

public

# STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20036-1795

PHOENIX, ARIZONA  
TWO RENAISSANCE SQUARE

TELEPHONE: (602) 257-5200  
FACSIMILE: (602) 257-5299

RICHARD P. TAYLOR  
(202) 429-6459

(202) 429-3000

FACSIMILE: (202) 429-3902  
TELEX: 89-2503

STEPTOE & JOHNSON INTERNATIONAL  
AFFILIATE IN MOSCOW, RUSSIA

TELEPHONE: (011-7-501) 258-5250  
FACSIMILE: (011-7-501) 258-5251

97-97

December 17, 1997

Mr. Paul L. Gretch  
Director, Office of  
International Aviation  
Room 6412  
Department of Transportation  
400 7th Street, S.W.  
Washington, D. C. 20590

Re: Evergreen International Airlines, Inc. Application for Renewal of Statement of Authorization

Dear Mr. Gretch:

On behalf of Evergreen International Airlines, Inc. ("Evergreen"), we hereby submit this application for a Statement of Authorization which would permit Evergreen to continue to wet lease one all-cargo aircraft to Saudi Arabian Airlines Corporation ("Saudia") for up to four weekly U.S.-Saudi Arabia round-trip flights through December 31, 1998.

Evergreen and Saudia have extended their wet lease providing for the wet lease by Evergreen to Saudia of a B 747 aircraft for use in Saudia's scheduled all-cargo operations. It is a standard wet lease and does not involve any capacity sharing arrangement. Evergreen and Saudia have conducted similar wet lease operations for several years. The current wet lease operation was approved for a period ending December 31, 1997.

Mr. Paul L. Gretch  
December 17, 1997  
Page 2

This application is being filed as quickly as possible after receipt by counsel of the necessary information. Copies of this application will be sent interested parties by telecopy and they will be polled for their response.

Set forth below is detailed information concerning the wet lease:

#### APPLICANT

The applicant is Evergreen International Airlines, Inc., a U.S. carrier with world-wide charter authority and extensive international scheduled all-cargo and combination route authority.

#### CHARTERER

The charterer is Saudia, the flag carrier of Saudi Arabia. Saudia is authorized by the Kingdom of Saudi Arabia to operate the route involved in this application as specified in the Air Transport Service Agreement between the United States and Saudi Arabia. Saudia has exemption authorization covering such route.

#### AIRCRAFT AND REGISTRATION

The aircraft chartered is a B 747-200 F with a cargo capacity of 245,000 lbs. The aircraft fully complies with FAA noise requirements.

#### ROUTING

The agreed all-cargo schedule in which the aircraft is used involves up to four round-trip flights per week between New York (JFK) and Saudi Arabia via Brussels, Belgium.

Mr. Paul L. Gretch  
December 17, 1997  
Page 3

#### TERM

It is respectfully requested that the Statement of Authorization cover a one-year period ending December 31, 1998 consistent with the term of the current authority.

#### RECIPROCITY

This application is fully supported by the comity and reciprocity considerations described in Saudia's permit application in Docket 44511 and in prior DOT authorizations of Saudia-Flying Tiger/Federal Express operations.

The service to be operated is one which Saudia could itself operate under a continuation of its current exemption authority and, in fact, is in replacement of flights operated earlier by Saudia. However, in deciding to operate the service through a wet lease arrangement, the proposed agreement will provide significant economic benefits to a U.S. carrier which it would not otherwise enjoy. Moreover, there is substantial precedent supporting this agreement since Evergreen has for several years provided comparable wet lease services for Air-India, Air France, Qantas, Turkish Airlines, and JAL, as well as Saudia, which have been routinely approved by the Department.

#### CONCLUSION

Evergreen and Saudia firmly believe that the public interest will be served by permitting Saudia, which is experiencing a temporary equipment shortage, to provide an all-cargo service which is vital to the economy of Saudi Arabia. Consequently, expeditious granting of the authority requested will be of considerable benefit to U.S. shippers.

Mr. Paul L. Gretch  
December 17, 1997  
Page 4

Therefore, Evergreen respectfully requests that the Department of Transportation issue the Statement of Authorization requested herein.

Respectfully submitted,

*Richard P. Taylor/mb*

Richard P. Taylor  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, D. C. 10026  
(202) 429-6459

Counsel for Evergreen  
International Airlines, Inc.

~~Issue Date~~ December 22, 1997

\* Approved under assigned authority.  
Authority expires December 31, 1998  
The filing of a petition for review ~~shall~~ shall not preclude the effectiveness of this action.

*Sylvia Moore*  
for ~~Director, Office of International Affairs~~

\*Subject to the condition that Evergreen maintains Saudia as an additional insured under its insurance under Part 205 of the Department's regulations.