

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, DC

_____)	
Application of)	
)	
Hawaiian Airlines, Inc.)	
for an Exemption Pursuant to)	Docket OST-01-10736
49 U.S.C. § 40109 (Mexico))	
_____)	

APPLICATION OF HAWAIIAN AIRLINES, INC. FOR RENEWAL OF EXEMPTION

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September 11, 2003

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Pursuant to 49 U.S.C. § 40109, Hawaiian Airlines, Inc. (“Hawaiian”) hereby submits this Application for Renewal of Exemption from 49 U.S.C. § 41101 for scheduled foreign air transportation of persons, property and mail to specified cities in Mexico. The Department issued its Notice of Action Taken approving Hawaiian’s original request on October 18, 2001. That authority expires October 18, 2003¹.

Hawaiian requests that the exemption be granted for a minimum of an additional two (2) years. Hawaiian further requests that the Department process this application expeditiously so that Hawaiian may enter the new service into the various GDS/CRS systems and begin

¹ To the extent that this application is not timely filed, Hawaiian requests a waiver of any requirement setting an earlier date for filing of an application for renewal. Even though Hawaiian is not presently using this authority, it anticipates commencing service to these destinations this calendar year.

advertising and selling tickets as soon as possible, since the carriers' code share agreement is planned to commence this Fall².

The service will be offered as a code share with Alaska Airlines between the United States and Mexico. Renewal of the underlying authority will provide additional U.S. carrier competition in the important U.S. bilateral markets of Mexico. It will provide new opportunities for connecting passengers from Hawaii and the West Coast, improved connections and expand choices for consumers not only in carriers, but in frequent flyer programs, together with increased service options. Code share services between Mexico and the United States are specifically allowed under the bilateral on a city pair by city pair basis. Approval of Hawaiian's application is clearly consistent with the public interest as well as under the bilateral agreement with Mexico.

In further support of this exemption for economic authority to and from Mexico, Hawaiian states as follows:

1. Hawaiian has its principal office located at 3375 Koapaka Street, Suite G-350, Honolulu, HI 96819.
2. Hawaiian is incorporated under the laws of the State of Hawaii.
3. Hawaiian is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15). The President and two-thirds of the officers and directors of the company are U.S. citizens. Additionally, to Hawaiian's knowledge, U.S. citizens hold at least 75% of Hawaiian's voting stock.

² Hawaiian will await DOT approval of this renewal before advertising code share service to Mexico. Hawaiian will file an appropriate notice requesting a statement of authority for the code share operation and additional city pairs upon completion of the code share negotiations with Aloha.

4. Hawaiian has repeatedly been found fit, willing and able to provide interstate and foreign air transportation. The Department make take official notice of Hawaiian's continuing fitness and its foreign air carrier permits, including Order 97-3-24 and Order 99-4-4 authorizing service to Canada and Japan as well as a number of orders authorizing service to Singapore, Korea, Thailand, Rarotonga, Nadi, Fiji, Papeete, Soci, Indonesia, Auckland, New Zealand, Tonga Taupai, Tonga and Apia, Western Samoa.

5. Hawaiian plans to commence daily service in the code share markets this Fall. Code share service on Alaska will be offered to five destinations in Mexico from Los Angeles: Cancun; Ixtapa; Manzanillo; Mazatlan; and Puerto Vallarta with Hawaiian placing its two letter designated code (HA) on flights operated by Alaska Airlines.

6. The code share service from the United States to Mexican destinations are covered by the U.S.-Mexico Air Transportation Agreement as amended by the Memorandum of Consultation signed by both countries in January of 1999. The MOC authorizes up to four U.S. carriers to operate code share service on each non-stop gateway city pair segment. Each of the city pairs to be served from Los Angeles is presently served by three U.S. carriers or fewer.

7. Hawaiian submits that its application raises no environmental or energy issues. Service will be offered by placing Hawaiian's code on flights currently operated by Alaska Airlines/Horizon Airlines. Approval of the application will not result in near term increase in fuel consumption of 10 million gallons or more as the flights are already operating.

8. All code share flights will be operated and marketed in accordance with the Department's regulations as set forth in 14 C.F.R. Part 257.

9. In response to the Department's June 1, 1995 directive, Hawaiian states that this code sharing arrangement will have no impact on their commitments to the Civil Reserve Air Fleet Program (CRAF).

WHEREFORE, Hawaiian Airlines, Inc. respectfully requests the Department of Transportation to grant Hawaiian's renewed exemption authorizing for two (2) years to operate scheduled service and foreign air transportation between the United States and Mexico or such other action as the Department deems appropriate³.

Respectfully submitted,

-S-

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³ Hawaiian invokes the automatic extension provisions of Section 9(b) of the Administrative Procedures Act (5 USC Section 558(c)) as implemented by Part 377 of the Department's Special regulations so as to permit Hawaiian's authority to continue until final action is taken on this renewal application.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Application for Exemption and Statement of Authorization was served this 11th day of September, 2003 via first-class mail, postage prepaid, on the following parties:

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