

COPY

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

In the matter of the application of)
)
COMPANIA MEXICANA DE AVIACION,) Docket OST-97-2207
S.A. DE C.V.)
)
for an exemption from 49 U.S.C. 41301)
)

APPLICATION FOR RENEWAL OF EXEMPTION

Communications with respect to this
document should be addressed to:

Robert D. Papkin
Charles F. Donley II
SQUIRE, SANDERS & DEMPSEY L.L.P.
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044
(202) 626-6601

Counsel to Compania Mexicana de Aviacion, S.A.
de C.V.

DATED: August 9, 1999

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DEPARTMENT OF TRANSPORTATION
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APPLICATION FOR RENEWAL OF EXEMPTION

Compania Mexicana de Aviacion, S.A. de C.V. ("Mexicana") hereby requests renewal of the exemption authority granted to it by the Department of Transportation (the "Department") in the above-captioned docket to perform scheduled foreign air transportation of persons, property and mail between Mexico City, Mexico and Orlando, Florida. This authority expires on September 3, 1999. Mexicana requests renewal of this exemption for a one-year period on its 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 authorization in force pending a final decision on this renewal request.

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As indicated below, all of the factors that originally led the Department to grant this exemption to Mexicana continue in existence at the present time. The basis for the grant of this exemption was reaffirmed in the 1991 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 this operating authority. In further support of its request for renewal, Mexicana states as follows:

1. Mexicana does not currently operate nonstop services in the Mexico City-Orlando market. Mexicana wishes to renew its authority, however, so that operations on this route may resume without delay as soon as warranted by commercial conditions.

2. 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." The Mexico City-Orlando route is clearly within the scope of the 1991 amendment. Mexicana has been authorized to serve this route 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

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qualified foreign air carrier for that service is, by itself, a *prima facie* indication of the public interest in operations on that route.

3. 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.

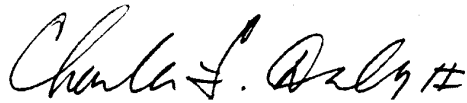
4. This renewal application raises no environmental or energy issues. Since this application requests renewal of authority for flights that are not operated currently, approval of the application will not result in a near term increase in fuel consumption of ten million gallons or more.

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

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captioned docket be renewed for an additional one-year period on its existing terms and
conditions.

Respectfully submitted,



Robert D. Papkin
Charles F. Donley II
SQUIRE, SANDERS & DEMPSEY L.L.P.
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044
(202) 626-6601

Counsel to Compania Mexicana de Aviacion, S.A.
de C.V.

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