



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Issued by the Department of Transportation  
on the 5<sup>th</sup> day of May, 2004

Application of

**ALLEGIANT AIR, INC.**

**Docket OST-2004-17121**

for a disclaimer of jurisdiction and reissuance of certificate or, alternatively, approval of the transfer of its certificate under 49 U.S.C. 41105

**ORDER CONFIRMING ORAL ACTION  
AND REISSUING CERTIFICATE**

**Summary**

By this order, we (1) confirm our oral action of March 15, 2004, disclaiming jurisdiction over the transfer of the interstate scheduled passenger certificate issued to Allegiant Air, Inc., to Allegiant Air, LLC, and (2) reissue the carrier's interstate certificate in the new name.

**Background**

Allegiant Air, Inc. (Allegiant) is an operating air carrier that holds an interstate scheduled passenger certificate.<sup>1</sup> It was established as a California Subchapter S corporation in 1997. On February 13, 2004, Allegiant filed an application in Docket OST-2004-17121 requesting that the Department disclaim jurisdiction over the transfer of the operating authority held by it to Allegiant Air, LLC (LLC), a newly-formed limited liability company.<sup>2</sup>

Allegiant states that the transfer of its operating authority is incidental to a corporate restructuring being undertaken by the carrier for business and tax reasons. According to Allegiant, the restructuring will result in no change in the ownership, management, control, operations, financial condition or citizenship of the carrier.<sup>3</sup> The corporate reorganization became effective on May 3, 2004.

No answers opposing Allegiant's application were filed in the docket.

<sup>1</sup> See Order 2000-3-11, issued March 17, 2000.

<sup>2</sup> LLC was formed in the State of Nevada on January 27, 2004.

<sup>3</sup> Allegiant's President and CEO, Maurice J. Gallagher, Jr., is currently the carrier's majority shareholder and will remain so after the planned corporate restructuring. All of its current management team and employees are slated to transfer to LLC, as are all of the company's current air carrier operations.

**Decision**

Upon review of the information provided by Allegiant, we have decided to disclaim jurisdiction over the carrier's reincorporation as a Nevada limited liability company. Allegiant advises that the reincorporation will have no effect on its actual ownership, control, management, citizenship, financial condition, or operations. In previous cases, the Department has disclaimed jurisdiction over similar corporate reorganizations based on the conclusion that the circumstances of the proposed transfer did not fall within the meaning of section 41105 of the Transportation Code.<sup>4</sup> Since the applicant advises that there will be no ownership changes or changes in fitness-related areas as a result of the transfer to LLC, we see no reason not to do so here. We orally advised Allegiant of this decision on March 15. By this order, we confirm our oral action and reissue Allegiant's certificate to reflect the LLC name.<sup>5</sup>

**ACCORDINGLY**, Pursuant to authority assigned by the Department in its regulations, 14 CFR 385.12:

1. We confirm our oral action of March 15, 2004, disclaiming jurisdiction over the transfer of the interstate scheduled passenger certificate currently held by Allegiant Air, Inc., to Allegiant Air, LLC.
2. We reissue the interstate scheduled passenger certificate issued to Allegiant Air, Inc., by Order 2000-3-11 in the name of Allegiant Air, LLC.<sup>6</sup>
3. We will serve a copy of this order on the persons listed in Attachment A.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, may file their petitions within 10 days of the service date of this order.

The action confirmed in this order was effective when taken and the filing of a petition for review shall not alter its effectiveness.

By:

**RANDALL D. BENNETT**  
Director  
Office of Aviation Analysis

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<http://dms.dot.gov>*

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<sup>4</sup> See, for example, Orders 96-4-18 and 2003-3-2.

<sup>5</sup> We will make the reissued certificate effective on May 3, 2004.

<sup>6</sup> The reissued certificate also reflects the format currently used by the Department for such certificates. The certificate neither confers new authority nor imposes new restrictions on the company's operations.



# Certificate of Public Convenience and Necessity for Interstate Air Transportation

This Certifies That

## ALLEGIANT AIR, LLC

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in interstate air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the  
Secretary

Issued by Order 2004-5-7  
On May 5, 2004

Randall D. Bennett  
Director

Effective on May 3, 2004

Office of Aviation Analysis



Terms, Conditions, and  
Limitations

**ALLEGiant AIR, LLC**

is authorized to engage in interstate air transportation of persons, property, and mail between any point in any State, territory, or possession of the United States or the District of Columbia, and any other point in any of those entities.

This authority is subject to the following provisions:

(1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.

(2) The holder's authority under this certificate is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA), and comply with all U.S. Government requirements concerning security.\*\*

(3) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).

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\* This certificate is being reissued to reflect its new corporate name and the format currently used in such certificates.

\*\* To assure compliance with all applicable U.S. Government requirements concerning security, the holder shall, before commencing any new service (including charter flights) to or from a foreign airport, contact its Principal Security Inspector (PSI) to advise the PSI of its plans and to find out whether the Transportation Security Administration has determined that security is adequate to allow such airport(s) to be served.

(4) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this certificate.

(5) The holder is authorized to conduct charter flights in interstate and/or foreign air transportation in accordance with the provisions of 14 CFR 212.

(6) The holder may reduce or terminate service at any point or between any two points, subject to compliance with the provisions of 49 U.S.C. 41734 and all orders and regulations issued by the Department of Transportation under that section.

(7) The holder may not provide scheduled passenger air transportation to or from Dallas (Love Field), Texas, except within the limits set forth in section 29 of the International Air Transportation Competition Act of 1979, as amended by section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1998.

(8) Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(1)), it must first comply with the requirements of 14 CFR 204.5.

(9) In the event that the holder ceases all operations for which it was found "fit, willing and able," its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.

**SERVICE LIST FOR  
ALLEGIANT AIR, INC.**

Mr. Maurice J. Gallagher, Jr.  
President & Chief Executive Officer  
Allegiant Air, LLC  
3301 North Buffalo Drive  
Las Vegas, Nevada 89129

Mr. Aaron A. Goerlich  
Counsel for Allegiant Air, LLC  
Garofalo Goerlich Hainbach, PC  
1200 New Hampshire Avenue NW  
Washington, D.C. 20036-6802

Mr. Peter J. Lynch, Asst. Chief  
Counsel for Enforcement, AGC-300  
Federal Aviation Administration  
800 Independence Ave., S.W.  
Washington, D.C. 20591

Ms. Lori Aquilino  
Assistant Mgr, CSET  
24215 Manny Marshall Dr.  
Twain Harte, California 95383

Mr. Donald Bright, Actg. Director  
Office of Airline Information (K-25)  
Department of Transportation  
400 7<sup>th</sup> St., S.W.  
Washington, D.C. 20590

Mr. Larry Kephart  
Mgr., Flt. Stds. Div., AWP-200  
Federal Aviation Administration  
Western Region Headquarters  
PO Box 92007  
Los Angeles, California 90009-2007

Mr. Monroe P. Balton  
Regional Counsel, AWP-7  
Federal Aviation Administration  
Western Region Headquarters  
PO Box 92007  
Los Angeles, California 90009-2007

Mr. Samuel E. Ford  
Principal Operations Inspector  
FAA Flight Standards District Office  
7181 Amigo Street, Suite 180  
Las Vegas, Nevada 89119