



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

Issued by the Department of Transportation on November 2, 2000

**NOTICE OF ACTION TAKEN -- DOCKET OST-99-6345**

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 Challenge Air Cargo, Inc. filed 10/2/2000 to:

**XX** Renew interim exemption authority under 49 U.S.C. 40109 and related frequency allocations to provide the following service:

**Scheduled foreign air transportation of property and mail between Miami, Florida and various points in Latin America.**<sup>1</sup> Challenge requests that this interim authority be effective for one year or until UPS obtains the requisite foreign governmental authority to provide these services in its own name, whichever occurs earlier.

Applicant rep: William H. Calloway, Jr. 202-298-8660 DOT Analyst: Gerald Caolo 202-366-2406

**DISPOSITION**

**XX** **Granted (Subject to conditions, see below)**

The above action was effective when taken: November 2, 2000, through November 2, 2001, or until UPS obtains the requisite foreign governmental authority to provide the services authorized in its own name, whichever occurs earlier.

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

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<sup>1</sup> By Order 2000-6-7 we approved the transfer to UPS of Challenge's certificate and exemption authorities to provide scheduled all-cargo service between the United States and various countries in Latin America. We also granted Challenge an interim exemption to continue to provide its existing services until UPS could obtain the necessary foreign governmental approvals to operate these services in its own right. The interim exemption permitted Challenge to provide scheduled all-cargo service between Miami, Florida, on the one hand, and Bolivia, Brazil, Colombia, the Dominican Republic, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, and Venezuela, on the other. It also allocated Challenge, on an interim basis, frequencies to operate the U.S.-Brazil and U.S.-Ecuador all-cargo flights. Challenge is allocated 2 weekly widebody frequencies for its U.S.-Brazil services (*see* notice dated September 1, 2000, Docket OST-2000-7559) and 7 weekly narrowbody frequencies for its U.S.-Ecuador services.

**XX The authority granted is consistent with the aviation agreements between the United States and the foreign countries involved.**

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated: **XX Holder's certificate of public convenience and necessity**

**XX Standard exemption conditions (attached)**

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**Conditions:**

The frequency allocations granted for U.S.-Brazil and U.S.-Ecuador services shall be subject to the condition that they will expire and the frequencies will revert automatically to the Department if they are not used for a period of 90 days.

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On the basis of data officially noticeable under Rule 24(g) of the Department's regulations, we found the applicant qualified to provide the services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) immediate action was required and was consistent with Department policy; (2) grant of the exemption authority was consistent with the public interest; and (3) grant of the authority would not constitute a "major regulatory action" under the Energy, Policy and Conservation Act of 1975. To the extent not granted, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted 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](http://dms.dot.gov/reports/reports_aviation.asp)*

## APPENDIX

### U.S. Carrier Standard Exemption Conditions

In the conduct of operations authorized by the attached notice, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations, including all FAA requirements concerning security; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.