

For: LeClairRyan, Alexandria, Va.  
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**NEW FAA RULE CHANGES AIM TO SOLVE CHARTER AVIATION'S 'TRANSPARENCY PROBLEM,' WRITES LECLAIRRYAN AVIATION ATTORNEY**

*--In column for Corporate Compliance Insights, Darcy C. Osta explains changes that stand to bolster safety for all companies that work with brokers to charter flights.*

ALEXANDRIA, VA. (04/08/19) – New FAA regulations bring much-needed transparency to charter aviation—especially if those who charter flights take proactive steps to leverage the new rules, writes [LeClairRyan](#) aviation attorney Darcy C. Osta in a new column for *Corporate Compliance Insights*.

The new rules, which took effect on Feb. 14, require air charter brokers to make mandatory disclosures that stand to help charterers better evaluate the safety of the carriers they hire, notes Osta, an Alexandria-based partner in the national law firm. They also set forth additional information brokers must disclose to charterers—but only upon request. “If your company charters aircraft, it is important to study these changes and work with your legal team to draft policies and procedures geared toward taking full advantage of them,” she advises.

When chartering a flight, companies naturally want to know as much as they can about the air carrier and its track record. But in the April 3 column (“[FAA Clamps Down on Deceptive and Unfair Trade Practices to Minimize Risk to Corporations](#)”), Osta notes that charter aviation had a transparency problem prior to implementation of the new rules.

The changes resulted in part from a deadly 2004 crash that called attention to the issue, explains Osta, a member of LeClairRyan’s aviation industry practice.

“When investigators from the National Transportation Safety Board (NTSB) tried to figure out what had happened, they discovered that the charter aviation company involved had been operating under a confusing proliferation of revolving trade names,” the attorney writes. “The investigators and even some executives at the charter company itself struggled to figure out the relationship between the swirl of DBAs involved.”

In 2006, NTSB issued a safety recommendation to the FAA to require more transparency in the charter world. The new rules govern interactions between brokers, charterers and carriers and represent FAA’s effort to encourage transparency, clamp down on deceptive or unfair trade practices and improve the consumer experience, Osta notes.

The mandatory disclosures by air charter brokers include the corporate name of the direct air carrier in operational control of the aircraft and any other names it uses publicly; the capacity in which the air charter broker is acting; and the existence or absence of liability insurance held by the air charter broker. Upon request, charterers are also entitled to know about any corporate or business ties between the broker and the air carrier in control of the flight.

Charterers can also ask for the total cost of the air transportation in question. “This includes any fees charged by the carrier or broker and/or any related taxes,” Osta writes. “Charterers can also request the amount of any fees (or a good-faith estimate) collected by third parties for fuel, landing, aircraft parking, hangar usage and the like.”

In the column, she also describes regulators’ efforts to expose deceptive and unfair trade practices and prevent last-minute changes that, from the perspective of charterers, could have the character of a “bait and switch.”

“Taken together, the new regulations are a positive development for charter aviation,” Osta concludes. “They empower charterers to act with better information about the companies with which they do business.”

The full column is available at: <https://bit.ly/2WFIJiq>

Brokers and charterers alike can also view a free, 90-minute webinar on the changes co-conducted by Osta. It is available [here](#).

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