

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 16

Detailed Description: (Continued)

A foreign-controlled carrier will not receive authorization to operate domestically through formation of a domestic subsidiary. The CAB's certificate of public convenience or necessity, which is required in order to operate U.S. carriers domestically, can only be issued to an air carrier, which is defined as a U.S. citizen. A U.S. citizen is further defined either as a natural person who is a U.S. citizen, a partnership of which each member who as an individual is a U.S. citizen or a corporation (a) organized under U.S. law, (b) 75% of whose voting interest is owned and controlled by U.S. citizens and (c) whose president and two-thirds of whose directors are U.S. citizens. Thus, entities or individuals owning or controlling an air carrier must be U.S. citizens through the entire chain of their ownership.

Legislative or Policy Instrument:

1966 Air Transport Agreement between Canada and U.S.,
Articles II, IV, V.

Federal Aviation Act of 1958, 49 USCA ss. 1301 et seq.

Comments:

Cross reference: old USA-25