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Change in the Air: Civil Aircraft to Get Equal Treatment

Published by the *International Law Office*

June 21, 2006

In the past all businesses operating US registered aircraft were not treated equally. Companies that the Department of Transportation classified as 'non-foreign', under certain circumstances, were able to allocate costs among parent and subsidiary corporations for the operation, maintenance and ownership of US registered aircraft (commonly referred to as 'charge-backs') when using the aircraft for business purposes.(1) However, companies that were classified as 'foreign' and which operated a US registered aircraft were required to obtain authorization from the department prior to each flight in order to receive the identical reimbursement. Due to the increasingly multinational character and structure of US businesses, increasing numbers of companies were unable to receive the benefit of charge-backs despite owning and operating a <country-region w:st="on"><place w:st="on">US registered aircraft. </country-region>

In response, the department amended its rule concerning charge-backs in March 2006 by creating the new Federal Aviation Regulation Part 375.37,(2) which allows all US registered civil aircraft to receive charge-backs, regardless of classification as foreign or non-foreign.

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