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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION
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DOCKET SECTION

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

Dockets OST-96-1464
OST-96-1495
OST-96-1988

APPLICATION FOR RENEWAL OF EXEMPTIONS

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.
P.O. Box 407
Washington, D.C. 20044
(202) 626-6601

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

DATED: May 12, 1998

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
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APPLICATION FOR RENEWAL OF EXEMPTIONS

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 dockets to perform scheduled foreign air transportation between (i) Huatulco, Mexico and Los Angeles, California; (ii) Zihuatanejo, Mexico and Los Angeles, California; and (iii) Zacatecas/Tijuana, Mexico and San Francisco, California. Exemptions for the first two routes expire on June 24, 1998; the exemption for the third expires on June 13, 1998. Mexicana requests renewal of each of these exemptions for a one-year period on their 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 authorizations in force pending a final decision on

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this renewal request.

As indicated below, all of the factors which originally led the Department to grant the requested exemptions to Mexicana continue in existence at the present time. The basis for the grant of these exemptions 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 these operating authorities. In further support of its request for renewal, Mexicana states as follows:

1. Mexicana does not currently operate nonstop services in any of the markets for which renewal is herein requested. Mexicana wishes to renew its authorities, however, so that operations on these routes 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." Each of the routes for which renewal is requested is clearly within the scope of the 1991 amendment. Mexicana has been authorized to serve these routes and has been designated by the Mexican Government in accordance with the

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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 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.

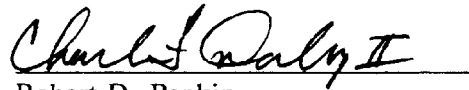
4. This renewal application raises no environmental or energy issues. Since this application requests renewal of authority for flights that are not operated currently, approval of the application will not result in a near term increase in fuel consumption of ten million gallons or more.

WHEREFORE, Compania Mexicana de Aviacion, S.A. de C.V. ("Mexicana") respectfully requests that the exemptions granted to it in the above-³

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

Respectfully submitted,



Robert D. Papkin
Charles F. Donley II
SQUIRE, SANDERS & DEMPSEY L.L.P.
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Washington, D.C. 20044
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