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DOCKETS

30 MAY 20 11 43 AM '99

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

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 In the matter of the application of)
)
COMPANIA MEXICANA DE AVIACION,)
S.A. DE C.V.)
)
 for renewal of exemptions from 49 U.S.C. 41301)
 _____)

Dockets OST-98-3669
OST-98-3828
OST-97-2207

APPLICATION FOR RENEWAL OF EXEMPTIONS

Communications with respect to this document should be addressed to:

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S.A. de C.V.

DATED: May 25, 1999

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

In the matter of the application of)	
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COMPANIA MEXICANA DE AVIACION,)	Dockets OST-98-3669
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APPLICATION FOR RENEWAL OF EXEMPTIONS

Compania Mexicana de Aviacion, S.A. de C.V. ("Mexicana") hereby requests renewal of the exemption authorities granted to it by the Department of Transportation (the "Department") in the above-captioned dockets to perform scheduled foreign air transportation between (i) the coterminal points Mexico City, Guadalajara, Monterrey and Hermosillo, Mexico, on the one hand, and El Paso, Texas, on the other hand; (ii) Cancun, Mexico and Ft. Lauderdale, Florida; (iii) Puebla, Mexico and Dallas/Ft. Worth, Texas; and (iv) Mexico City, Mexico and Orlando, Florida. With the exception of Mexico City-Orlando, the exemptions for these routes expire June 8, 1999. Mexicana's exemption to serve Mexico City-Orlando expires on September 3, 1999. Mexicana requests renewal of these exemptions for a one-year period on their existing terms and

conditions. Mexicana relies upon the provisions of the Administrative Procedures Act and Part 377 of the Department's procedural regulations to continue its existing authorizations in force pending a final decision on this renewal request.

As indicated below, all of the factors which originally led the Department to grant the requested exemptions to Mexicana continue in existence at the present time. The basis for the grant of these exemptions was reaffirmed in the 1991 amendments to the United States-Mexico Air Transport Services Agreement. Reciprocity on the part of the Government of Mexico continues to provide additional justification for the renewal of these operating authorities. In further support of its request for renewal, Mexicana states as follows:

1. Mexicana does not currently operate nonstop services in any of the markets for which renewal is herein requested. Mexicana wishes to renew its authority, however, so that operations on these routes may resume without delay as soon as warranted by commercial conditions.

2. Mexicana is a citizen of Mexico. As part of a restructuring of Mexicana in June 1996, the carrier's ownership was transferred to the Mexican company Corporacion Internacional de Aviacion ("CINTRA"). CINTRA is seventy percent owned by a consortium of Mexican banks and twenty-one percent owned by the Government of Mexico.

3. On November 21, 1991, the United States and Mexico signed an amendment to the Air Transport Agreement of August 15, 1960 broadening air transport services between the two countries and permitting designated Mexican carriers to operate from "a point or points in Mexico to a point or points in the United States." Each of the

routes for which renewal is requested is clearly within the scope of the amendments to Air Transport Agreement between the United States and Mexico. Mexicana has been authorized to serve these routes and has been designated by the Mexican Government in accordance with the terms of the 1960 Agreement. The Department and the Civil Aeronautics Board before it have long recognized that the inclusion of a particular service in a bilateral aviation agreement to which the United States is a party and designation of a qualified foreign air carrier for that services is, by itself, a *prima facie* indication of the public interest in operations on that route.¹

4. Mexicana's fitness remains beyond question. Mexicana is subject to the safety and operational rules of the Government of Mexico. Mexico is a contracting party to the Convention on International Civil Aviation and observes all applicable ICAO standards.


5. This renewal applications raises no environmental or energy issues. Since this application requests renewal of authority for flights that are not operated currently, approval of the application will not result in a near term increase in fuel consumption of ten million gallons or more.

WHEREFORE, Compania Mexicana de Aviacion, S.A. de C.V. ("Mexicana") respectfully requests that the exemptions granted to it in the above-captioned dockets be

¹ See, S.REP. No. 96-329, at 4 (1979), *reprinted in* 1980 U.S.C.C.A.N. 54, 57 ("The negotiation of a bilateral agreement itself represents a determination by the Government of the United States that the grant of route authority provided for under the bilateral is in the 'public interest.'").

renewed for an additional one-year period on their existing terms and conditions.

Respectfully submitted,



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