

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

U.S.-THAILAND ALL-CARGO FREQUENCY ALLOCATION CASE	) ) ) )	Docket OST-96-1496
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POLAR AIR CARGO, INC.  for renewal of an exemption pursuant to 49 U.S.C. §40109 (Dormancy Condition)	) ) ) ) ) ) ) )	Docket OST-97-3162
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**APPLICATION OF POLAR AIR CARGO, INC.  
FOR RENEWAL OF EXEMPTION**

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**DATED:      October 21, 1998**

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
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U.S.-THAILAND ALL-CARGO FREQUENCY ALLOCATION CASE	) ) ) )	Docket OST-96-1496
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**DATED:      October 21, 1998**

**APPLICATION OF POLAR AIR CARGO, INC.  
FOR RENEWAL OF EXEMPTION**

Polar Air Cargo, Inc. ("Polar") requests a renewal of its exemption from the 90-day dormancy condition applicable to its U.S.-Thailand frequency allocation. That exemption was last issued by Notice dated June 15, 1998, in Docket OST-97-3162, and is scheduled to expire on December 31, 1998. Polar requests a one-year extension of this exemption so that the dormancy condition will not start to run again until December 31, 1999.<sup>1</sup> In support of its request, Polar submits the following:

1. By Order 96-9-16, the Department granted Polar certificate authority and an allocation of two weekly all-cargo frequencies to provide scheduled all-cargo service

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<sup>1</sup> Polar invokes the provisions of 14 CFR Part 377 to continue the existing exemption in effect pursuant to 5 U.S.C. §558(c) pending final DOT action on this application.

between the U.S. and Thailand. On March 11, 1997, Polar requested an exemption to delay the start-up of its second frequency until September 1, 1997, which the Department granted by Order 97-5-6. Polar was able to utilize one of its Thailand all-cargo frequencies during the better part of 1997, but market conditions continued to prevent the start-up of its second frequency. In recognition of the state of the market, the Department granted Polar a second exemption from the dormancy condition, allowing Polar to delay inauguration of its second frequency until June 30, 1998 (Order 98-1-6).

Polar was forced to discontinue all service to Thailand last year due to a worsening economic situation in that country. As a result, one of Polar's two U.S.-Thailand all-cargo frequencies became dormant. Polar continues to hold the other frequency and the dormancy condition applicable to this second frequency was extended by exemption to December 31, 1998, by Notice, dated June 15, 1998, in this docket. It is that exemption which Polar seeks to renew for one year – through December 31, 1999.<sup>2</sup>

2. Increasingly adverse economic conditions have impeded Polar's ability to restart its Thailand services. Polar believes that it may be able to reenter the market

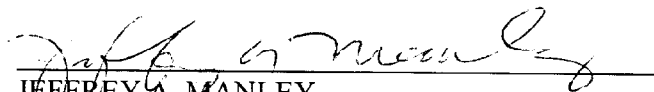
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<sup>2</sup> Polar notes that both Federal Express (Docket OST-97-3261) and UPS (Docket OST-97-3178) have requested similar one-year extensions of their U.S.-Thailand dormancy exemptions. To the extent that the Department is prepared to grant those carriers an extension of that duration, Polar seeks the same flexibility.

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within the next year. Accordingly, by this application, Polar seeks a renewal of its  
current exemption from the 90-day dormancy condition through December 31, 1999.

Respectfully submitted,



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