

139
1/2/07
1/2/07

Lindblad Expeditions

96 Morton Street
New York, NY 10014
Tel: 212-261-9002
Fax: 212-261-9066

January 2, 2007

Ms. Torlanda Archer
Regulatory Authorities Division – X46
U. S. Department of Transportation
400 Seventh Street, S.W., Room 6412
Washington, DC 20590

Re: Waiver Application of Lindblad Expeditions, Inc.
its designees, successors and assigns – Aeromexico Charter Flights

Dear Ms. Archer:

Lindblad Expeditions, Inc., its designees, successors and assigns (the “Company”) hereby requests a waiver of the Department of Transportation (“DOT”) charter regulations to the extent necessary to permit the Company to promote, sell, and operate the charter flights identified below.

The Company owns, manages, and operates a passenger cruise line operation and, through its predecessor companies, has been engaged in the passenger cruise line business since 1979.

The Company has entered into a charter contract with Aeromexico to provide air transportation on MD-80 aircraft with seating capacity of up to 140 passengers (the “Charter Contract”) on a total of eleven (11) round trip flights commencing on Saturday, January 13, 2007, through and including Saturday March 24, 2007. A detailed Flight Schedule (including the date and routing of each of the eleven round-trip charters) is attached as Exhibit A to this Waiver Application.

AEROMEXICO FLIGHTS

The charter flights are being provided by the Company to passengers who purchase cruise passage for seven-night cruises in the Sea of Cortez aboard the Company’s U.S. flag vessels SEA BIRD and SEA LION, each having a capacity of 62 passengers. The total charter price for the flight segments described is Three Hundred Ten Thousand Nine Hundred Thirty Dollars and Ninety-Five Cents (\$310,930.95). The Company is paying the charter contract price in eleven installments of \$28,266.45 each. The payments are due 8 days prior to each flight with the first payment on January 5, 2007.

The price offered by the Company and paid by the public for these cruises is part of an all-inclusive air/sea package. In addition to the passenger accommodations, meals and entertainment provided onboard the ships, air transportation is provided by the Company at no extra charge from the gateway city of Los Angeles to LaPaz, Mexico (the nearest airport serving the port of embarkation for the cruise) and then from La Paz back to Los Angeles at the end of the cruise.

Accordingly, the Company respectfully requests the following waivers from federal regulations:

1. Waiver from DOT regulations (14 CFR § 380.25) that prohibit the marketing and sale of air transportation on charter flights to the public until a charter prospectus is filed and approved; and
2. Waiver from DOT regulations (14 CFR § 380.31) that mandate the printing and distribution of operator/participant contracts.

The terms and conditions of the air/sea packages are set forth in the Company's brochure and passenger ticket contract. Among other terms, the documents specify the Company's cancellation policy and provides for cancellation fees. The Company also furnishes information to passengers regarding trip cancellation insurance. Each charter participant will receive a passenger ticket contract containing these terms.

Pursuant to federal law, the Company, as a passenger cruise line, maintains financial security arrangements with the U.S. Federal Maritime Commission ("FMC"). The security provided through the FMC provides coverage in the event that the transportation purchased by passengers is not performed. In addition, the Company has obtained a surety bond (the original was previously furnished to the DOT and a copy of the bond is enclosed with this letter) in the amount of \$310,930.95 as required under applicable law and regulations for the benefit of the charter flight passengers. The surety bond provides that the charter flights of the nature described in this waiver application and the Charter Contract will be covered by the bond. The Company will arrange for substitute air transportation to and from the cruise ships in the event that the Aeromexico charter flights cannot operate.

The foregoing constitutes special and unusual circumstances within the meaning of § 380.3 of the DOT regulations. The granting of this waiver request would serve the public interest by facilitating the operation of the air/sea program utilizing charter (as opposed to scheduled) air transportation, which permits the Company to offer an economical and efficient package to the public.

Given the Company's experience and years of service in the industry and the protections afforded to the passengers for any nonperformance of the cruise, we respectfully request that the DOT grant this waiver request. A check in the amount of \$39.00 representing the required fee is enclosed.