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U.S. Department of
Transportation

Office of the Secretary of Transportation
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DEPT. OF TRANSPORTATION
DOCKETS

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

February 16, 2006

Mr. James M. Waldon
Chief Operating Officer
Mokulele Flight Service, Inc.
73-350 U'U Drive
Kialua-Kona, HI 96740

OST-2005-22935-8

Re: Application of Mokulele Flight Service, Inc.
for a certificate under 49 U.S.C. 41102

Dear Mr. Waldon:

This letter is in reference to the application of Mokulele Flight Service, Inc. ("Mokulele") filed in Docket OST-2005-22935 requesting authority to engage in interstate scheduled air transportation of persons, property and mail. I have completed my initial review of Mokulele's application and find that additional and/or clarifying information is necessary before we can process the application further. The attached Information Request sets out those areas where further information is needed from the applicant.

We will give Mokulele 30 days to respond to our information request and demonstrate that it has verifiable financing to support its expanded operations. In the event that Mokulele is unable to provide the material requested within 30 days of the date of this letter, we intend to dismiss its application without further notice. Of course, any such action on our part would be without prejudice to Mokulele filing a new application when it is prepared to provide all of the information we require to meet our fitness criteria.

Thank you for your cooperation. If you have any questions, please feel free to contact me at (202) 366-9721.

Sincerely,

Vanessa R. Balgobin
Air Carrier Fitness Division
Office of Aviation Analysis

Enclosure

cc: Docket OST-2005-22935

Mr. David Lusk
POI for Mokulele Flight Service, Inc.
Federal Aviation Administration
Honolulu FSDO
135 Nakolo Place
Honolulu, HI 96819

**INFORMATION REQUEST
MOKULELE FLIGHT SERVICE, INC.**

Ownership

1. Exhibit MFS-13 of Mokulele's application indicates that the air carrier owned previously by Ms. Rebecca Kawehi Inaba. Further, it states that in October 2005, Mr. William Boyer purchased a majority share in the air carrier. However, Ms. Inaba's resume suggests that she only owned the air carrier until April 1998. Please clarify.
2. Exhibit MFS-4 states that 250,000 shares of Mokulele stock have been issued to two shareholders. If Mr. William Boyer holds 245,000 shares, please indicate who holds the remaining 5,000 shares. State the individual's name, address, and citizenship.

Key Management and Technical Personnel

3. Please identify Mokulele's Board of Directors, stating each individual's name, address, and citizenship.
4. According to Mr. Waldon's resume, he resigned from Whiteside Air and Ozark Aviation in November 1995 and began employment at Trans World Airlines in July 1997. Was Mr. Waldon employed between November 1995 and July 1997? If so, please identify his employer(s), position title(s), and duties and responsibilities.
5. Exhibit MFS-3 states that Mr. Dexter Lakhram is a United States citizen. However, according to FAA records, Mr. Lakhram is a citizen of Trinidad and Tobago. Please clarify. Also, FAA records indicate that Mr. Lakhram was previously employed by Trans States Airlines. Is this correct? If so, please explain why this information was not reflected in his resume.

Finances

6. In its application, Mokulele states that it intends to add one aircraft each quarter; however, the applicant's projected profit and loss statement shows no increase in aircraft lease expenses, maintenance, or insurance. Please provide revised financial projections that reflect increasing expenses in accordance with Mokulele's operating plan, including lease deposits, landing fees, etc. After recalculating the air carrier's projected first year expenses, provide evidence that Mokulele meets the Department's financial fitness requirements.¹

¹ We have generally asked that new applicants for certificate authority have financial resources sufficient to cover all pre-operating costs, plus a working capital reserve equal to the operating costs that would be incurred in three months of normal certificated operations. In cases where the applicant's most recent balance sheet reflects negative working capital, it has been the Department's practice to require the applicant to demonstrate that it has financial resources to cover its negative working capital in addition to

Compliance

7. In Exhibit MFS-10, Mokulele states that it “has no pending investigations, enforcement actions, and formal complaints filed by the Department, including the FAA, involving the applicant or any relevant corporation, any person employed (or to be employed)...” However, FAA records show the following two pending investigations:
 - a. 2005 WP13 0079 alleging that Mokulele violated of 14 CFR Part 119, and
 - b. 2004 EA03 0130 alleging that Mr. Dexter Lakhram violated 14 CFR Part 91.

Please provide a summary of these investigations and explain why they were not discussed in Mokulele’s application.

8. Section 243.13 requires each certificated air carrier to file a brief statement summarizing how it will collect the passenger manifest information and transmit it to the Department of State following an aviation disaster. If the applicant does not intend to operate any covered flight segments in the foreseeable future, the applicant must file a statement so stating and also stating that the applicant will not operate any covered flight segment unless it has filed the summary required by section 243.13. Therefore we ask Mokulele promptly file a copy of its passenger manifest plan in the public docket established for these plans (Docket OST-1998-3305) and file a statement in Docket OST-2005-22935 confirming that it has complied with the requirements of Part 243.
9. Section 41113 of the Statute requires certificated air carriers to develop and submit to the Department and the National Transportation Safety Board a plan (“accident plan”) to address the needs of families of passengers and other victims involved in any aircraft accident involving an aircraft of the air carrier and resulting in major loss of life. Section 41113(c) prohibits the Department from approving an application for a certificate unless the applicant has filed an accident plan that meets the requirements of section 41113(b). As a result, the Department will not be able to issue a final order regarding Mokulele’s certification until this requirement has been met. Therefore we ask that Mokulele promptly file a copy of its accident plan in the public docket established for these plans (Docket OST-1996-1960), submit the required copy of this plan to the National Transportation Safety Board, and, at the same time, file a notice in Docket OST-2005-22935 stating that it has complied with the Accident Plan requirements.

The following certification shall accompany all written submissions filed by the applicant in connection with its application:

the funds needed to meet the Department’s financial fitness test. In meeting the Department’s requirements, projected revenues may not be used.

Pursuant to title 18 United States Code section 1001, I [the individual signing the application, who shall be a principal owner, senior officer, or internal counsel of the applicant], in my individual capacity and as the authorized representative of the applicant, have not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of the application. I understand that an individual who is found to have violated the provisions of 18 U.S.C. section 1001 shall be fined not more than \$10,000 or imprisoned not more than five years, or both.