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ORIGINAL

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS
DEC 29 AM 9:10

Application of:)
))
AEROEMPRESARIAL, S.A. de C.V.) **Docket OST-00-8592**
))
))
for a one year exemption (MEXICO-US))
under 49 U.S.C. Section 40109)

APPLICATION OF
AEROEMPRESARIAL, S.A. de C.V.
FOR AN EXEMPTION

Pursuant to 49 U.S.C. 40109 and Subpart D of the Department's Rules of Practice in Proceedings, AEROEMPRESARIAL, S.A. de C.V. (**AESA**), A mexican air taxi operator of small aircraft, requests an exemption from 49 U.S.C 41301 to authorize AESA to engage in charter foreign air transportation of persons and their accompanying baggage between Mexico and the United States. AESA also requests stopover privileges and relief from the requirement to obtain advance approval for each Mexico-U.S. flight. AESA requests that this exemption be granted for a period of at least one year.

In support of this application, and pursuant to the Department's Procedural Regulations, AESA states the following:

1. AESA, incorporated in Mexico in 1990, is a privately held corporation that is 100% owned and controlled by Mexican citizens. Name, citizenship and percentage of ownership of AESA are enumerated in Exhibit A.

The full name and corporate address of AESA is:

AEROEMPRESARIAL, S.A. de C.V.
AVE. RICARDO M. ZOZAYA # 440
COL. VALLE DEL CAMPESTRE
GARZA GARCIA, N.L. 66600
MEXICO

2. The name and official address of the government air transport authority in Mexico having regulatory jurisdiction over AESA is:

Secretaria de Comunicaciones y Transportes
Direccion General de Aeronautica Civil ("DGAC")
Av. Providencia No. 807, Piso 1-7
Colonia del Valle
Delegacion Benito Juarez
Mexico, D.F. 03100
MEXICO

3. As noted above, AESA is seeking transborder charter authority to engage in foreign air transportation of persons and their belongings without the need for prior Department approval of each flight, or series of flights. AESA is also requesting stopover privileges.

4. AESA is operationally and financially qualified to perform the service for which authority is requested herein. As evidence thereof:

(a) The Mexican DGAC has issued a permit authorizing AESA to conduct non-scheduled, international air taxi transportation of passengers in the North and South American Continents. This permit is attached as Exhibit B.

(b) In 1996, AESA received its DGAC permits and commenced commercial flight operations. From its base in Monterrey, Nuevo Leon, AESA provides air transportation to domestic and international passengers, consisting of members of the following institutions which form part of the governing body, owners, and stock holders of AESA:

AEROEMPRESARIAL, S.A. de C.V.
GRUPO VITRO, S.A. de C.V.

Future operations, including its proposed U.S. service, are likely to be a continuation of this type of operation. AESA estimates that it will operate 250 to 300 round trip flights annually between Mexico and the United States with an average load of four passengers per flight; all of which will originate in Mexico.

(c) AESA owns and operates four Jet Aircraft: an 8 passenger Cessna Citation III, Mod C650 Jet aircraft with Mexican registration XA-LTH; a 9 passenger Canadair LTD. Challenger, Mod CL600, Jet aircraft with Mexican registration XA-AST; a 9 passenger Dassault Falcon Jet, Model Falcon 900B, Jet aircraft with Mexican registration XA-VTO; and a Brittish Aerospace, Model Hawker 800A, Jet aircraft with Mexican registration XA-NGS.

(d) AESA maintains its aircraft pursuant to a maintenance service agreement with Aeroempresarial, a DGAC and FAA certificated aircraft repair station in Monterrey, Mexico; and in accordance with an airworthiness program approved by the Mexican DGAC in compliance with ICAO Annexes 1,6 (Part I) and 7.

(e) AESA has established a well qualified management team with the necessary experience in providing domestic and international air taxi services.

Pilot Capt. Jose A. Reyes received his Pilot's License in 1969, joined AESA in 1990, received his Unlimited Commercial Pilot's License in 1976 and has accumulated over 9000 hours of flight during his years of aviation experience, with over 250 hours in the Falcon and 100 hours in the Challenger. Capt. Reyes attends annual training courses, at Flight Safety in New York and Tucson, Az.

Capt. Reyes serves as the company's General Director.

Pilot Capt. Jose G. Carrera received his Pilot's License in 1979. Joined AESA in 1990, received his Unlimited Commercial Pilot's License in 1981 and has accumulated over 7000 hours of flight during his years of aviation experience, with over 750 hours in the Challenger and 800 hours in the Falcon. Capt. Carrera attends annual training courses, at Flight Safety in Wichita, Ks., Dallas, and San Antonio, Texas. Capt. Carrera serves as the company's Chief Pilot.

Pilot Capt. Mario Fernandez received his Pilot's License in 1988. Joined AESA in 1995, received his Unlimited Commercial Pilot's License in 1990 and has accumulated over 4700 hours of flight during his years of aviation experience, and attends annual training courses, at SimuFlite in Dallas, Texas. Capt. Fernandez serves as the company's Chief of Operations.

Pilot Capt. Nicolas de Jesus Castillo received his Pilot's License in 1976. Joined AESA in 1990, received his Unlimited Commercial Pilot's License in 1978 and has accumulated over 6000 hours of flight during his years of aviation experience. Capt. Castillo attends annual training courses, at Simuflite in Dallas, Tx.

Pilot Capt. Jorge Moreno C. received his Pilot's License in 1973. Joined AESA in 1998, received his Unlimited Commercial

Pilot's License in 1974 and has accumulated over 8900 hours of flight during his years of aviation experience. Capt. Moreno attends annual training courses at SimuFlite in Dallas, Texas.

Pilot Capt. Esteban J. Lopez received his Pilot's License in 1976. Joined AESA in 1997, received his Unlimited Commercial Pilot's License in 1977 and has accumulated over 7600 hours of flight during his years of aviation experience, with over 2000 hours in the Citation. Capt. attends annual training courses, at SimuFlite in Dallas, Texas.

Pilot Capt. Jose L. Montaña received his Pilot's License in 1981. Joined AESA in 1995, received his Unlimited Commercial Pilot's License in 1985 and has accumulated over 6000 hours of flight during his years of aviation experience. Capt. Montaña attends annual training courses, at SimuFlite in Dallas, Texas.

Pilot Capt. Alejandro Quiroz received his Pilot's License in 1971. Joined AESA in 1998, received his Unlimited Commercial Pilot's License in 1973 and has accumulated over 7500 hours of flight during his years of aviation experience, with over 900 hours in the Falcon, and attends annual training courses, at SimuFlite in Dallas, Tx; and Flight Safety, Teterboro, NJ.

A composite of AESA's key personnel is shown in Exhibit C.

(f) AESA's financial statement for calendar year 1999 up to Dec of 1999 is Exhibit D. As can be seen, AESA has been self-sufficient and fully capable to continue providing transportation services to the companies enumerated in Paragraph 4(b).

(g) A copy of OST form 6411, Foreign Air Carriers Certificate of Insurance, is attached as Exhibit E. As shown therein, AESA limits of liability exceed the requirements of 14 CFR Part 205.

(h) AESA has not been involved in any safety violations, tariff violations or fatal accidents since its inception.

(i) AESA does not have any agreement or cooperative working arrangements with any U.S. air carrier affecting its proposed services to the United States

5. AESA's proposed U.S. services are consistent with the public interest for the following reasons:

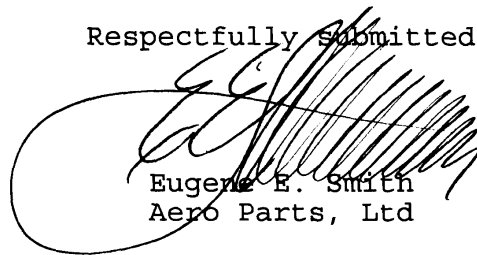
(a) AESA will be carrying executives to the U.S. on business, thereby fostering commerce between Mexico and the

United States consistent with the objectives of the North American Free Trade Agreement (NAFTA).

(b) AESA's request for stopover privileges is consistent with the need of the executives using its services will, from time to time, need to stop at two or more places in the U.S. as part of their round trip itineraries. AESA submits that no regulatory purpose would be served by preventing AESA from responding to the stopover needs of its customers.

WHEREFORE, AESA respectfully requests exemption authority to engage in charter foreign air transportation of persons and their accompanying baggage with small aircraft as set forth herein, and such other relief as may be in the public interest.

Respectfully submitted



Eugene E. Smith
Aero Parts, Ltd

Representative in the U.S. for
AEROEMPRESARIAL, S.A. de C.V.

28 December 2000