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February 18, 1998

BY MESSENGER

Paul Gretch
Director
Office of International Aviation
Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Re: Icelandair Request for Luxembourg -
• Minneapolis/St. Paul Nonstop Authority

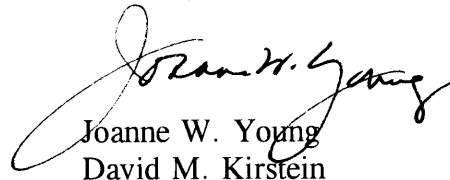
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OFFICE OF INTERNATIONAL AVIATION
DEPARTMENT OF TRANSPORTATION

Dear Mr. Gretch:

We understand that the Department of State has transmitted a letter to the Department of Transportation requesting that, for foreign policy reasons, the Department give favorable consideration to Icelandair's request for nonstop Luxembourg - Minneapolis/St. Paul authority. Based on the Department of State letter, as well as Icelandair's filing of January 8, 1998 specifically requesting this authority, we respectfully request that the Department reconsider its decision of January 16, 1998 to dismiss Icelandair's request, and instead consistent with the airline's long-standing existing Luxembourg authority approved by the Department for other U.S. cities served, grant Icelandair an exemption to provide nonstop Luxembourg - Minneapolis/St. Paul service subject to the existing condition that a minimum of 50% of all US-Luxembourg flights operate via Iceland.

Thank you for your consideration of this matter.

Sincerely,



Joanne W. Young
David M. Kirstein

Counsel for Icelandair

Paul Gretch
February 18, 1998
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