

NEW



U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation

## NOTICE OF ACTION TAKEN

March 4, 1998

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*This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.*

Application of Continental Micronesia, Inc. filed 2/9/98 in Docket OST-98-3450 for:

**XX** Exemption under 49 U.S.C. 40109 to provide the following service:

**Scheduled foreign air transportation of persons, property, and mail between Guam and Saipan, on the one hand, and Niigata and Okayama, Japan, on the other. Continental Micronesia further requests authority to integrate this exemption with its existing certificate and exemption authority.**

Applicant rep: R. Bruce Keiner, Jr. 202-624-2500 DOT analyst: Gerald Caolo 202-366-2406

### DISPOSITION

**XX** *Granted, subject to conditions. (See below)*

*The above action was effective when taken: March 4, 1998, through March 4, 1999, (or until 90 days after final Department action on Continental Micronesia's certificate applications in Docket 96-1200 for Guam/Saipan-Niigata authority and Docket 96-1201 for Guam/Saipan-Okayama authority, whichever occurs earlier)*

**XX** *Under assigned authority (14 CFR 385) by:*

*Paul L. Gretch, Director  
Office of International Aviation  
(Petitions for review may be filed from now until  
10 days after the confirming order/letter issues.  
Filing of a petition shall not stay the effectiveness of  
this action.)*

**XX** **Exemption Authority granted is consistent with the U. S.-Japan Memorandum of Consultations of 1998.**<sup>1</sup>

(See Reverse Side)

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<sup>1</sup> On January 30, 1998, delegations of the United States and Japan signed a Memorandum of Consultations (MOC) that included attached understandings regarding the elements to be included in a Memorandum of Understanding. The delegations also agreed that the provisions of those understandings would be in effect provisionally upon signing of the MOC, pending conclusion of an interim agreement.

*Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:*

**XX Holder's certificate of public convenience and necessity**

**XX Standard Exemption Conditions (attached)**

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**Conditions:** The route integration authority requested is granted subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in our award of the route integration authority requested should be construed as conferring upon Continental Micronesia rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless Continental Micronesia notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedures to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in Continental Micronesia's authority by virtue of the route integration exemption granted here, but that are not then being used by Continental Micronesia, the holding of such authority by route integration will not be considered as providing any preference for Continental Micronesia in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

**Remark:** We noted Continental Micronesia's suggestion (application at 3, n. 3) regarding the switching of Japan points to facilitate the proposed Guam/Saipan-Niigata/Okayama services. We concluded that we need not reach that issue here for purposes of approving Continental Micronesia's application in this docket.