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

Issued by the Department of Transportation on July 17, 2002

NOTICE OF ACTION TAKEN – DOCKETS OST-2002-12554 and OST-2002-12843 - 2 - 3

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

Applications of American Airlines, Inc. :

Docket OST-2002-12843, filed July 15, 2002, for an exemption under 49 U.S.C. 40109 to conduct scheduled foreign air transportation of persons, property and mail between Los Angeles, California, and Tokyo Japan, commencing April 1, 2003.

Docket OST-2002-12554, filed June 24, 2002, for the allocation of seven weekly Los Angeles-Tokyo U.S.-Japan combination frequencies to implement the above-described service.

Applicant rep: Carl Nelson (202) 496-5647

DOT analyst: George Wellington (202) 366-2391

DISPOSITION

XX Granted, subject to conditions (see remarks below)

The exemption authority was effective when taken, July 17, 2002, through July 17, 2004.¹

The frequency allocation was effective when taken, July 17, 2002, and will remain in effect indefinitely, subject to the conditions noted below.

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

Except to the extent exempted or waived, these authorities are subject to the terms, conditions, and limitations indicated: **XX** Holder's Certificates of Public Convenience and Necessity
XX Standard exemption conditions (attached)

Remarks: The exemption authority sought by American is consistent with the 1998 U.S.-Japan Memorandum of Understanding. 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.

With respect to American's request for frequency allocation, the combination frequencies at issue had previously been allocated by the Department to Delta Air Lines, Inc. We had allocated six of the frequencies to Delta by Order 90-10-15, under the provisions of the 1989 U.S.-Japan Memorandum of Understanding, and the remaining frequency to Delta under the provisions of the 1998 U.S.-Japan Memorandum of Understanding. By Notice of Action Taken dated March 27, 2002, in Docket OST 2002-11706, we had granted Delta a waiver of the dormancy conditions of those and other U.S.-Japan frequencies held by the carrier. By Notice dated June 21, 2002, Delta

¹ We acted on this application without awaiting expiration of the 15-day answer period, with the consent of all parties served.

advised us that it no longer sought to maintain the dormancy waiver as it pertained to the seven Los Angeles-Tokyo frequencies, effective that date. The frequencies thus became available for reallocation by the Department

American is the sole U.S. carrier which has sought these frequencies, and no party filed an answer to its request. Under these circumstances, we found that the public interest warranted the reallocation of these seven Los Angeles-Tokyo frequencies to American.

Consistent with our standard practice, the frequency allocation granted is subject to the condition that if any of the frequencies are not used for a period of 90 days, the allocation as to each of those frequencies will expire automatically and the unused frequencies will revert to the Department for reallocation. As American states that it plans to commence operations using these frequencies on April 1, 2003, the 90-day dormancy period will begin on that date.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our actions were consistent with Department policy; (2) grant of the authorities was consistent with the public interest; and (3) grant of the exemption 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 Dockets. We may amend, modify, or revoke the actions taken in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the actions set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within seven (7) days after the date of issuance of this Notice. These actions were effective when taken, and the filing of a petition for review will not alter their effectiveness.

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

U.S. AIR 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 250 (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 and with all U.S. Government requirements concerning security;
- (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.