



U.S. Department of
Transportation

Office of the Secretary
of Transportation

DEPT. OF TRANSPORTATION
DOCKET SECTION

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Docket OST
97-2684-6

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

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OST-97-2684

April 16, 1999

Mr. Charles A. Stanziale
Chapter 11 Trustee for
Kiwi International Holdings, Inc.
Hemisphere Center
Newark, New Jersey 07114-0006

Dear Mr. Stanziale:

I am writing to you with respect to the certificate of public convenience and necessity issued to Kiwi International Holdings, Inc. d/b/a Kiwi International Air Lines ("Kiwi").

As you know, by Order 99-3-18, issued March 23, 1999, this Department tentatively found Kiwi "unfit" to continue operations under its certificate and directed Kiwi to show cause why its certificate should not be revoked. By the terms of that order, Kiwi was given 14 days to respond to the tentative findings, a period that was subsequently extended until May 4.

As you also know, on March 24, 1999, Kiwi ceased operations after the Federal Aviation Administration ("FAA") issued an emergency order of revocation. As a result of the cessation, under the provisions of section 204.7 of the Department's Economic Regulations (14 CFR 204.7)) Kiwi's economic authority was automatically suspended.

It is my understanding that the FAA and Kiwi are negotiating a settlement agreement in principle by which the FAA would withdraw its emergency order of revocation and the FAA and Kiwi would agree to a suspension of Kiwi's certificate pending a determination by the FAA that Kiwi could resume operations.

Under section 204.7(b) of our regulations, an air carrier that has ceased operations may not resume service unless it files a notice to resume operations, submits all of the data required by section 204.3 of the regulations, and has been redetermined fit by this Department. If Kiwi wishes to resume operations, we would expect it to submit any such request as part of its response to our show cause order. Upon submission by Kiwi of all of the requisite information, the Department will give expeditious consideration to the re-establishment of Kiwi's fitness. Kiwi may not resume operations nor advertise its services until that finding of fitness has been made.

Please do not hesitate to call me or Patti Thomas of my staff if you should have any questions concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John V. Coleman". The signature is fluid and cursive, with the first name "John" being the most prominent.

John V. Coleman

Director

Office of Aviation Analysis