

Tips on Purchasing An Existing Part 135 Charter Certificate Post 2013 FAA Sequestration

By: Dean Kantis [guest author] / Universal Weather

This is a post by guest author [Dean Kantis](#), founder and owner of [Micro Jet Network, Inc.](#) Dean was asked to contribute to this blog because of his expertise in Part 135 aircraft brokerage. Any thoughts expressed below are entirely Dean's and do not necessarily reflect the views of Universal Weather and Aviation, Inc.

Since the Federal Aviation Administration's (FAA's) sequestration, much has changed in the arena of new charter certificates. With the FAA looking to reduce the current number of certificates, it may be best to look at purchasing an existing charter certificate. Below we will cover items you should consider with establishing a new certificate or purchasing an existing one.

The following is an overview of what you need to know:

1. What has happened since the 2013 FAA sequestration

Since the FAA's sequestration started a few years ago, the goal for the FAA was to downsize from about 4,000 part 135 charter certificates to about 2,000. As many 135 operators can attest, there have been many changes made at each FAA Flight Standards District Office (FSDO) and these changes, although they may seem "small," could really be game changers, and here's why. First, I am hearing from many of my contacts, existing operators – small and large, as well as from Directors of Maintenance (DOMs), Directors of Operations (DOOs), and Chief Pilots (CPs) that there are even occasions where some FAA FSDO offices are putting their local charter operators "up for bid." In other words, it's almost like the FAA personnel will be "outsourced" to FAA approved sub-contractors. More information on the FAA sequestration can be found on the National Business Aviation Association (NBAA) [website](#).

2. What does this mean to part 135 charter owners who are in need of a charter certificate

What does this mean to you if you are starting a part 135 from scratch? It could mean that it may take two to three years until you are up and running and that you could experience eternal delays. What does that mean to your bottom line? It could mean that you may never get your operation off the ground floor and that it may never have the chance to "Fly!" The worst scenario is that you may have spent tens of thousands of dollars in creating a "part 135 certificate/entity" that has jets in a so-called "in a holding pattern" in line to be "conformed" that may never happen. Not to mention, lease for hangar and office space, insurance, personnel, type ratings for pilots, maintenance hourly programs, and other aviation costs that add up very quickly. When considering the creation or purchase of a part 135 charter certificate, the NBAA has some [tips](#).

There is a quicker and more cost efficient way

It makes more sense, if priced right, to purchase an existing 135 certificate that had everything already approved and in place. Additionally, it will have already gone through the "proving runs" if you need a jet, whose requirements are between usually 15 and 25 hours depending on the FSDO jurisdiction and the FAA personnel's judgement on your DOM, DOO, and CP qualifications and 135 experience acumen. Also, the operational specifications (ops specs) will already be in place, including the manuals for safety, training, pilots, and most importantly for the ability for the 135 certificate to fly in and around the U.S., Canada, Mexico and maybe also the Caribbean, and Central and South American territories. But, whatever you do, make sure the existing DOM, DOO, and CP positions stay on through the transition (three to nine months) and sometimes beyond, or they are one by one, replaced with new personnel. The FAA usually is more than helpful to allow new positions to be changed out, as long as all (two or three) are not done

simultaneously which could result in the FAA stepping in and temporarily violating the certificate or in extreme cases of negligence, shutting the certificate down or surrendering it.

From there, you can adjust the ops specs and grow or reduce the size to meet your charter needs.

Also, many times, there are questions about running a “single pilot, basic or full certified 135 operation.” Many of these questions can be answered by reading the [FAA's requirements](#).

What type of part 135 charter certificates are the most desirable

We deal with all varieties of part 135 buyers and sellers. The simplest are those basic charter operators requiring a single piston or twin turbo props certificate with U.S. only territories. Next, are the full charter operators but they're in need of proving runs of between 15 – 25 hours so it can conform a jet aircraft. One step up, is a certificate with jets conformed already, already earning residual charter income with a client base in hand, ops specs for International operational territories and with the abilities for air ambulance and/or add chartering body parts and organs and that come with or without aircraft conformed previously or not. The ultimate scenario is to take over a 20+ year charter business that is turnkey and one that is already established with full staff willing to stay on with the new owner. That would be a grand slam!

Conclusion

Either way, there are certain things to consider. The ops specs and the detailed manuals are the blueprint that informs the FAA of each individualistic character and requirements pertaining to each 135 certificate so that they can check, unannounced, to ensure public safety and that the 135 operator is abiding by the FAA federal aviation regulation (FAR) regulations. You may spend a lot of time and money creating a 135 from start, only to find out that you are never able to “FLY.” Plus, each FSDO can change at any time, which will change how you work with that entity. By double checking all options, consulting with the proper aviation tax attorney and accountant, picking the appropriate DOM, DOO, and CP, you will be making sure that you have a good aviation charter experience. By not doing so, may lead to many potential pitfalls.

Questions?

If you have any questions about this article, contact me at dk@microjetnetwork.com.

Tags: air charter broker, faa, part 135 certificate, part 135 charter certificate, part 135 for sale

Category: Guest Post

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