



U.S. Department of Transportation

Office of the Secretary of Transportation

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

OST-97-2345-2

1-060202
Correspondence
Per 300 File

24837
QA

DEPARTMENT OF TRANSPORTATION
97 JUL 15 PM 12:13
OFFICE OF THE SECRETARY

OST-97-2345

July 11, 1997

Mr. A. Doyle Cloud, Jr.
Vice President, Regulatory and
Government Affairs
Federal Express Corporation
P.O. Box 727
Memphis, TN 38194-1842

Dear Mr. Cloud:

Thank you for your letter regarding service to Vietnam. You indicate that Federal Express has effective authority from the Department of Transportation to serve Vietnam and, thus, would need only approval from the Government of Vietnam.

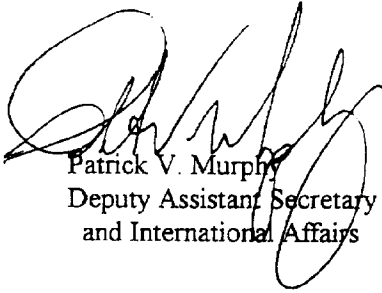
With regard to charter operations, Federal Express of course holds such authority as a corollary to its various scheduled certificates. As you state in your letter, Federal Express also currently holds scheduled certificate authority to serve Vietnam, but that authority has been dormant for a number of years due to the nature of the U.S.-Vietnam relationship. At this time, it is our view that carriers holding dormant authority to serve Vietnam would not have an advantage over other carriers seeking new authority to serve the market, even though the dormant carriers already hold certificate authority. This view is based on past experience in similar situations where a long unserved market once again becomes available. In such situations, the Department typically has elected to reexamine the market and the needs of the public for service before it determines which carrier or carriers should be authorized to commence operations.

We are, of course, continuing our efforts to resolve with Vietnam the type of aviation regime that would be acceptable under an aviation agreement, as well as in the interim period, pending conclusion of such an agreement between the countries.

SPZ

Should you wish to discuss any aspect of this matter, I would be pleased to arrange a meeting between Federal Express and Department officials.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Murphy', written in a cursive style.

Patrick V. Murphy
Deputy Assistant Secretary for Aviation
and International Affairs