



Order 98-6-23

Served: June 25, 1998

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation
on the 10th day of June, 1998

Applications of

ICELANDAIR (Flugleidir Hf.)

Dockets **OST-97-2634**

PREMIAIR A/S

OST-97-2166

**TURKISH AIRLINES (TURK HAVA
YOLLARI A.O.)**

OST-97-2407

for foreign air carrier permits under
section 41301 of Title 49 of the U.S. Code

ORDER ISSUING FOREIGN AIR CARRIER PERMITS

The captioned applicants seek foreign air carrier permits under section 41301 of Title 49 of the U.S. Code in the indicated dockets. The applications are fully described in attachments to this order. Because the public interest bases for granting these applications are clear, the applicants' fitness is established by evidence of record and unchallenged, and there are no significant ownership and control questions, it is appropriate to use this simplified, Subpart Q procedure to grant the requested authority.¹

¹ 14 CFR 302.1701 *et seq.* Under Rule 29(b), we may, in our discretion, omit a tentative decision in proceedings under Subpart Q and proceed directly to a final decision.

ach applicant has filed and perfected its application as required by 14 CFR Part 211 and served it as required by 14 CFR 302.1705. Each application was summarized in the Federal Register, as cited in its descriptive attachment, and in the Department's published weekly list of applications filed. These notices described the authority sought and gave interested persons an opportunity to submit evidence and objections to the award of the authority. No answers to these applications were filed.

Public Interest

We find that grant of these foreign air carrier permits is in the public interest, and that each applicant is qualified to conduct the proposed operations. The authority we are granting is provided for in the Air Transport Services Agreement between the United States and the applicant's homeland, and each carrier has been designated by its government under that agreement. In each case where charter authority is conferred, that authority is consistent with our foreign carrier charter rule, 14 CFR Part 212.²

Operational and Financial Fitness

Except as noted, each carrier has demonstrated that it is financially, managerially, and operationally fit to perform the foreign air transportation proposed. The applicants already have operated successfully to this country under previously issued authority. They have furnished financial information and/or evidence of government backing which indicates that they can operate without jeopardizing passenger or shipper funds.

We have reviewed each applicant's evidence of managerial/operational fitness, and have consulted the Federal Aviation Administration with respect to each. Each applicant has shown by its evidence, its history of operations to this country, and/or other officially noticeable information, that it has competent management and can operate safely. Each holds effective authority from its homeland government for the operations proposed and states that it has had no safety or tariff violations in the preceding five years. The FAA has advised us that each applicant conducts its operations to this country in accordance with Part 129 of the Federal Aviation Regulations.

Ownership and Control

Except as noted, each applicant has submitted evidence to establish that it is substantially owned and effectively controlled by nationals, or the Government, of its claimed homeland. To the extent a question may exist concerning non-homeland involvement in the applicants, we find that waiver of our ownership and control standard, to the extent necessary, is warranted. There is no evidence that the ownership and control of the carriers would make grant of this authority inimical to U.S. aviation policy or interests.

² Under Part 212, unless otherwise ordered by the Department (or, previously, by the CAB), any foreign air carrier whose permit authorizes charters may perform Third and Fourth Freedom charters without limitation or specific prior approval, and may perform Fifth Freedom charters upon obtaining a specific statement of authorization from the Department.

Terms, Conditions and Limitations

Each foreign air carrier permit is subject to the terms, conditions and limitations we consistently impose in the public interest. Since the authority is provided for in a bilateral agreement, the permit is made coextensive with that agreement.

Pendente Lite Exemptions

Each carrier is operating under current exemption authority. Those exemptions will expire by their own terms 90 days after we submit this order for review under section 41307 of Title 49 of the U.S. Code.

Findings and Conclusions

In view of the foregoing, and all the facts of record, we find and conclude that:

1. It is in the public interest to issue a foreign air carrier permit to each applicant in the form attached;
2. To the extent the authority conferred is the subject of a bilateral agreement, each applicant is qualified and designated by its government under the applicable agreement;
3. Each applicant is fit, willing and able to perform properly the foreign air transportation described in its attached permit, and to conform to the provisions of the U.S. Code and to the Department's rules, regulations, and requirements;
4. The public interest requires that the exercise of the privileges granted by the attached permits be subject to the terms, conditions and limitations contained in and attached to those permits and to such others required by the public interest as the Department may prescribe;
5. Each applicant is substantially owned and effectively controlled by nationals, or the Government, of its respective homeland; or that waiver of our ownership and control standard, to the extent necessary, is warranted;
6. The issuance of these permits does not constitute a "major regulatory action" under the Energy Policy and Conservation Act of 1975, as defined in subsection 313.4(a)(1) of the Department's Regulations;³ and
7. The public interest does not require an oral evidentiary hearing on any of these applications.

³ Our finding is based on the fact that each permit issued will not result in a near-term increase in annual fuel consumption by the applicant in excess of 10 million gallons.

ACCORDINGLY,

1. We issue, in the forms attached, a foreign air carrier permit to each applicant;
2. We grant all motions and requests to file documents out of time, to submit additional or supplementary materials, and to withdraw pleadings;
3. To the extent not granted, the applications and all motions and other requests in these dockets are denied;
4. Unless disapproved by the President of the United States under section 41307 of Title 49 of the U.S. Code, this order and the attached permits shall become effective on the 61st day after their submission for section 41307 review, or upon the date of receipt of advice from the President or his designee under Executive Order 12597 and implementing regulations that he or she does not intend to disapprove the Department's order under that section, whichever occurs earlier;⁴ and
5. We will serve this order on the applicants and other parties in these dockets.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:
<http://dms.dot.gov/general/orders/aviation.html>*

⁴ This order was submitted for review under section 41307 of Title 49 of the U.S. Code on June 10, 1998. On June 19, 1998, we received notification that the President's designee, under Executive Order 12597 and implementing regulations, did not intend to disapprove the Department's order.

Foreign Air Carrier Permit Application of

**ICELANDAIR (Flugleidir Hf.)
Docket OST-97-2634**

Flag: Iceland

Federal Register Notice: 62 FR 35538, July 1, 1997

Filing Date: June 18, 1997

Authority Sought: Amendment of foreign air carrier permit, last issued by Order 80-1-2, to authorize scheduled foreign air transportation of persons, property and mail from points behind Iceland, via Iceland and intermediate points, to a point or points in the United States and beyond; and charter foreign air transportation.

Pleadings: No answers were filed.

Public Interest: The authority is consistent with the provisions of the Air Transport Agreement between the United States and Iceland entered into on June 14, 1995, and Icelandair has been properly designated by its homeland to conduct these operations.

Fitness: Icelandair has held a foreign air carrier permit since 1948. It currently holds exemption authority to conduct the requested services (*see* Order 98-3-23). The carrier is properly licensed by its homeland, has had no safety violations or fatal accidents in the last five years, has experienced management, and appears financially sound:

Financial Indicators (\$ millions) as of:	<u>12/31/96</u>	<u>12/31/95</u>
Total Assets	\$284.6	\$288.8
Total Liabilities	216.5	238.6
Owners' Equity	68.1	50.2
Operating Profit (year ending)	17.7	19.1

DOT verifies compliance with 14 CFR 203 (Warsaw liability waiver), 205 (insurance requirement, and 129 (FAA operations specifications).

Ownership and Control: The record indicates that Icelandic companies and funds hold at least a 44% ownership in the company, with 55% held by the public. All of the carrier's directors and key management personnel are citizens of Iceland.

Issued By
Order 98-6-23

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

PERMIT TO FOREIGN AIR CARRIER
(as amended and reissued)

ICELANDAIR (Flugleidir Hf.)

A Flag Carrier of Iceland

is authorized, subject to the following provisions, the provisions of Title 49 of the U.S. Code and the orders, rules, and regulations of the Department of Transportation, to engage in scheduled foreign air transportation of persons, property and mail, as follows:

**Between points behind Iceland, via Iceland and intermediate points,
and any point or points in the United States, and beyond.**

The holder shall also be authorized to engage in charter trips in foreign air transportation, subject to the terms, conditions, and limitations of the Department's regulations governing charters.

In the conduct of charter operations authorized above, the holder may, without prior Department approval, carry charter traffic between the United States and a third country point, provided that such charter traffic is carried on a flight that serves Iceland for purposes of carrying traffic between the United States and Iceland.

This permit and the exercise of the privileges granted in it shall be subject to the terms, conditions and limitations in both the order issuing this permit and the attachment to this order, and to all applicable provisions of any treaty, convention or agreement affecting international air transportation now in effect, or that may become effective during the period this permit remains in effect, to which the United States and the holder's homeland are or shall become parties.

This permit shall be effective on June 19, 1998. Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention or agreement, this permit shall terminate (1) upon the dissolution or liquidation of the holder to whom it was issued; (2) upon the effective date of any treaty, convention, or agreement or amendment, which shall have the effect of eliminating the bilateral right for the service authorized by this permit from the service which may be operated by airlines designated by the Government of Iceland (or, if the right is partially eliminated, then the authority of this permit shall terminate in like part); (3) upon the effective date of any permit granted by the Department to any other carrier designated by the Government of Iceland in lieu of the holder; or (4) upon the termination or expiration of the applicable air services agreement between the United States and Iceland. However, clause (4) of this paragraph shall not apply if prior to such termination or expiration, the foreign air transportation authorized herein becomes the subject of another treaty, convention or agreement to which the United States and Iceland become parties.

The Department of Transportation has executed this permit and affixed its seal on June 19, 1998.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

CONDITIONS OF AUTHORITY

ATTACHMENT
Docket OST-97-2634

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 flight 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).

Foreign Air Carrier Permit Application of

**PREMAIR A/S
Docket OST-97-2166**

Flag: Denmark

Federal Register Notice: 62 FR 11512, March 12, 1997

Filing Date: February 28, 1997

Authority Sought: Initial foreign air carrier permit to engage in 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.

Pleadings: No answers were filed.

Public Interest: The Air Transport Services Agreement between the United States and Denmark provides for the requested U.S.-Denmark charter authority, and Premiair has been properly designated by its homeland to conduct these operations. Consistent with our past treatment of Scandinavian carriers, we will also permit Premiair to conduct charter services between Norway/Sweden and the United States (*see*, for example, Order 82-4-58 at 4, and Orders 90-4-45, 87-8-55 and 82-11-58).

Fitness: Premiair was established in 1994 as a result of the consolidation of two Scandinavian charter air carriers (Scanair and A/S Conair) both of which were based in Denmark and held foreign air carrier permits (*see* Orders 90-4-45 and 92-11-37). Premiair currently holds exemption authority to conduct the requested services (*see* Order 97-8-12). The carrier is properly licensed by its homeland, has had no safety violations or fatal accidents since commencing operations, has experienced management, and appears financially sound:

Financial Indicators (\$ thousands) as of:	<u>9/31/96</u>	<u>12/31/95</u>
Total Assets	\$135,078	\$69,583
Total Liabilities	136,984	60,401
Owners' Equity	(1,906)	9,182
Operating Profit (year ending)	11,109	(859)

DOT verifies compliance with 14 CFR 203 (Warsaw liability waiver), 205 (insurance requirement, and 129 (FAA operations specifications).

Ownership and Control: Premiair, which 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, requested a waiver of our citizenship requirements. We will grant the carrier's request. Despite the presence of non-homeland interests, we find that there is nothing in the ownership and control of the carrier that would be inimical to U.S. aviation policy or interests. Therefore, we conclude 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 is warranted.

Issued By
Order 98-6-23

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

PERMIT TO FOREIGN AIR CARRIER

PREMIAIR A/S

A Flag Carrier of Denmark ¹

is authorized, subject to the following provisions, the provisions of Title 49 of the U.S. Code and the orders, rules, and regulations of the Department of Transportation, to engage in charter foreign air transportation of persons, property and mail, as follows:

Between any point or points in Sweden, Denmark and Norway; via intermediate points; and any point or points in the United States; and beyond.

The holder shall also be authorized to engage in other charter trips in foreign air transportation, subject to the terms, conditions, and limitations of the Department's regulations governing charters.

In the conduct of charter operations authorized above, the holder may, without prior Department approval, carry charter traffic between the United States and a third country point, provided that such charter traffic is carried on a flight that serves Sweden, Denmark or Norway for purposes of carrying traffic between the United States and Sweden, Denmark or Norway.

¹ For the purpose of this permit, Denmark, Norway and Sweden are deemed to be the holder's homeland.

This permit and the exercise of the privileges granted in it shall be subject to the terms, conditions and limitations in the attachment to this order, and to all applicable provisions of any treaty, convention or agreement affecting international air transportation now in effect, or that may become effective during the period this permit remains in effect, to which the United States and the holder's homeland are or shall become parties.

This permit shall be effective on June 19, 1998. Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention or agreement, this permit shall terminate (1) upon the dissolution or liquidation of the holder to whom it was issued; (2) upon the effective date of any treaty, convention, or agreement or amendment, which shall have the effect of eliminating the bilateral right for the service authorized by this permit from the service which may be operated by airlines designated by the Government of Denmark (or, if the right is partially eliminated, then the authority of this permit shall terminate in like part); (3) upon the effective date of any permit granted by the Department to any other carrier designated by the Government of Denmark in lieu of the holder; or (4) upon the termination or expiration of the applicable air services agreement between the United States and Denmark. However, clause (4) of this paragraph shall not apply if prior to such termination or expiration, the foreign air transportation authorized herein becomes the subject of another treaty, convention or agreement to which the United States and Denmark become parties.

The Department of Transportation has executed this permit and affixed its seal on June 19, 1998.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation and
International Affairs

(SEAL)

CONDITIONS OF AUTHORITY

ATTACHMENT
Docket OST-97-2166

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).

Foreign Air Carrier Permit Application of

**TURKISH AIRLINES (TURK HAVA YOLLARI A.O.)
Docket OST-97-2407**

Flag: Turkey

Federal Register Notice: 62 FR 25686, May 5, 1997

Filing Date: April 29, 1997, as supplemented January 29 and April 9, 1998

Authority Sought: Initial foreign air carrier permit to engage in scheduled foreign air transportation of persons, property and mail between Turkey and the coterminal points New York, New York, and Chicago, Illinois, either nonstop or via the intermediate points Brussels and Amsterdam; and to conduct charters subject to the Department's regulations.

Pleadings: No answers were filed.

Public Interest: The U.S.-Turkey Air Transport Agreement, as amended by a 1991 Memorandum of Understanding, provides for the authority sought. Turkish Airlines has been designated by the Government of Turkey under the Agreement to conduct these operations.

Fitness: Turkish Airlines, founded in 1933, commenced scheduled services to the United States in 1988, and holds exemption authority to conduct the requested service (*see* Dockets OST-96-1041 and OST-97-2701). The carrier is properly licensed by its homeland. The record indicates that during the past five years, Turkish Airlines has been involved in one accident resulting in fatalities. The carrier, however, was not cited by its government for any safety violations in connection with the accident. FAA has advised us that it finds no basis to recommend unfavorable action on Turkish Airlines' application. The carrier has experienced management and appears financially sound:

Financial Indicators (\$ millions) as of:	<u>12/31/96</u>	<u>12/31/95</u>
Total Assets	\$815.4	\$862.8
Total Liabilities	388.2	438.5
Owners' Equity	427.2	424.3
Net Profit (year ending)	92.3	8.0

DOT verifies compliance with 14 CFR 203 (Warsaw liability waiver), 205 (insurance requirement, and 129 (FAA operations specifications).

Ownership and Control: Turkish Airlines is wholly owned and controlled by the Government and citizens of Turkey.

Issued By
Order 98-6-23

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

PERMIT TO FOREIGN AIR CARRIER

TURKISH AIRLINES (TURK HAVA YOLLARI A.O.)

A Flag Carrier of Turkey

is authorized, subject to the following provisions, the provisions of Title 49 of the U.S. Code and the orders, rules, and regulations of the Department of Transportation, to engage in scheduled foreign air transportation of persons, property and mail, as follows:

Between any point or points in Turkey; via the intermediate points Amsterdam, The Netherlands, and Brussels, Belgium; and the coterminal points New York, NY, and Chicago, IL.

The holder shall also be authorized to engage in charter trips in foreign air transportation, subject to the terms, conditions, and limitations of the Department's regulations governing charters.

This permit and the exercise of the privileges granted in it shall be subject to the terms, conditions and limitations in both the order issuing this permit and the attachment to this order, and to all applicable provisions of any treaty, convention or agreement affecting international air transportation now in effect, or that may become effective during the period this permit remains in effect, to which the United States and the holder's homeland are or shall become parties.

This permit shall be effective on June 19, 1998. Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention or agreement, this permit shall terminate (1) upon the dissolution or liquidation of the holder to whom it was issued; (2) upon the effective date of any treaty, convention, or agreement or amendment, which shall have the effect of eliminating the bilateral right for the service authorized by this permit from the service which may be operated by airlines designated by

the Government of Turkey (or, if the right is partially eliminated, then the authority of this permit shall terminate in like part); (3) upon the effective date of any permit granted by the Department to any other carrier designated by the Government of Turkey in lieu of the holder; or (4) upon the termination or expiration of the applicable air services agreement between the United States and Turkey. However, clause (4) of this paragraph shall not apply if prior to such termination or expiration, the foreign air transportation authorized herein becomes the subject of another treaty, convention or agreement to which the United States and Turkey become parties.

The Department of Transportation has executed this permit and affixed its seal on June 19, 1998.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

CONDITIONS OF AUTHORITY

ATTACHMENT
Docket OST-97-2407

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).

