

LAW OFFICES

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

888 SEVENTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-3939

TELEPHONE: (202) 298-8660

FACSIMILES: (202) 342-0683

(202) 342-1318

August 8, 1997

By Hand and  
by Telecopier

Mr. George Wellington, Chief  
Foreign Air Carrier Licensing Division  
Department of Transportation  
400 Seventh Street, S.W.  
Room 6412  
Washington, D.C. 20590

Re: Application of ABSA-Aerolineas Brasileiras, S.A.  
for a Statement of Authorization

Dear Mr. Wellington:

Challenge Air Cargo, Inc. ("Challenge") submits this answer to the application of ABSA-Aerolineas Brasileiras, S.A. for a Statement of Authorization to operate a series of 26 Sao Paulo-Lima-Miami cargo charter flights. Challenge strongly opposes the pending application to the extent that it seeks Fifth Freedom authority in the Lima-Miami market. As the Department is well aware, the current bilateral regime between the U.S. and Peru imposes very specific limits upon the number of flights which may be operated by U.S. all-cargo carriers. Given this fact, Challenge believes that it would be inappropriate to allow an airline from a third country to serve a market which U.S. carriers themselves can not freely serve. Challenge, therefore, respectfully urges the Department to deny the pending application until such time as U.S. carriers are free to compete without any restraints upon capacity in the U.S.-Peru market.

Respectfully submitted,

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

By:   
William H. Callaway, Jr.

Counsel for  
Challenge Air Cargo, Inc.

cc: Ana Maria Escagedo, Esq. (via telecopier)