

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of)	
)	
AERO CALIFORNIA S.A. de C.V.)	
)	Docket OST 97-2481
)	
for renewal of an exemption)	
from 49 U.S.C. § 41301)	
)	

APPLICATION FOR RENEWAL OF EXEMPTION AUTHORITY

Pursuant to 49 U.S.C. § 40109, Aero California S.A. de C.V. (Aero California) hereby submits this application for renewal of its exemption from 49 U.S.C. § 41301, issued in this Docket, allowing it to conduct scheduled foreign air transportation of persons, property and mail between Mazatlan, Mexico and Dallas/Fort Worth, Texas pursuant to a code-share agreement with American Airlines, Inc. (American).

Aero California relies upon the provisions of 5 USC § 558(c) and 14 C.F.R. 377 for continuing the exemption in force pending the Department's action on this renewal application.

In further support of this application, Aero California states the following:

1. Aero California's exemption to provide scheduled combination service between the above points pursuant to its code-share agreement with American was granted on July 10, 1997 by Notice of Action taken ("NOAT") for a one-year period through July 10, 1998. The NOAT was confirmed by Order 97-7-31.

2. Aero California is a corporation organized and existing under the laws of Mexico. It has continuously and successfully engaged in transporting persons, property and mail within Mexico since 1967. Aero California is headquartered at La Paz, Baja California Sur International Airport. With its fleet of DC-9 aircraft, Aero California currently provides service between points throughout the Baja California Peninsula and numerous other points within Mexico, on the one hand, and points in the United States, on the other.¹

3. The Air Transport Services Agreement between the United States and the United Mexican States dated August 15, 1960, as amended (the "Air Transport Agreement"), provides that an airline designated by the Government of Mexico shall be entitled to operate air services "[f]rom a point or points in

¹ Aero California's application for issuance of a foreign air carrier permit, Docket 42012, was originally filed on February 21, 1984. That application, as amended, is still pending before the Department.

Mexico to a point or points in the United States." Memorandum of Consultation, Annex 2, Attachment 1, ¶ A.2.a. (Sept. 19, 1991).² Aero California has been designated by its Government to operate scheduled combination service on the above-described routes and such designation remains in effect.

4. Renewal of Aero California's exemption authority issued herein pursuant to the Air Transport Agreement is warranted for the same reasons supporting the Department's original grant of exemption to Aero California of the authority in question. Aero California continues to be licensed by the Mexican Ministry of Communications and Transportation to perform these services and its code-share agreement with American remains in effect.³ Renewal of Aero California's exemption authority will enable it to provide valuable transportation service to the public between Mexico and the United States. Accordingly, grant of this renewal application will benefit the traveling and shipping public and would be in the public interest.

² Formally adopted November 21, 1991.

³ The Department initially approved the codeshare pursuant to Order 97-7-31. The Department most recently extended the codeshare statement of authorization on June 12, 1998 through December 8, 1998.

WHEREFORE, for the reasons stated above, Aero California respectfully requests the Department of Transportation to renew its exemption authority issued in Docket 97-2481 for the route described herein for a period of at least one year or until 90 days following the Department's approval of Aero California's application for a foreign air carrier permit in Docket 42012, whichever occurs first.

Respectfully submitted,



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