



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

FEB 4 2002

Marvin J. Keogh,
President and Owner
Air Medic
P.O. Box 15188
North Hollywood, California 91615-5188

Dear Mr. Keogh:

This responds to your letter of October 10 in which you ask for an interpretation of your current authority to operate an air ambulance service as both an indirect air carrier and a direct air carrier. You mention that you are now only in the business of manufacturing aircraft stretchers for patients.

You describe that in the 1970s the former Civil Aeronautics Board (CAB) had granted Air Medic authority to hold out to the public and operate an air ambulance service that transported patients and medical supplies nationwide.

We reviewed the history of Air Medic and find that indeed the CAB from 1973 to 1978 granted the company authority to hold out to the public a service in air transportation in which it transported patients to needed medical facilities throughout the country accompanied by a medical attendant and any special equipment on aircraft operated by either an air taxi, a large certificated carrier, or even its own aircraft. See Orders 73-3-62, 75-4-2, 76-9-30, 78-1-103 and 78-6-173. The Air Medic authority was issued as exemptions from the more burdensome full certification process for requisite authority to engage in air transportation as an air carrier. Air Medic received authority to operate as an indirect air carrier, that is, holding out the air transportation service but using the aircraft of another direct air carrier operating its own aircraft. In addition, Air Medic was given authority to combine and operate its air ambulance using its own aircraft as a direct air carrier under 14 CFR Part 298 economic authorization of the CAB and 14 CFR Part 135 safety authorization of the FAA.

In 1983, the CAB on its own accord issued a blanket exemption to all persons desiring to hold out and operate air ambulance services as an indirect air carrier in which the CAB eliminated the need for operators to file and prosecute individual applications for authority. See Order 83-1-36 (copy attached). That authority was transferred to the Department upon the sunset of the CAB at the end of 1984. The CAB/DOT blanket authority was made contingent on the operators adhering to three conditions, namely, that they:

- use for their lift only air carriers that were authorized by the FAA and the CAB (now DOT);

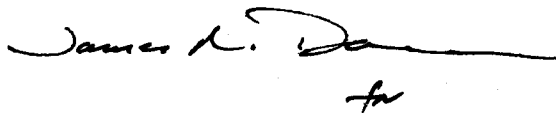
- continue to adhere to the statutory obligation (now found at 49 USC § 41702) to provide safe and adequate service, equipment and facilities in the conduct of the operations; and
- will obtain themselves any safety authorization that might be required by the FAA for their operation (the FAA however does not require any safety authorization for the air ambulance services of an indirect air carrier).

The blanket authorization, which currently provides indirect air carrier authority for all air ambulances, past and present, does not address the issue of direct air carrier authority. No direct air carrier authority is provided by the blanket authorization for air ambulances operating as indirect air carrier. Air Medic does not hold any direct air carrier authorization. If Air Medic, or any other air ambulance, desired to also operate as a direct air carrier it must obtain that additional authority by compliance with the applicable Department safety and economic requirements. See 14 CFR Parts 135 and 298.

Thus, Air Medic has current Department authority to the extent necessary under DOT aviation requirements to operate its air ambulance service as an indirect air carrier, if it adheres to the three conditions cited above.

If you have any further questions please feel free to contact me or Bernard Diederich of my staff at 202-366-9154.

Sincerely,



Roberta D. Gabel
Assistant General Counsel for Environmental,
Civil Rights and General Law

Enclosure

cc: FAA, Flight Standards Service, Air Transportation Division and 2222 AFS-200

UNITED STATES OF AMERICA
CIVIL AERONAUTICS BOARD
WASHINGTON, D.C.



Adopted by the Civil Aeronautics Board
at its office in Washington, D.C.
on the 12th day of January, 1983

In the matter of a blanket exemption
to indirect air carriers serving as

AIR AMBULANCE OPERATORS

Docket 41218

under section 416(b) of the Federal
Aviation Act of 1958, as amended

ORDER GRANTING BLANKET EXEMPTION

Section 401 of the Federal Aviation Act requires air carriers to obtain a certificate of public convenience and necessity from the Board in order to conduct air transportation operations. Under section 416(b) of the Act the Board has granted exemptions from these requirements to allow indirect air carriers to hold out, arrange, and coordinate air ambulance services of direct air carriers. In granting these exemptions to indirect air carriers, we have concluded that, since these operators offer the public a unique service, it is in the public interest to permit them to develop and coordinate the air ambulance capabilities of air carriers throughout the country and make it possible for persons requiring these services to secure them in a systematic and expedited manner. 1/ Over 30 carriers have been granted exemptions from Title IV of the Act 2/ as indirect air carriers to provide air ambulance services. We have conditioned the exemptions on the requirement that the air ambulance operator use only the services of carriers holding appropriate Board and FAA authority to engage in such operations.

We have during the past two years received eight applications for exemptions to perform air ambulance services. Without exception, all of these applications have been granted, subject only to the condition mentioned above.

1/ See, e.g., Application of Air Medic, Docket 25135, Order 73-3-62, March 19, 1973.

2/ Except for the obligation under section 404(a) of the Act to provide safe and adequate service.

In acting on these recent applications, we have not performed any fitness evaluation of the applicant per se. Rather, we have concentrated our attention on the direct air carriers that the operators intended to use in their services, conditioning such exemptions on the requirement noted above. 3/ We have now decided that we can accomplish the same purpose by granting a blanket exemption from Title IV of the Act to any person desiring to conduct air ambulance services as an indirect air carrier. This exemption will, as in the past, be conditioned upon the air ambulance operator using only Board and FAA authorized air carriers. In addition, we will require the air ambulance operator itself to obtain any safety authorization that may be required by the FAA to conduct this service.

The grant of this exemption will eliminate the need for proposed operators to file and prosecute individual applications for such authority and is in line with our continuing efforts to eliminate regulatory controls which no longer appear necessary. For these reasons, we find that the proposed exemption from Title IV is in the public interest.

ACCORDINGLY,

1. We grant a blanket exemption from the provisions of Title IV of the Act to persons proposing to operate as indirect air carriers to the extent necessary to permit them to hold out, arrange and coordinate the operation of air ambulance services; Provided that this relief does not exempt the indirect air carriers from their obligations under section 404(a) to provide safe and adequate service, equipment, and facilities in the conduct of the operations; and Provided further, that:

- (i) they will utilize only those air carriers that hold appropriate Board and FAA authorization to engage in such air transportation operations; and
- (ii) they will themselves obtain any safety authority that may be required by the FAA to conduct such operations.

2. We reserve the right to amend, modify, or revoke this order at any time in our discretion without hearing; and

3. We will publish a copy of this order in the Federal Register.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR
Secretary

(SEAL)

All Members concurred.

3/ Most of the direct air carriers that air ambulance operators use for their services are air taxi operators which are required by the Board to register and maintain minimum insurance coverage and to hold an air carrier operating certificate and operations specifications from the FAA.