

# UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, DC

Issued by the Department of Transportation on the 7<sup>th</sup> day of August, 1997

Applications of

**VARIOUS FOREIGN AIR CARRIERS** 

for exemptions or authorities under 49 U.S.C. section 40109 and the orders and regulations of the Department of Transportation

Dockets	OST-95-450	OST-96-1320
	OST-95-537*	OST-96-1680
	OST-95-940*	OST-97-2167
	OST-96-1125	OST-97-2250
	OST-96-1143	OST-97-2584
	OST-96-1144*	

#### **ORDER**

The foreign air carriers referenced in the attached Notices of Action Taken have applied for various forms of authority or relief from Title 49 of the U.S. Code or regulations or orders of the Department in order to perform the air transportation activities shown in the attached Notices of Action Taken. Except as noted, no answers were filed to these requests. Because of the imminence of these operations, we approved them by telephone, subject to adherence, by each applicant, to the conditions set forth in its foreign air carrier permit, and/or conditions attached.

We carefully considered the information set forth in each application described in the attached Notices of Action Taken, and we found that each of the proposed operations was consistent with the public interest and was consistent with an applicable bilateral aviation agreement and/or our aviation relationship with the applicant's homeland, that each applicant was qualified to perform its proposed operations, and that each application should be approved.

For applicant carriers seeking initial operating authority, we determined, based on the record in those proceedings, that those carriers were financially and operationally qualified to conduct the services they proposed, and, unless otherwise noted, that they were substantially owned and effectively controlled by citizens of their respective homelands.

<sup>\*/</sup> The referenced Notices contain minor editorial or technical changes from the Notices originally issued. Any changes that we may have made are non-substantive in nature and do not affect the authority described in the original Notice in question. To the extent that, following the issuance of a confirmation order, parties or other persons have need to rely on the content of a Notice of Action Taken, they should regard the language in the Notice attached to the order, rather than the language of the original Notice, as the language that the Department is in fact confirming.

Under authority assigned by the Department in its Regulations, 14 CFR Part 385, we found that for each operation (1) immediate action was required and was consistent with Department policy; (2) grant of the exemption or authority was consistent with the public interest; and (3) grant of this authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975.

## ACCORDINGLY,

- 1. We confirm the actions described in the attached Notices of Action Taken, which granted the referenced foreign air carriers (1) exemptions from the provisions of sections 41301, and where necessary 41504, and/or other sections of Title 49 of the U.S. Code; and/or (2) relief or authorizations provided for under regulations or orders of the Department, to the applicants to perform the operations described in the attached Notices of Action Taken;
- 2. In the conduct of the service, each applicant was to adhere to the conditions set forth in Appendix A, and to any other conditions as noted in the attached Notices of Action Taken;
- 3. To the extent not granted, or explicitly deferred as noted in the attached Notices of Action Taken, these applications are denied; and
- 4. We may amend, modify, or revoke this order at any time without hearing.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, may file their petitions within ten (10) days after the date of service of this order. The filing of a petition for review of a particular action shall affect this order only as it concerns that action.

These actions were effective when taken, and the filing of a petition for review will not alter their effectiveness.

By:

PAUL L. GRETCH
Director
Office of International Aviation

(SEAL)

#### **CONDITIONS OF AUTHORITY**

In the conduct of the operations authorized, the holder shall:

- (1) Not conduct any operations unless it holds a currently effective authorization from its homeland for such operations, and it has filed a copy of such authorization with the Department;
- (2) Comply with all applicable requirements of the Federal Aviation Administration, including, but not limited to, 14 CFR Parts 129, 91, and 36;
- (3) Comply with the requirements for minimum insurance coverage contained in 14 CFR Part 205, and, prior to the commencement of any operations under this authority, file evidence of such coverage, in the form of a completed OST Form 6411, with the Federal Aviation Administration's Program Management Branch (AFS-260), Flight Standards Service (any changes to, or termination of, insurance also shall be filed with that office);
- (4) Not operate aircraft under this authority unless it complies with operational safety requirements at least equivalent to Annex 6 of the Chicago Convention;
- (5) Conform to the airworthiness and airman competency requirements of its Government for international air services;
- (6) Comply with the requirements of 14 CFR Part 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (7) Agree that operations under this authority constitute a waiver of sovereign immunity, for the purposes of 28 U.S.C. 1605(a), but only with respect to those actions or proceedings instituted against it in any court or other tribunal in the United States that are:
  - (a) based on its operations in international air transportation that, according to the contract of carriage, include a point in the United States as a point of origin, point of destination, or agreed stopping place, or for which the contract of carriage was purchased in the United States; or
  - (b) based on a claim under any international agreement or treaty cognizable in any court or other tribunal of the United States.

In this condition, the term "international air transportation" means "international transportation" as defined by the Warsaw Convention, except that all States shall be considered to be High Contracting Parties for the purpose of this definition;

- (8) Except as specifically authorized by the Department, originate or terminate all flights to/from the United States in its homeland;
- (9) Comply with the requirements of 14 CFR Part 217, concerning the reporting of scheduled, nonscheduled, and charter data;
- (10) If charter operations are authorized, comply with the Department's rules governing charters (including 14 CFR Parts 212 and 380); and
- (11) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department, with all applicable orders or regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

This authority shall not be effective during any period when the holder is not in compliance with the conditions imposed above. Moreover, this authority cannot be sold or otherwise transferred without explicit Department approval under Title 49 of the U.S. Code (formerly the Federal Aviation Act of 1958, as amended).



#### DOCKET OST-95-450

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Balkan Bulgarian Airlines**Date Filed: May 6, 1997

### Relief requested:

--RENEW exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of persons, property and mail between Sofia, Bulgaria, via the intermediate points Malta and Bucharest, Romania, and the coterminal points Detroit, MI/New York, NY; and charters pursuant to 14 CFR 212; --AMEND to add Split, Croatia, as an intermediate point on Sofia-New York operations, with local Split-New York traffic rights.

If renewal, date and citation of last action: September 13, 1995 (Order 95-10-12)

Applicant representative: Jeffrey Manley 202-637-9057

Responsive pleadings: None

#### **DISPOSITION**

Action: APPROVED IN PART; REMAINDER DISMISSED Action date: JUNE 4, 1997

Effective dates of authority granted: JUNE 4, 1997, thru JUNE 4, 1998

Basis for approval (bilateral agreement/reciprocity): Reciprocity

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

X Standard exemption conditions (attached)

**Partial grant**/Remarks: The applicant requested that the authority be effective for a period of two years. We dismissed that portion of the carrier's application to conduct the operations beyond June 4, 1998, without prejudice to refiling at a later date. The duration of this authority is consistent with our usual policy of granting interim exemption authority. (See, for example, Order 92-8-34.)

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-95-537**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Air-India Limited**Date Filed: April 4, 1997

Relief requested: RENEW exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of persons, property and mail between India and Chicago, IL, via the intermediate points Toronto, Canada; London, England; Paris, France; and Frankfurt, Germany; with local Chicago-London, Chicago-Paris, and Chicago-Frankfurt traffic rights.

If renewal, date and citation of last action: June 4, 1996 (confirmed in Order 96-8-46)

Applicant representative: Marshall Sinick 202-626-6651

Responsive pleadings: Northwest Airlines, Inc., filed an answer in opposition, which it subsequently withdrew. The City of Chicago filed an answer in support.

### **DISPOSITION**

Action: APPROVED IN PART; REMAINDER DISMISSED Action date: JUNE 10, 1997

Effective dates of authority granted: JUNE 10, 1997, thru JUNE 10, 1998

Basis for approval: December 2, 1995, Memorandum of Consultations between the United States and India

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

X Foreign air carrier permit conditions (Order 95-4-36)

**Special Conditions**: Air-India may not carry local Chicago-London traffic on more than three weekly flights.

**Partial grant**/Remarks: The applicant requested that the authority be effective for a period of two years. We dismissed that portion of the carrier's application to conduct the operations beyond June 10, 1998, without prejudice to refiling at a later date. The duration of this authority is consistent with our usual policy of granting interim exemption authority. (See, for example, Order 92-8-34.)

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-95-940**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: Cathay Pacific Airways Limited Date Filed: December 20, 1996

Relief requested: RENEW exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of (1) persons, property and mail between Hong Kong and New York, NY, via the intermediate point Vancouver, Canada; (2) property and mail between Hong Kong and the coterminal points Anchorage, AK; Chicago, IL; and New York, NY, via Toronto, Canada.

If renewal, date and citation of last action: January 5, 1996 (confirmed in Order 96-3-32)

Applicant representative: William Evans 202-371-6030

Responsive pleadings: None

#### DISPOSITION

Action: APPROVED Action date: JUNE 10, 1997

Effective dates of authority granted: JUNE 10, 1997, thru JUNE 10, 1998

Basis for approval (bilateral agreement/reciprocity): September 29, 1995, Memorandum of Consultations between the United States and Hong Kong

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated: X Foreign air carrier permit conditions (Order 92-11-37)

Special conditions/Partial grant/Denial basis/Remarks:

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **Docket OST-96-1125**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: Societe Nouvelle Air Guadeloupe d/b/a/ Air Guadeloupe Date Filed: March 10, 1997

Relief requested: RENEW exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of persons, property and mail between Pointe-a-Pitre and San Juan via St. Barthelemy; and beyond San Juan to Port au Prince and/or Santo Domingo; and charters pursuant to 14 CFR 212.

If renewal, date and citation of last action: March 19, 1996 (confirmed in Order 96-6-14)

Applicant representative: William Evans 202-371-6030

Responsive pleadings: None

#### DISPOSITION

Action: **APPROVED** Action date: **APRIL 16, 1997** 

Effective dates of authority granted: APRIL 16, 1997, thru APRIL 16, 1998

Basis for approval (bilateral agreement/reciprocity): Reciprocity

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

X Standard exemption conditions (attached)

\_ Foreign air carrier permit conditions (Order )

Special conditions/Partial grant/Denial basis/Remarks:

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET 96-1143**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Air New Zealand** Date Filed: December 19, 1996 & March 10, 1997

Relief requested: RENEW and AMEND exemption from 49 U.S.C. section 41301 to conduct foreign air transportation of persons, property and mail between New Zealand and the coterminal points Los Angeles, CA; and Honolulu, HI; via intermediate points in Australia; with the addition of Chicago, IL, and San Francisco, CA, as coterminal points.

If renewal, date and citation of last action: April 8, 1996 (confirmed in Order 96-6-14)

Applicant representative: Susan Gotbetter 212-318-3121

Responsive pleadings: None

#### DISPOSITION

Action: **APPROVED** Action date: **MAY 12, 1997** 

Effective dates of authority granted: MAY 12, 1997, thru MAY 12, 1998

Basis for approval (bilateral agreement/reciprocity): The authority is provided for in the U.S.-New Zealand Air Transport Agreement, as amended, and a June 9, 1988 Memorandum of Consultation between the United States and New Zealand.

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

Standard exemption conditions (attached)

X Foreign air carrier permit conditions (Order 90-10-50)

Special conditions/Partial grant/Denial basis/Remarks:

Action taken by:

Paul L. Gretch, Director Office of International Aviation under assigned authority (14 CFR 385)



### **DOCKET OST-96-1144**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Date Filed: March 12, 1996

Applicant: Kendell Airlines (AUST) Pty. Ltd.

Relief requested: RENEW exemption from 49 U.S.C. 41301 and statement of authorization under 14 CFR 212 of the Department's Regulations to conduct code-share operations for United Air Lines, Inc., between Sydney and Canberra, Australia.

If renewal, date and citation of last action: March 29, 1996 (confirmed in Order 96-6-14)

Applicant representative: Jeffrey Manley 202-637-9057

Responsive pleadings: None

### **DISPOSITION**

Action: APPROVED IN PART; REMAINDER DISMISSED Action date: JUNE 6, 1997

Effective dates of authority granted: JUNE 6, 1997, thru JUNE 6, 1998

Basis for approval (bilateral agreement/reciprocity): Reciprocity

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated: X Standard exemption conditions (attached)

**Special conditions**: The code-sharing operations authorized herein must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in the computer reservations systems and elsewhere, that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (*i.e.*, the ticket), and that the operator shall not permit the code of its U.S. air carrier code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition

**Partial grant**/Remarks: The applicant requested that the authority be effective for a period of two years. We dismissed that portion of the carrier's application to conduct the operations beyond June 6, 1998, without prejudice to refiling at a later date. The duration of this authority is consistent with our usual policy of granting interim exemption authority. (See, for example, Order 92-8-34.)

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-96-1320**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Date Filed: May 21, 1997

Applicant: Air Marshall Islands, Inc.

Relief requested: RENEW exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of persons, property and mail between Majuro and Kwajalein, Marshall Islands, and Honolulu, Hawaii; and charter service between the Marshall Islands and the United States.

If renewal, date and citation of last action: May 22, 1996 (confirmed in Order 96-8-46)

Applicant representative: Lawrence Wasko 202-337-6200

Responsive pleadings: None

### **DISPOSITION**

Action: APPROVED Action date: JUNE 6. 1997

Effective dates of authority granted: JUNE 6, 1997, thru JUNE 6, 1998

Basis for approval (bilateral agreement/reciprocity): 1986 Compact of Free Association between the United States and the Federated States of Micronesia and the Marshall Islands

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

X Standard exemption conditions (attached)

\_\_ Foreign air carrier permit conditions (Order - - )

Special conditions/Partial grant/Denial basis/Remarks:

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-96-1680**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: China Southern Airlines Company Limited Date Filed: September 5, 1996

Relief requested: Exemption from 49 U.S.C. 41301 to conduct scheduled foreign air transportation of persons, property and mail between Guangzhou and Los Angeles, CA.

Applicant representative: Anne Smith 202-626-3651

Responsive pleadings: None

#### **DISPOSITION**

Action: APPROVED Action date: JUNE 3, 1997

Effective dates of authority granted: JUNE 3, 1997, thru JUNE 3, 1998

Basis for approval (bilateral agreement/reciprocity): The authority is encompassed in U.S.-China Air Transport Services Agreement of 1980, as amended, and China Southern has been properly designated by its government under the Agreement. We also found, based on the record, that the applicant is operationally and financially qualified to conduct the proposed services, properly licensed, and substantially owned and effectively controlled by citizens of China. Finally, the FAA has advised us that it knows of no reason to withhold this authority.

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

X Standard exemption conditions (attached)

Special conditions: Grant of this authority is subject to the frequency limitations set forth in the U.S.-China Agreement. The applicant must obtain prior approval from the Department before operating extra-section flights or making non-traffic stops.

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-97-2167**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Premiair A/S**Date Filed: February 28, 1997

Relief requested: Exemption from 49 U.S.C. 41301 to conduct charter foreign air transportation of persons, property and mail between Denmark/Norway/Sweden and the United States, and other charters pursuant to 14 CFR 212 of the Department's regulations.

Applicant representative: Joshua Romanow 202-775-9800

Responsive pleadings: None

#### DISPOSITION

Action: APPROVED Action date: MAY 14, 1997

Effective dates of authority granted: MAY 14, 1997, thru MAY 14, 1998

Basis for approval: The authority is encompassed in the U.S.-Denmark/Norway/Sweden Air Transport Services Agreements. Premiair, a Danish carrier, has been properly designated by its government under the Agreement. We found, based on the record, that the applicant is operationally and financially qualified to conduct the proposed services, and properly licensed. Further, the FAA has advised us that it knows of no reason to withhold this authority. Premiair requested a waiver of our citizenship requirements. We granted the carrier's request. Despite the presence of non-homeland interests, we found, taking into account all the particular circumstances of this case, that there was nothing in the ownership and control of the carrier that would be inimical to U.S. aviation policy or interests. Therefore, we concluded that waiver of our standard requirement that substantial ownership and effective control of a foreign carrier rest in the hands of citizens of its homeland was warranted. It should not be assumed from this result, however, that in any other case where the record reflects the presence of non-homeland ownership or control, especially where such ownership or control was from a non-open skies bilateral partner, we would necessarily reach the same result on the issue of waiving our ownership and control policy.

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated: X Standard exemption conditions (attached)

Action taken under assigned authority (14 CFR 385) by: Paul L. Gretch, Director
Office of International Aviation

(Petitions for review may be filed from now until 10 days after the service date of the confirming order/letter. Filing of a petition shall not stay the effectiveness of this action.)

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<sup>&</sup>lt;sup>1</sup> The record indicates that Premiair is owned, through a series of 100% wholly-owned subsidiaries, by Air Tours, Plc, a publicly-held U.K. corporation with significant U.K. citizen ownership and representation on the board of directors. (Premiair incorporated by reference into this proceeding its contemporaneously filed foreign air carrier permit application, Docket OST-97-2166.)



### **DOCKET OST-97-2250**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Date Filed: March 21, 1997

Applicant: Air UK (Leisure) Limited d/b/a Leisure International Airways

Relief requested: Exemption from 49 U.S.C. 41301 to conduct charter foreign air transportation of persons and property between the United Kingdom and the United States pursuant to the U.S.-U.K. Agreement; and other charters pursuant to 14 CFR 212 of the Department's regulations pending transfer of the foreign air carrier permit (Order 93-11-32) of its wholly-owned subsidiary, Leisure International Airways Limited, to Air UK Leisure.

Applicant representative: Susan Gotbetter 212-318-3121

Responsive pleadings: None

### **DISPOSITION**

Action: APPROVED Action date: APRIL 25, 1997

Effective dates of authority granted: APRIL 25, 1997, thru APRIL 25, 1998

Basis for approval (bilateral agreement/reciprocity): The authority is provided for in the Air Services Agreement between the United States and the United Kingdom of Great Britain and Northern Ireland, and Air UK Leisure has been properly designated and licensed by the United Kingdom to operate the requested services. We found that Air UK Leisure is operationally and financially qualified to conduct the proposed services, and substantially owned and effectively controlled by citizens of the United Kingdom. We made this finding based on the May 25, 1989, U.S.-U.K. Exchange of Notes under which the aviation authorities of each country will normally accept, on a reciprocal basis, the other's fitness and citizenship determinations in regard to carriers seeking authority to conduct certain bilateral services, including the requested authority.

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

Standard exemption conditions (attached)

X Foreign air carrier permit conditions (Order 93-11-32)

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)



### **DOCKET OST-97-2584**

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **L.B. Limited** Date Filed: June 3, 1997

Relief requested: Exemption from 49 U.S.C. 41301 to engage in scheduled foreign air transportation of persons, property and mail between Freeport, Bahamas, and the coterminal points Allentown, PA, and Knoxville, TN.

Applicant representative: Pierre Murphy 202-872-1679

Responsive pleadings: None

### **DISPOSITION**

Action: **APPROVED** Action date: **JUNE 11, 1997** 

Effective dates of authority granted: JUNE 11, 1997, thru JUNE 11, 1998

Basis for approval (bilateral agreement/reciprocity): Reciprocity

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated:

\_\_ Standard exemption conditions (attached)

X Foreign air carrier permit conditions (Order 96-6-45)

Special conditions/Partial grant/Denial basis/Remarks:

Action taken by: Paul L. Gretch, Director

Office of International Aviation

under assigned authority (14 CFR 385)