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- (f) The registrant fails to have proper insurance coverage, or fails to file or keep a current insurance certificate on file with the Department;
- (g) The registrant fails to comply with the terms, conditions, or limitations of this part;
- (h) The carrier's operations specifications issued by the FAA are suspended or terminated:
- (i) The Department finds that it is in the public interest to do so.

 $[\mathrm{ER}\text{-}1257,\,46~\mathrm{FR}~52591,\,\mathrm{Oct.}~27,\,1981,\,\mathrm{as}~\mathrm{amended}~\mathrm{at}~60~\mathrm{FR}~43526,\,\mathrm{Aug.}~22,\,1995;\,71~\mathrm{FR}~49347,\,\mathrm{Aug.}~23,\,2006]$

§ 294.51 Presidential review.

A Department order under §294.50 (e), (g) or (i) shall be subject to stay or disapproval by the President within 60 days.

Subpart G—Authorizations and Waivers

§ 294.60 Applications for authorization to conduct individual operations or programs not otherwise permitted by this part.

(a) Where the terms, conditions, or limitations of this part, particularly §294.81, require prior approval of individual flights or charter programs, the registrant shall apply for such approval by filing three copies of OST Form 4540 with the Office of International Aviation, Foreign Air Carrier Licensing Division. OST Form 4540 may be obtained from the Foreign Air Carrier Licensing Division.

(b) Action on the application for authorization filed under paragraph (a) of this section will normally be taken within 30 days after the application is filed. The Department will consider requests for faster action that include a full explanation of the need for expedited action.

[ER-1257, 46 FR 52591, Oct. 27, 1981, as amended by Docket No. 47939, 57 FR 40103, Sept. 2, 1992; 71 FR 49347, Aug. 23, 2006]

§ 294.61 Waivers.

The Department upon application or on its own initiative may waive any of the provisions of this part if it finds such action to be in the public interest.

Subpart H—Violations

§ 294.70 Enforcement.

In case of any violation of any of the provisions of the Statute, or this part, or any other rule, regulation, or order issued under the Statute, the violator may be subject to a proceeding under section 46101 of the Statute before the Department, or sections 46106 through 46108 of the Statute before a U.S. District Court, as the case may be, to compel compliance; or to impose civil penalties under the provisions of section 46301 of the Statute; or in the case of a willful violation, to impose criminal penalties under the provisions of section 46316 of the Statute; or to impose other lawful sanctions, including revocation of registration.

[ER-1257, 46 FR 52591, Oct. 27, 1981, as amended at 60 FR 43527, Aug. 22, 1995]

Subpart I—Terms, Conditions, and Limitations of This Part

§ 294.80 Waiver of sovereign immunity.

By accepting an approved registration under this part, a registrant waives any right it may possess to assert any defense of sovereign immunity in any action or proceeding instituted against it in any court or other tribunal in the United States based upon any claim arising out of its operations under this part.

§ 294.81 Local traffic prohibited.

- (a) Except as set forth in paragraph (b) of this section or §294.60, a registrant shall not carry passengers, cargo, or mail between two or more United States points for compensation or hire.
- (b) A registrant may grant stopover privileges at any point or points in the United States to passengers and their accompanied baggage as part of a single continuous operation to or from Canada.

[ER-1257, 46 FR 52591, Oct. 27, 1981, as amended by Doc. No. 2006-25691, 71 FR 49347, Aug. 23, 2006]

§ 294.83 Compliance with certain international agreements.

A registrant shall not operate any aircraft under this part unless it:

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- (a) Complies with operational safety requirements at least equivalent to Annex 6 of the Chicago Convention;
- (b) Complies with all applicable provisions of the Agreement; and
- (c) Complies with all applicable provisions of any treaty, convention, or agreement affecting international air transportation to which the United States and Canada are parties.

§ 294.84 Air competency requirements.

Registrants shall conform to the airworthiness and airman competency requirements prescribed by the Government of Canada for Canadian international air service.

§ 294.85 Charterworthiness standards.

- (a) Registrants may perform U.S.originating charters authorized under Annex B (III)(A) of the Agreement as follows: Commercial air transportation of passengers and their accompanied baggage, and of property, on a time, mileage, or trip basis, where the entire planeload capacity of one or more aircraft has been engaged by a person for his own use or by a person for the transportation of a group of persons and/or their property, as agent or representative of such group, or other small aircraft operations as may be authorized under any amendments, supplements, reservations, or supersessions of the Agreement.
- (b) Registrants may perform Canadian-originating charters authorized by Annex B (III)(B) of the Agreement and any amendments, supplements, reservations or supersessions of it. Such charters may be performed only to the extent authorized by the Air Carrier Regulations of the Canadian Transport Commission applicable to operations by small aircraft.

§ 294.86 Industrial/agricultural/other nontransport air operations prohibited.

A registrant shall not engage in flights for the purpose of industrial or agricultural operations (e.g., crop dusting, pest control, pipeline patrol, mapping, surveying, banner towing, skywriting, aerial photography) within the United States unless it has obtained a permit from the Department under part 375 of this chapter.

§ 294.87 Compliance with Canadian licenses.

A registrant shall not, in the performance of operations authorized by this part, use any aircraft or conduct any operations except in accordance with the authority and conditions contained in the registrant's applicable Canadian licenses.

PART 296—INDIRECT AIR TRANSPORTATION OF PROPERTY

Subpart A—General

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Subpart B—Exemption for Indirect Air Transportation of Property

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296.20 Enforcement.

AUTHORITY: 49 U.S.C. Chapters 401, 417.

SOURCE: ER-1261, 46 FR 54727, Nov. 4, 1981, unless otherwise noted.

Subpart A—General

§296.1 Purpose.

This part establishes rules for the indirect air transportation of property. It creates a class of air carriers to provide this air transportation and grants exemptions from certain provisions of the Subtitle VII of Title 49 of the United States Code (Transportation).

 $[\mathrm{ER}\text{--}1257,\ 46\ \mathrm{FR}\ 52591,\ \mathrm{Oct.}\ 27,\ 1981,\ \mathrm{as}\ \mathrm{amended}\ \mathrm{at}\ 60\ \mathrm{FR}\ 43527,\ \mathrm{Aug.}\ 22,\ 1995]$

§ 296.2 Applicability.

This part applies to air transportation of property by indirect cargo air carriers, and to persons entering into control relationships with indirect cargo air carriers.

§296.3 Indirect cargo air carrier.

An indirect cargo air carrier is any U.S. citizen who undertakes to engage indirectly in air transportation of