



U.S. Department of
Transportation
Office of the Secretary
of Transportation

NOTICE OF ACTION TAKEN

DOCKET OST-97-2481

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decisional document will be issued as soon as possible.

Applicant: AERO CALIFORNIA, S.A. de C.V.

Date filed: May 7, 1997

Relief requested: Exemption from 49 USC section 41301 to permit Aero California to conduct scheduled, combination services in certain U.S.-Mexico markets (see Attachment 1 of the application), including the following five markets: 1) Loreto-Albuquerque; 2) Mazatlan-Phoenix; 3) Puerto Vallarta-Dallas/Fort Worth; 4) Puerto Vallarta-Phoenix; and 5) San Jose del Cabo-San Francisco. (On May 7, 1997, Aero California and American Airlines filed an undocketed, joint application for approval of their code-sharing arrangement in certain U.S./Mexican markets, including the above five, and American filed in Docket OST-97-2477 an application for underlying exemption authority to implement the arrangement. These requests are pending.)

If renewal, date of last action(s): An exemption to operate in the five U.S.-Mexico markets listed above is new authority.

Applicant representative(s): David H. Coburn, 202-429-8063

Responsive pleadings: Alaska Airlines, United Air Lines, Compania Mexicana and Continental Airlines all filed pleadings in connection with Aero California's exemption application (and Aero California and American filed joint responses), but none of their submissions registered opposition to Aero California's request for underlying authority in the subject five markets. Rather, they focused on code-share issues. We will address these issues in a separate order.

DISPOSITION

Action: Approved in part. (See remarks below.)

Action date: June 27, 1997

Effective date of authority granted: June 27, 1997, through June 27, 1998.

Basis for approval: United States-Mexico Air Transport Services Agreement of August 15, 1960, as amended and extended (Agreement).

Except to the extent exempted/waived, this authority is subject to the terms, conditions and limitations of Appendix A.

Remarks: In reaching our decision to grant Aero California authority to serve the five markets, we found that these operations are encompassed by the U.S.-Mexico Agreement, and we noted that the Mexican carrier's request for underlying authority to conduct these services is unopposed. We determined that the circumstances of this case warranted duration of authority for one year (which is consistent with our usual policy of granting interim exemption authority). Also, we deferred action on Aero California's request for underlying exemption authority in Docket OST-97-2481 to serve the additional U.S.-Mexico markets.

Action taken by Paul Gretch, Director, Office of International Aviation, under assigned authority (14 CFR 385). (Petitions for review may be filed from now until 10 days after the service date of the confirming order/letter. Filing of a petition shall not stay the effectiveness of this action.)

CONDITIONS OF AUTHORITY

APPENDIX A