

number of commercial air tours conducted by the certificate holder and reported to the FAA during the period beginning on May 1, 1997 and ending on April 30, 1998, unless excepted under paragraph (g).

(c) Certificate holders who conducted commercial air tours during the base year and reported them to the FAA receive an initial allocation.

(d) A certificate holder must use one allocation for each flight that is a commercial air tour, unless excepted under paragraph (f) or (g) of this section.

(e) Each certificate holder's operation specifications will identify the following information, as applicable:

(1) Total SFRA allocations; and

(2) Dragon corridor and Zuni Point corridor allocations.

(f) Certificate holders satisfying the requirements of § 93.315 of this subpart are not required to use a commercial air tour allocation for each commercial air tour flight in the GCNP SFRA provided the following conditions are satisfied:

(1) The certificate holder conducts its operations in conformance with the routes and airspace authorizations as specified in its Grand Canyon National Park Special Flight Rules Area operations specifications;

(2) The certificate holder must have executed a written contract with the Hualapai Indian Nation which grants the certificate holder a trespass permit and specifies the maximum number of flights to be permitted to land at Grand Canyon West Airport and at other sites located in the vicinity of that airport and operates in compliance with that contract; and

(3) The certificate holder must have a valid operations specification that authorizes the certificate holder to conduct the operations specified in the contract with the Hualapai Indian Nation and specifically approves the number of operations that may transit the Grand Canyon National Park Special Flight Rules Area under this exception.

(g) Certificate holders conducting commercial air tours at or above 14,500 feet MSL but below 18,000 feet MSL who did not receive initial allocations in 1999 because they were not required to report during the base year may operate without an allocation when con-

ducting air tours at those altitudes. Certificate holders conducting commercial air tours in the area affected by the eastward shift of the SFRA who did not receive initial allocations in 1999 because they were not required to report during the base year may continue to operate on the specified routes without an allocation in the area bounded by longitude line 111 degrees 42 minutes east and longitude line 111 degrees 36 minutes east. This exception does not include operation in the Zuni Point corridor.

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§ 93.321 Transfer and termination of allocations.

(a) Allocations are not a property interest; they are an operating privilege subject to absolute FAA control.

(b) Allocations are subject to the following conditions:

(1) The Administrator will re-authorize and re-distribute allocations no earlier than two years from the effective date of this rule.

(2) Allocations that are held by the FAA at the time of reallocation may be distributed among remaining certificate holders, proportionate to the size of each certificate holder's allocation.

(3) The aggregate SFRA allocations will not exceed the number of operations reported to the FAA for the base year beginning on May 1, 1997 and ending on April 30, 1998, except as adjusted to incorporate operations occurring for the base year of April 1, 2000 and ending on March 31, 2001, that operate at or above 14,500 feet MSL and below 18,000 feet MSL and operations in the area affected by the eastward shift of the SFRA bounded by longitude line 111 degrees 42 minutes east to longitude 111 degrees 36 minutes east.

(4) Allocations may be transferred among Part 135 or Part 121 certificate holders, subject to all of the following:

(i) Such transactions are subject to all other applicable requirements of this chapter.

(ii) Allocations authorizing commercial air tours outside the Dragon and Zuni Point corridors may not be transferred into the Dragon and Zuni Point corridors. Allocations authorizing commercial air tours within the Dragon