



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation on March 22, 2006

NOTICE OF ACTION TAKEN -- DOCKET OST-2004-16945

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of AMERICAN AIRLINES, INC. (AMERICAN)¹, filed 2/23/06 for:

XX Renewal of exemption under 49 U.S.C. 40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between points in the United States and points within Mexico beyond American's authorized Mexican gateway points for transborder services, for the purpose of blind-sector code-sharing services operated between the Mexican gateway points and other points within Mexico on services operated by Compania Mexicana de Aviacion, S.A. de C.V. (Mexicana) or its affiliate, Aerocaribe d/b/a Click Mexicana.

Scheduled foreign air transportation of persons, property, and mail between the following city-pair markets: Chicago-Guadalajara; Chicago-Morelia; Chicago-Zacatecas; Denver-Mexico City; Los Angeles-Guadalajara; Los Angeles-Mazatlan; Los Angeles-Mexico City; Los Angeles-Cancun; Los Angeles-Leon; Los Angeles-Morelia; Los Angeles-Zacatecas; Oakland-Guadalajara; Oakland-Leon; Oakland-Zacatecas; Portland-Guadalajara; New York/Newark-Mexico City; Las Vegas-Guadalajara; Las Vegas-Mexico City; Las Vegas-San Jose del Cabo; San Antonio-Mexico City; San Francisco-Guadalajara; San Francisco-Mexico City; San Francisco-Morelia; San Jose-Guadalajara; San Jose-Morelia; Sacramento-Guadalajara; Sacramento-Morelia; Sacramento-San Jose del Cabo; and Washington/Baltimore-Mexico City, and to integrate this authority with all existing certificate and exemption authority held by American and its affiliates.² American intends to operate these services pursuant to a code-share arrangement with Mexicana, whereby the "AA" designator code will be placed on flights operated by Mexicana in these markets.³

Applicant rep: Carl B. Nelson, Jr. (202) 496-5647 DOT Analyst: Thuy H. Cooper (202) 366-5423

DISPOSITION

XX **Granted in part** (subject to conditions, see below)

XX **Dismissed in part** (request for route integration authority)⁴

The above action was effective when taken: **March 22, 2006** through **March 22, 2008**, or until 90 days after final Department action on American's corresponding application for a certificate of public convenience and necessity in Docket OST-2000-8516, whichever occurs earlier.

¹ American is also applying on behalf of its affiliates, American Eagle Airlines, Inc., and Executive Airlines, Inc. d/b/a American Eagle.

² American states that it is not seeking renewal of its authority for Chicago-Durango, Chicago-San Luis Potosi, San Antonio-Guadalajara, Dallas/Ft. Worth-Morelia, and Dallas/Ft. Worth-Zacatecas, as Mexicana no longer serves these routes.

³ American's application here for exemption authority also references a pending American application for corresponding certificate authority. See Docket OST-2000-8516. We will handle its certificate request separately.

⁴ The carrier's request for route integration authority has been superseded by Order 2006-1-1, where the Department awarded the carrier a blanket route integration certificate.

**Action taken by: Paul L. Gretch, Director
Office of International Aviation**

XX The authority granted is consistent with the aviation agreement between the United States and Mexico.

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

XX American and its affiliates' certificates of public convenience and necessity

XX Standard exemption conditions (attached)

Conditions: The U.S.-Mexico exemption authority granted is subject to the dormancy notice requirements set forth in condition 7 of Appendix A of Order 88-10-2. The exemption authority granted to American and its affiliates is limited to services provided on a code-share basis only.

On the basis of data officially noticeable under Rule 24(g) of the Department's regulations, we found American (and its affiliates) qualified to provide the exemption services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted or dismissed, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within seven (7) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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http://dms.dot.gov/reports/reports_aviation.asp

U.S. Carrier Exemption Conditions

In the conduct of the operations authorized, the U.S. carrier applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with all applicable requirements of the Federal Aviation Administration and with all applicable U.S. Government requirements concerning security, including, but not limited to, 49 CFR Part 1544. To assure compliance with all applicable U.S. Government requirements concerning security, the holder shall, before commencing any new service (including charter flights) to or from a foreign airport, contact its International Principal Security Inspector (IPSI) to advise the IPSI of its plans and to find out whether the Transportation Security Administration has determined that security is adequate to allow such airport(s) to be served; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.