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DEPARTMENT OF TRANSPORTATION

BEFORE THE

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U.S. DEPARTMENT OF TRANSPORTATION

DOCKET SECTION

WASHINGTON, D.C.

Application of	)	
KOREAN AIR LINES CO., LTD.	)	
for an exemption from 49 U.S.C. § 41301	)	Docket OST-96-1235
(Soeul - Portland All-Cargo)	)	

ANSWER OF WORLD AIRWAYS, INC.

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Docket OST-96-1235

ANSWER OF WORLD AIRWAYS, INC.

On April 21, 1997, Korean Air Lines Co., Ltd. ("KAL") filed an application in this docket seeking renewal of a one-year exemption issued by the Department in an uncontested proceeding on April 24, 1996. That exemption allowed KAL to engage in foreign air transportation of property and mail between Seoul, Korea, and Portland, Oregon, via Los Angeles, California, and Anchorage, Alaska. World Airways, Inc. ("World") hereby submits its answer in opposition to approval of the KAL application.

As the Department knows, for over a year, because of actions taken by the Government of Korea ("GOK"), World has been unable to exercise valuable operating rights previously granted to it by the U.S. Government ("USG"). Moreover, during that period, the GOK has been unwilling to provide World or the USG with any explanation or justification for its actions -- despite repeated inquiries by the USG and World and several visits by USG and

World officials to Seoul. For over a year (during which World has been deprived of access to millions of dollars of revenue), the USG has refrained from taking any retaliatory action against a carrier designated by the GOK despite World's repeated requests that it do so. Compare, e.g., the Department's actions described in Order 97-4-3.

While the USG has not explained its tolerance of the GOK actions or its reluctance to protect World, it may be assumed, based on trade press reports, at least, that the Department's interest in convincing the GOK to enter into a new "open skies" agreement has taken priority over requiring the GOK to comply with an agreement it has already entered into with the USG.

It has been reported publicly that the GOK will engage in "open skies" discussions with the USG late next month. World has requested and is hopeful that the USG will address and resolve World's problem before it takes up the issue of giving the GOK even broader economic authority under an open skies agreement.

But until World's complaint is resolved and it is able to exercise rights its government has negotiated for it, no application filed by KAL should receive favorable consideration by the Department. The Department's precedents in this regard have been clear, and KAL is clearly wrong when it contends that approval of its renewal application is warranted under governing principles of comity and reciprocity.

Therefore, for all these reasons, World respectfully opposes approval of the pending application and encourages the Department

to take no positive action on it until the restrictions on World's operations in Korea are removed.

Respectfully submitted,

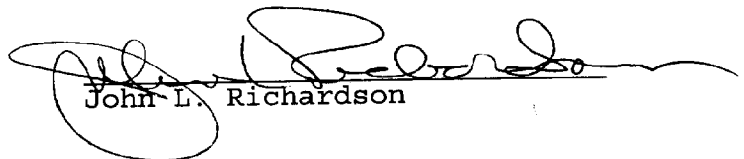


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May 6, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of May, 1997, caused a copy of the foregoing answer to be served by first-class mail, postage prepaid, upon all parties.



John L. Richardson