



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

Issued by the Department of Transportation on September 13, 2000

NOTICE OF ACTION TAKEN -- DOCKET OST-97-3178

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of United Parcel Service Co. filed 7/21/00 for:

XX Exemption from Order 96-9-16; startup deadline:

By Order 96-9-16 the Department allocated United Parcel Service six weekly all-cargo frequencies for services in the U.S.-Thailand market. That award was subject to the condition that UPS must begin service with the frequencies by April 1, 1997. UPS commenced service with one of the six frequencies by the April 1 startup date. Since then, the Department has granted UPS extensions of the startup date for the remaining five frequencies. (See Orders 97-5-6 and 98-1-6 and Notices of Action Taken dated June 15 and November 13, 1998, and March 27, 2000.) UPS states that because of the continuing economic difficulties in Thailand impacting the level of demand for its U.S.-Thailand cargo service, it seeks a further extension of the startup date for the remaining five frequencies to April 1, 2001. UPS indicated that should economic conditions in Thailand improve before that date, it would commence service sooner.

Applicant rep.: David L. Vaughan (202) 955-9600 DOT analyst: Sylvia Moore (202) 366-6519

DISPOSITION

XX Denied (see below)

The above action was effective when taken: September 13, 2000

XX Action taken by: **Paul L. Gretch, Director**
Office of International Aviation

Remarks: By Order 96-9-16 the Department allocated U.S.-Thailand all-cargo frequencies to the following carriers: United Parcel Service – 6, Air Micronesia – 5, Polar Air Cargo - 2, Northwest – 3 (in addition to 2 previously awarded), and Federal Express – 5 (in addition to 1 previously awarded). Under the terms of the Department's order, the frequency allocations would expire automatically on April 1, 1997, and revert to the Department for reallocation, if the carriers did not begin service by that date.

(See Reverse Side)

Federal Express has instituted service with all six of its frequencies; Northwest with four of its five frequencies (one frequency has reverted to the Department); and United Parcel Service with one of its six frequencies. Air Micronesia never instituted service and did not request an extension of its startup date; thus, its five frequencies have reverted to the Department. Polar also never instituted service (one frequency reverted to the Department), and Polar has informed us that it will not be requesting an extension of its startup date for its remaining one frequency; thus, its one frequency will revert to the Department on September 30, 2000.

The Department's startup condition is grounded on the policy that carriers seeking authority in Department proceedings to exercise rights of limited availability are expected to use those rights, or to have their authority revert to the Department so that the rights will then be readily available for award to other interested carriers. The Department has granted UPS waivers of the startup date since March 1997. In light of the policy underlying our startup conditions and taking into account the amount of time that has elapsed since we awarded UPS its five frequencies and the fact that UPS continues to have no immediate plans to institute service with these frequencies, we have decided that it is no longer in the public interest to grant UPS an extension of its startup date. UPS may apply for an allocation when it has definite plans to operate.

Under the authority assigned by the Department in its regulations, 14 CFR Part 385, we found that this action was required and was consistent with Department policy and with the public interest. We may amend, modify, or revoke the action taken in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

*An electronic version of this document is available on the World Wide Web at:
http://dms.dot.gov/reports/reports_aviation.asp*