



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

Issued by the Department of Transportation on May 13, 1999

NOTICE OF ACTION TAKEN – DOCKETS OST-99-5286 and OST-99-5620

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of Alaska Airlines, Inc. filed 5/3/99 for:

XX Exemption for two years under 49 U.S.C. § 40109 for Alaska to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Anchorage, Alaska, on the one hand, and Yuzhno-Sakhalinsk, Russia, on the other hand.

Application of Alaska Airlines, Inc. filed 3/29/99 for:

XX Allocation of one weekly combination service frequency for Alaska to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Anchorage, Alaska, on the one hand, and Petropavlovsk-Kamchatski and Yuzhno-Sakhalinsk, Russia, on the other hand. Alaska intends to operate this service under a code-share arrangement with Reeve Aleutian Airways.¹

No answers to Alaska's applications were filed.

Applicant rep: Edward W. Sauer (202) 626-6651 DOT Analyst: Michael D. Bodman (202) 366-9667

DISPOSITION

XX Granted, subject to conditions (see below).

The above action with respect to the exemption authority was effective when taken: May 13, 1999, through May 13, 2001.

The above action with respect to the allocation of one weekly frequency was effective when taken: May 13, 1999, and will remain in effect indefinitely, provided that Alaska continues to hold the necessary underlying authority to serve the Anchorage-Russia markets noted above.

**Action taken by: Paul L. Gretch, Director
Office of International Aviation**

¹ By Order 96-5-9, the Department granted Alaska certificate authority to serve certain markets in Russia, including Petropavlovsk-Kamchatski.

XX The authority granted is consistent with the 1999 aviation agreement between the United States and the Russian Federation.²

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity

XX Standard Exemption Conditions (attached)

Conditions: Consistent with our standard practice, the frequency allocated here is subject to the condition that it will expire automatically and the frequency will revert to the Department if it is not used for a period of 90 days.

Remarks: We acted on Alaska's exemption application (Docket OST-99-5620) prior to the expiration date for answers with the consent of all parties served.

Annex I (Scheduled Air Services) of the 1999 U.S.-Russia aviation agreement provides that U.S. carriers may operate up to 56 round-trip U.S.-Russia combination frequencies per week.³ Of these 56 frequencies, 30 are currently allocated to U.S. carriers, including two frequencies for flights operated by Reeve Aleutian in the Anchorage-Russian Far East markets. Thus, a total of 26 frequencies are now available for allocation to U.S. carriers and sufficient frequencies are available for Alaska's proposed service. The 1999 U.S.-Russia agreement provides that code-share services count as one half of a frequency for a U.S. carrier placing its code on flights in the U.S.-Russia market operated by another airline. Based on this frequency equivalency provision of the agreement, the frequency sought by Alaska will enable it to put its code on the two weekly flights operated by Reeve Aleutian in the Anchorage-Russian Far East markets. As a result of our action here, a total of 25 frequencies remain available for allocation to U.S. carriers.

On the basis of data officially noticeable under Rule 24(n) of the Department's regulations, we found the applicant qualified to provide the services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) immediate action was required and was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted, we denied all requests in the referenced Dockets. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the actions set forth in this Notice under the Department's regulations, 14 CFR § 385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

*An electronic version of this order is available on the World Wide Web at
http://dms.dot.gov/reports/reports_aviation.asp*

² On March 16, 1999, the Department issued a Notice requesting that U.S. carriers interested in using new U.S.-Russia service opportunities, including available combination service frequencies, file applications with the Department in Docket OST-99-5286. We will handle applications filed for the other service opportunities cited in our March 16 Notice by separate notice(s) or order(s).

³ These frequencies increase to 63 per week from July 1, 2000, through January 22, 2001.