

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

<hr/>		
Application of	)	Docket No. OST-00-
	)	
C.A.L. Cargo Air Lines Ltd.	)	
	)	
for an Exemption pursuant to 49 U.S.C.	)	
' 40109(c)	)	
<hr/>	)	

**Communications with respect to the  
above should be addressed to:**

**Thomas J. Whalen  
Evelyn D. Sahr  
Michelle R. Johnson  
CONDON & FORSYTH LLP  
1016 16<sup>th</sup> Street, N.W., Suite 700  
Washington, D.C. 20036  
Tel: (202) 289-0500  
Fax: (202) 289-4524  
Attorneys for  
C.A.L. Cargo Air Lines Ltd.**

**NOTICE: C.A.L. Cargo Air Lines Ltd. has, by separate motion filed and served with this Application, moved the Department of Transportation to shorten the answer period for this Application to and including April 24, 2000.**

**Dated: April 13, 2000**

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

Application of	)	
	)	<b>Docket No. OST-00-</b>
	)	
C.A.L. Cargo Air Lines Ltd.	)	
	)	
for an Exemption pursuant to 49 U.S.C.	)	
' 40109(c)	)	
	)	

**APPLICATION OF C.A.L. CARGO AIR LINES LTD.  
FOR AN EXEMPTION PURSUANT TO 49 U.S.C. ' 40109(c)**

Pursuant to 49 U.S.C. § 40109(c) and the Economic Regulations of the Department of Transportation set forth in Subpart B (14 C.F.R. § 302.301, *et seq.*), C.A.L. Cargo Air Lines Ltd. (C.A.L.) hereby applies for an exemption from 49 U.S.C. § 41301 to the extent necessary to permit C.A.L. to provide scheduled foreign air transportation of property and mail between Tel Aviv, Israel and New York (JFK) and Chicago (O'Hare) via Luxembourg, with a technical stop in Gander, Newfoundland. C.A.L. also requests exemption authority to provide all cargo charter transportation in accordance with Part 212 of the Department's Regulations.

In accordance with 49 U.S.C. § 41302 and the provisions of 14 C.F.R. Part 211, C.A.L., concurrent with this Application, has applied for an initial foreign air carrier permit to enable it to engage in the foreign air transportation described above. C.A.L.'s Application for an Initial Foreign Air Carrier Permit contains all the information required by the Department to evaluate

C.A.L.'s qualifications to operate the service for which exemption authority is requested and C.A.L. hereby incorporates this information by reference.

C.A.L. is scheduled to institute service to New York (JFK) on or about May 16, 2000 and plans to institute service to Chicago (O'Hare) in December, 2000. Each flight will be operated with a Boeing 747 freighter aircraft. Upon grant of the requested authority, C.A.L. plans to commence service as follows:

			DEPARTURE (GMT)	ARRIVAL (GMT)
ICL 2901	TLV/JFK	via LUX	Friday 2330	Saturday 1630
ICL 2902	JFK/TLV	via LUX	Saturday 2030	Sunday 1100
ICL 2903	TLV/JFK	via LUX	Tuesday 2330	Wednesday 1630
ICL 2904	JFK/TLV	via LUX	Wednesday 2030	Thursday 1100

The flights will make one stop in Luxembourg and an additional technical stop in Gander, Newfoundland. C.A.L. proposes to initially provide this service pursuant to an arrangement with CargoLux Airlines International, S.A. ("CargoLux") in which C.A.L. will wet-lease aircraft to CargoLux from May 16, 2000 through November 2000. C.A.L. will have exclusive direction and operational control of the aircraft. Beginning in December, C.A.L. will provide service to New York (JFK) and Chicago (O'Hare) under its own designator code.

C.A.L. is fit, willing and able to provide the services proposed herein. Further, approval of this Application is consistent with the Air Transport Agreement between the United States and Israel, as amended by the Protocol signed on August 16, 1978, and with principles of comity and reciprocity. Article 3 of the Protocol authorizes service by Israeli-designated carriers between Israel

and several points, including Luxembourg, to New York and four additional points in the United States.

Israel has chosen Chicago as one of the additional U.S. points. Although the Agreement does not explicitly provide for service to the United States via Gander, Newfoundland, exemption authority should be granted under principles of comity and reciprocity. The United States and Israel have developed an excellent aviation relationship and grant of the limited extra-bilateral authority requested herein would further strengthen this relationship.

Grant of the requested authority also is in the public interest. C.A.L. currently provides convenient and economical all cargo transport between Israel and Europe. Expansion of such service to the United States' market would generate substantial benefits for shippers, increase trade between Israel and the United States and enhance competition in the U.S.-Israel cargo market.

Due to the time frame for institution of this service, C.A.L. requests expedited consideration of this Application so that the parties may begin wet lease operations on May 16, 2000.

Based on the information provided in this Application, the issuance of exemption authority to C.A.L. will not constitute a major regulatory action as provided for in the Energy Policy and Conservation Act of 1975 as implemented by 14 C.F.R. Part 313.

WHEREFORE, for the foregoing reasons, C.A.L. respectfully requests that the Department issue an exemption pursuant to 49 U.S.C. § 40109(c) to the extent necessary to authorize it to engage in the foreign air transportation described above.

Dated: April 13, 2000

Respectfully submitted,

---

Thomas J. Whalen  
Evelyn D. Sahr  
Michelle R. Johnson  
CONDON & FORSYTH LLP  
1016 16<sup>th</sup> Street, N.W. Suite 700  
Washington, D.C. 20036  
Tel: (202) 289-0500  
Fax: (202) 289-4524  
Attorneys for C.A.L. Cargo Air Lines  
Ltd.

Of Counsel:

Rod D. Margo  
CONDON & FORSYTH LLP  
1801 Avenue of the Stars  
Suite 1450  
Los Angeles, CA 90067

J:\40447\EXEMPAPP1.DOC