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BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

U.S. - ECUADOR ALL-CARGO
FREQUENCY ALLOCATION

Docket No. OST-2000-7513

APPLICATION OF GEMINI AIR CARGO, INC.
FOR RENEWAL OF EXEMPTION FROM STARTUP DEADLINE

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April 19, 2001

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Gemini Air Cargo, Inc. ("Gemini") respectfully requests the Department to renew for an additional 90 days the exemption that the Department granted on January 19, 2001, from the deadline of April 23, 2001, for starting U.S.-Ecuador scheduled all-cargo service pursuant to DOT Order 2000-10-19.

Gemini requests this further extension due to the delay in obtaining scheduled authority from the Government of Ecuador and due to the depressed market for air cargo between the United States and Ecuador.

On January 8, 2001, Gemini applied in this docket for an ~~exemption~~ exemption extending the startup deadline for 90 days, and on January 19, 2001, the Department issued a Notice of Action Taken granting the exemption of the startup deadline through April 23, 2001. Since the issuance of the extension, Gemini has been working diligently to satisfy the requirements of the Government of Ecuador to issue operating authority to Gemini. The latest advice that Gemini has received is that the Government of Ecuador has either

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issued, or is about to issue, scheduled operating authority to Gemini. At this time, however, Gemini has not received notice that Ecuador has issued it scheduled service authority.

In January of this year, when Gemini first requested an extension, Gemini anticipated that it would receive authority from Ecuador relatively promptly. The extended delay in receiving scheduled operating authority from Ecuador has hindered the ability of Gemini to initiate scheduled all-cargo service in that market.

Secondly, market conditions do not presently support the introduction of scheduled all-cargo service between the United States and Ecuador. Cargo traffic from the United States to Ecuador is virtually nil at present. Exports from Ecuador to the United States are similarly constrained. Exports from Ecuador are very seasonal, and this is a very low period for such shipments.

Gemini would be willing to incur some losses in order to enter and develop the market since breaking even or making a profit are not realistic expectations at this time. Gemini has tried diligently and without success, however, to find shippers willing and able to provide sufficient loads to allow Gemini to commence service at even a moderate degree of loss.

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Shippers familiar with the Miami-Quito market expect that the situation will soon begin to turn, and they are very interested in using Gemini's services in that market as soon as market conditions permit.

It is therefore in the public interest for the Department to grant Gemini this extension. The delay in introducing service is due to circumstances outside the control of Gemini. Gemini has prosecuted without delay its efforts to introduce scheduled service to Ecuador.

CONCLUSION

For the foregoing reasons, the Department should renew the exemption of Gemini Air Cargo, Inc. from the startup deadline and extend through July 23, 2001, the startup deadline imposed by Order 2000-10-19.¹

Respectfully submitted,

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¹ In light of the shortness of time between the submission of this Application and the expiration of the present exemption, Gemini will poll the carriers on the service list to determine whether any have any opposition to this Application.