



IT'S OVER: THE AIRLINE THAT NEVER FLEW A SINGLE PASSENGER IN 27 YEARS

News / Airlines



A US airline, which was founded in 1989 with the aim of offering a "high quality three-class passenger service" has just taken its only aircraft out of service – despite having never operated a single commercial flight in its 27-year history.

Baltia Airlines started with great promise. It aimed to offer the only non-stop flight from New York to St Petersburg, as well as holiday packages, a frequent flier programme and a concierge service, but it is yet to carry a single passenger or package.

The airline, which officially operates from John F Kennedy International (JFK) and has another base in Michigan's Willow Run Airport, claims it is still awaiting its operational approval from the US Federal Aviation Administration (FAA)... after 27 years.

The US airline, founded in 1989, has never operated a single commercial flight in its 27-year history.

The airline is said to have failed the evaluation from the FAA seven times, apparently due to a problem with the deployment of its aircraft slides, Michigan Radio reported last month.

The carrier is said to have moved its operations to Michigan where it is apparently easier to gain FAA approval than in New York, where Baltia failed all of its certification tests, according to the radio station.

Baltia, which has earned no revenue since its inception, has accumulated a debt of more than \$US119 (\$A155) million as of March of this year, according to Michigan Radio.

The New York-based carrier hoped to become "the leading US airline in the Trans-Atlantic market", offering connections between major cities in the US and Europe when it was founded. It expected to begin operating flights last year, according to the company's website.

But in March this year, the airline announced it would also be abandoning its plan to operate its only aircraft, a 37-year-old Boeing 747 plane. The plane did fly one route last year (from Willow Run to a maintenance facility in Oscoda, Michigan), but it has been dormant since, Michigan Radio reported.

The airline added it would be looking to lease newer, more fuel-efficient aircraft in a bid to facilitate its air operator certification process.

The company said it hoped the newer aircraft would "lead to the issuance of an operating certificate in the shortest amount of time."

Adding fuel to the fire, in the same week, Baltia's executive vice president and director, Barry Clare, was charged by the US Securities and Exchange Commission for acting "as an unregistered broker for sales of Baltia's common stock to investors" and "receiving transaction-based compensation for his work".

The charges were rejected by the airline: "We do not believe that Barry Clare has violated any laws, rules or regulations," Baltia said in a statement at the time.

Baltia Airlines, which has earned no revenue since its inception, has reportedly accumulated a debt of more than \$US119 million

"Mr Clare has worked tirelessly for our company and on behalf of our loyal shareholders to bring our business plan to fruition".

The charges, which were neither admitted nor denied by Mr Clare, were settled this August with a payment of just over \$US1 million by Mr Clare.

Baltia maintains it is currently at "an advanced stage of the FAA Air Carrier Certification process" and the reservations section of its website doesn't allow any bookings to be made.

The airline's latest statement in May said it was in continued talks with "various investment groups to raise the necessary capital for operating expenses and to secure leases for newer aircraft" and ultimately help speed up the certification process.

"Launching Baltia has been a long and tedious process; I want all of our shareholders to be assured that the team at Baltia is working diligently to accomplish our goal of launching Baltia," Russell Thal, the president of Baltia, said in a statement.

"We will keep our shareholders advised of further developments," he said.

Baltia Airlines has been contacted for comment.

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