

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION

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Request for Exemption

BALTIA AIR LINES, INC.

from requirements of section 204.7

Docket
OST 97-2763

REPLY TO DELTA AIR LINES' ANSWER

All correspondence concerning this document should be served on:

Steffanie J. Lewis
THE INTERNATIONAL BUSINESS LAW FIRM PC
3511 North Thirteenth Street
Arlington, Virginia 22201

Telephone: 703 522 1198
Facsimile: 703 522 1197

Igor Dmitrowsky, President
BALTIA AIR LINES, INC
63-25 Saunders Street
Rego Park, New York 11374

Telephone: 718 275 5205
Facsimile: 718 275 4731

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Delta states it has no objection to Baltia's request for an exemption. The additional comments in Delta's Answer relate to US-Russia frequency allocation considered in Docket OST-96-1672. Nevertheless, Baltia replies to those comments by stating:

The Department increases US uplift between the US and St. Petersburg by denying the Delta proposal and by granting Baltia's exemption. On each flight Baltia offers 8-hour, nonstop uplift between New York-St. Petersburg for more than 300 round-tip passengers, and more than 20,000 pounds of containerized cargo/mail that does not have to be repackaged in a foreign country. Delta proposes marketing a 14 hour circuitous Swissair connection to Moscow without increasing US-Russia uplift. Granting Delta's proposal will jeopardize Baltia service. Baltia will use US-Russia frequencies to develop the US-Russia market. Delta's proposed use of US-Russia frequencies enhances its alliance.

Delta proposes that the Department withdraw the US-Russia frequencies reserved for Baltia, and "award 1.5 of those US-Russia frequencies to Delta subject to the condition that if Baltia is in a position actually to commence service within the six month period of its requested exemption that the frequencies would be relinquished for Baltia's use."

Delta's condition precedent to Baltia's use of the frequencies has been met. Assuming the Department's exemption, Baltia is in a position to actually commence service within six months. Baltia has submitted documentation evidencing that position. Delta submits no allegation or documentation to diminish Baltia's position.

Baltia's goal, since inception, is to develop the US-Russia market. For years, as Delta acknowledges, Baltia's vision of US-Russia air commerce has been ahead of the financial markets requiring of Baltia diligence, creativity, flexibility and purpose in order to prevail. By contrast Delta ceased service to St. Petersburg.

Removing assurance that Baltia has US-Russia frequencies with which to operate, and substituting the variable Delta proposes, would diminish the confidence of the financial market in Baltia.

CONCLUSION

No opposition to Baltia's request for exemption was filed by any carrier. Because Baltia's service benefits the US public, Baltia's exemption should be granted. Because the benefits to US passengers, shippers and mailers, derived from the only US service between the US and Russia's second largest city outweigh Delta's marketing a Swissair connection from Zurich to Moscow, Delta's proposed frequency allocation should be denied.

Respectfully submitted,
BALTIA AIR LINES, INC.

By: 

Steffanie J. Lewis

THE INTERNATIONAL BUSINESS LAW FIRM P.C.
3511 North Thirteenth Street
Arlington, Virginia 22203

Telephone: 703 522 1198
Facsimile: 703 522 1197

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