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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION
97 MAY -6 PM 4:42
DOCKET SECTION

Application of)
)
 AHK AIR HONG KONG LIMITED.)
)
 for Renewal of Foreign Air Carrier)
 Permit (Hong Kong-U.S. Cargo Charters))
)

Docket OST-97 2468
(Formerly 47545)

APPLICATION OF
AHK AIR HONG KONG LIMITED
FOR RENEWAL OF FOREIGN AIR CARRIER PERMIT

Communications with respect to this document should be
addressed to:

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Limited

Dated: May 6, 1997

NOTICE: Any person who wishes to support or oppose this
application must file an Answer by June 3, 1997, and
serve a copy of that Answer on the person named above
and on all persons served with this Application.

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DEPARTMENT OF TRANSPORTATION
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APPLICATION OF
AHK AIR HONG KONG LIMITED
FOR RENEWAL OF FOREIGN AIR CARRIER PERMIT

By Order 92-5-18, May 15, 1992, the Department granted AHK Air Hong Kong Limited ("AHK") a foreign air carrier permit authorizing AHK to engage in charter foreign air transportation of property and mail between a point or points in Hong Kong and a point or points in the United States, and to conduct other cargo charters in compliance with the Department's regulations. The permit became effective on May 8, 1992, for a term of five years. Pursuant to the provisions of 14 C.F.R. Part 211, and Subpart Q of the Rules of Practice, AHK respectfully requests that the permit be renewed for an additional five years. By this application, AHK intends to invoke the automatic extension provisions of 5 U.S.C. § 558(c) and Part 377 of the Department's Special Regulations. In support of this application, AHK states as follows:

1. AHK is a flag carrier of Hong Kong and currently holds a foreign air carrier permit which authorizes charter foreign air transportation of property and mail between points in Hong Kong

and points in the United States. Order 92-5-18. The permit will expire on May 8, 1997, and by this application, AHK seeks to renew that permit for an additional five years.

2. AHK, established in 1986, is an all-cargo airline which currently operates two B-747 freight aircraft primarily in scheduled service between Hong Kong, on the one hand, and Brussels, Dubai, Manchester and Osaka, on the other. On June 13, 1996, AHK applied for exemption authority to provide scheduled cargo service between Hong Kong and Chicago, which application was granted by the Department in Notice of Action Taken dated July 11, 1996, in Docket OST-96-1451, and confirmed in Order 96-10-13. Pursuant to that authority AHK began the scheduled service in August 1996.

In the exemption application, AHK submitted financial, management and ownership information which updated the information previously provided in the permit proceeding. AHK requests that the updated information be incorporated herein by reference. Since the information was submitted, Mr. Kenny Tang became Chief Operating Officer, having replaced Mr. Stanley H. C. Hui who joined Dragonair as Chairman. There may have been some other modest changes in the structure of AHK and we will provide additional information to the Department in the near future.

The information in the exemption docket clearly demonstrates that AHK is qualified to continue to operate Hong Kong-U.S. cargo charters in a safe manner and without risk to consumer funds.

3. Although scheduled air transportation between the U.S. and Hong Kong is governed by an air services agreement, cargo charter services are not within the purview of the agreement; rather, cargo charter service is governed by comity and reciprocity. In granting the original permit to AHK, the Department found that "adequate comity and reciprocity and our overall aviation relations with Hong Kong support favorable action on AHK's request." AHK is not aware of any circumstances that would warrant a change in those positive findings.

4. AHK continues to maintain appropriate levels of insurance, and its maintenance program meets the requirements of ICAO Pilots and Airmen Annexes 1, 6 (Part 1) and 7.

WHEREFORE, AHK Air Hong Kong Limited respectfully requests that the Department extend the effectiveness of its foreign air carrier permit for an additional five years.

Respectfully submitted,



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DATED: May 6, 1997