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

Issued by the Department of Transportation on May 3, 2001

NOTICE OF ACTION TAKEN -- DOCKET OST-98-3622-10

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 **American Airlines, Inc.** filed **4/5/01** to:

XX Renew exemption under 49 U.S.C. 40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Los Angeles and San Francisco, California, on the one hand, and Beijing and Shanghai, China, on the other. American states that this authority is used for services provided under a code-sharing arrangement with China Eastern Airlines Corporation on flights operated by China Eastern. American seeks renewal of this exemption for an indefinite duration.

No answers were received to this application.

Applicant rep: **Carl B. Nelson, Jr. (202) 496-5647** DOT Analyst: **Linda Senese (202) 366-2367**

DISPOSITION

XX Granted, in part (see remarks below)
XX Balance Dismissed. (Request of longer-term exemption authority, see below)

The above action was effective when taken: **May 3, 2001,** through **May 3, 2003.**

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

XX Authority granted is consistent with the Air Transport Agreement between the United States and the Government of the People's Republic of China.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated: **XX Holder's certificates of public convenience and necessity**
XX Standard exemption conditions (attached)

Remarks: Consistent with our standard practice for this type of application, we granted American exemption authority for a period of two years, and dismissed its request for longer-term authority.

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.

(See Reverse Side)

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action 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 or dismissed, 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

APPENDIX A

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 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, 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.