

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

U.S.-THAILAND ALL-CARGO
FREQUENCY ALLOCATION CASE

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Docket OST-96-1496

APPLICATION OF
AIR MICRONESIA, INC.
FOR RENEWAL OF A
FREQUENCY ALLOCATION

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June 30, 1999

NOTICE: Answers supporting or opposing this application are due on or before
July 15, 1999.

BEFORE THE
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U.S.-THAILAND ALL-CARGO :
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Air Micronesia¹ applies for renewal of its five weekly roundtrip Thailand frequencies for scheduled all-cargo service. Air Micronesia asks that its frequency allocation be renewed for a period of at least two years.

Air Micronesia states as follows in support of its application:

1. By Order 96-9-16, the Department awarded Air Micronesia a certificate of public convenience and necessity for Route 704 to institute all-cargo service at Bangkok, allocated Air Micronesia five Thailand all-cargo frequencies and authorized Air Micronesia to integrate its Thailand authority with its authority to

¹ Common names of carriers are used.

serve other all-cargo points on Route 170, Segment 2.² By Order 97-9-20, the Department renewed Air Micronesia's frequency allocation for a period of two years and granted Air Micronesia an exemption from the standard 90-day dormancy condition because of Thailand's continuing economic troubles. Subsequently, Air Micronesia was granted several exemptions from its U.S.-Thailand startup condition so that it could enter the market when improved economic conditions warranted.³ Air Micronesia's U.S.-Thailand frequency allocation will expire August 29, 1999, unless the Department renews it.

2. Renewal of Air Micronesia's Thailand all-cargo frequencies is fully consistent with the terms of the U.S.-Thailand Air Transport Agreement, as amended, and clearly serves the public interest. Improvements in Thailand's economic condition have increased demand for Thailand all-cargo services, and Air

² No carrier selection proceeding was required since all of the carriers seeking authority were accommodated within the number of frequencies available.

³ See Order 98-1-6 and Notices of Action Taken dated June 15, 1998, and September 28, 1998. The same depressed economic conditions that delayed Air Micronesia's U.S.-Thailand all-cargo service also prevented Federal Express, Northwest, Polar and UPS from fully utilizing the frequencies granted to them by Order 96-9-16. (See, e.g., Notices of Action Taken November 2, 1998, in Docket OST-97-3261, March 22, 1999, in Docket OST-97-2209, November 13, 1998, in Docket OST-97-3162, and December 13, 1998, in Docket OST-97-3178)

Micronesia plans to initiate Thailand service as soon as approval is secured from Philippine aviation authorities.⁴ Renewal of Air Micronesia's Thailand all-cargo frequencies will allow Air Micronesia to help meet the increased demand, offer U.S. and foreign shippers more service options and provide competition for both U.S. and foreign carriers serving Thailand.

3. Air Micronesia invokes and relies on the provisions of Section 558(c) of the Administrative Procedure Act and Part 377 of the Department's Special Regulations to continue its existing authority in effect until the Department acts on this application. This renewal application is filed at least 60 days before expiration of Air Micronesia's frequency allocation.

⁴ By letter to Paul Gretch dated March 31, 1999, Air Micronesia notified the Department that it intended to commence its proposed Thailand service and Fifth-Freedom Bangkok-Kuala Lumpur and Bangkok-Manila service on June 1, 1999. Air Micronesia has obtained the necessary operating authority from Thai aviation authorities, but it is awaiting approval from Philippine authorities.

WHEREFORE, Air Micronesia asks the Department to renew its current allocation of five weekly Thailand all-cargo frequencies.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that I have this date served the foregoing document on the following persons in accordance with Department's Rules of Practice:

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June 30, 1999