dec. 14, 2004]

§ 91.1003 Management contract between owner and program manager.

Each owner must have a contract with the program manager that—

(a) Requires the program manager to ensure that the program conforms to all applicable requirements of this chapter.

(b) Provides the owner the right to inspect and to audit, or have a designee of the owner inspect and audit, the records of the program manager pertaining to the operational safety of the program and those records required to show compliance with the management specifications and all applicable regulations. These records include, but are not limited to, the management specifications, authorizations, approvals, manuals, log books, and maintenance records maintained by the program manager.

(c) Designates the program manager as the owner's agent to receive service of notices pertaining to the program that the FAA seeks to provide to owners and authorizes the FAA to send such notices to the program manager in its capacity as the agent of the owner for such service.

(d) Acknowledges the FAA's right to contact the owner directly if the Administrator determines that direct contact is necessary.

§ 91.1005 Prohibitions and limitations.

(a) Except as provided in § 91.321 or § 91.501, no owner may carry persons or property for compensation or hire on a program flight.

(b) During the term of the multi-year program agreements under which a fractional owner has obtained a minimum fractional ownership interest in a program aircraft, the flight hours used during that term by the owner on

program aircraft must not exceed the total hours associated with the fractional owner's share of ownership.

(c) No person may sell or lease an aircraft interest in a fractional ownership program that is smaller than that prescribed in the definition of "minimum fractional ownership interest" in § 91.1001(b)(10) unless flights associated with that interest are operated under part 121 or 135 of this chapter and are conducted by an air carrier or commercial operator certificated under part 119 of this chapter.

§ 91.1007 Flights conducted under part 121 or part 135 of this chapter.

(a) Except as provided in § 91.501(b), when a nonprogram aircraft is used to substitute for a program flight, the flight must be operated in compliance with part 121 or part 135 of this chapter, as applicable.

(b) A program manager who holds a certificate under part 119 of this chapter may conduct a flight for the use of a fractional owner under part 121 or part 135 of this chapter if the aircraft is listed on that certificate holder's operations specifications for part 121 or part 135, as applicable.

(c) The fractional owner must be informed when a flight is being conducted as a program flight or is being conducted under part 121 or part 135 of this chapter.

OPERATIONAL CONTROL**§ 91.1009 Clarification of operational control.**

(a) An owner is in operational control of a program flight when the owner—

(1) Has the rights and is subject to the limitations set forth in §§ 91.1003 through 91.1013;

(2) Has directed that a program aircraft carry passengers or property designated by that owner; and

(3) The aircraft is carrying those passengers or property.

(b) An owner is not in operational control of a flight in the following circumstances:

(1) A program aircraft is used for a flight for administrative purposes such as demonstration, positioning,