

BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Application of )  
 )  
 US AIRWAYS, INC. )  
 ) Docket OST-2006-\_\_\_\_  
 for an exemption pursuant )  
 to 49 U.S.C. § 40109 )  
 (Phoenix, Arizona – Cancun, Mexico) )  
 )

**APPLICATION OF US AIRWAYS, INC.  
FOR AN EXEMPTION  
(Phoenix, Arizona – Cancun, Mexico)**

Communications with respect to this document should be sent to:

Howard Kass  
Managing Director and Associate General Counsel  
US Airways, Inc.  
1401 H Street, N.W.  
Suite 1075  
Washington, DC 20005  
(202) 326-5153  
howard\_kass@usairways.com

Benjamin T. Slocum  
Assistant General Counsel  
US Airways, Inc.  
111 West Rio Salado Parkway  
Tempe, Arizona 85281  
(480) 693-5782  
benjamin\_slocum@usairways.com

April 24, 2006

**NOTICE:** US Airways plans to poll on this application and therefore requests that any parties wishing to support or oppose this application submit their answers on or before May 1, 2006.

BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Application of	)	
	)	
US AIRWAYS, INC.	)	
	)	Docket OST-2006-_____
for an exemption pursuant	)	
to 49 U.S.C. § 40109	)	April 24, 2006
(Phoenix, Arizona – Cancun, Mexico)	)	
	)	

**APPLICATION OF US AIRWAYS, INC.  
FOR AN EXEMPTION  
(Phoenix, Arizona – Cancun, Mexico)**

Pursuant to 49 U.S.C. § 40109 and Subpart C of the Department’s Rules of Practice (14 C.F.R. Part 302), US Airways, Inc. (“US Airways”) hereby applies for an exemption and, to the extent necessary, a designation in order to engage in scheduled foreign air transportation of persons, property, and mail between Phoenix, Arizona, and Cancun, Mexico.<sup>1</sup> US Airways requests expedited processing of this application so that it can begin implementing schedule changes and marketing the services proposed herein as soon as possible.

In support of this application, US Airways respectfully states as follows:

---

<sup>1</sup> US Airways has already received authorization to engage in scheduled foreign air transportation of persons, property and mail pursuant to its code-share arrangement with America West. See Notice of Action Taken, Docket OST-05-22645, November 4, 2005. US Airways now seeks exemption authority to operate between Phoenix and Cancun using its own aircraft.

**Application of US Airways for an Exemption  
(Phoenix, Arizona – Cancun, Mexico)**

1. US Airways is a Delaware corporation with its principal office at 111 West Rio Salado Parkway, Tempe, Arizona 85281.

2. The services proposed in this application will enable US Airways to offer consumers additional on-line U.S.-Mexico services while complementing existing US Airways services to Mexico from its hubs and focus cities on the East Coast of the United States. Furthermore, this new service will enable US Airways to optimize the use of its fleet and create additional synergies and efficiencies with its sister carrier, America West Airlines, Inc. (“America West”), for the benefit of passengers travelling from the West Coast of the United States to Cancun.

3. In order to initiate this scheduled air service, US Airways requests an exemption from 49 U.S.C. § 41101 and, to the extent necessary, a designation permitting US Airways to engage in scheduled foreign air transportation of persons, property, and mail between Phoenix, Arizona, and Cancun, Mexico.

4. US Airways is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15)(C) and is fit, willing, and able to serve this market. US Airways holds various certificate and exemption authorities. See, e.g., DOT Order 97-7-2 (various foreign authorities); DOT Order 02-5-25 (U.S.-France); Notice of Action Taken, October 22, 2004, Docket OST-02-13855 (Charlotte/Philadelphia/Pittsburgh/Boston/Ft. Lauderdale-Cancun); Notice of Action Taken, March 21, 2005, Docket OST-01-9768 (Charlotte/Philadelphia-Cozumel); Notice of Action Taken, February 25, 2005, Docket OST-03-14575 (Charlotte-Mexico City). Pursuant to Rule 24 of the Department’s Rules of Practice, US Airways requests that the Department take official notice of all information previously filed to establish US Airways’ fitness.

**Application of US Airways for an Exemption  
(Phoenix, Arizona – Cancun, Mexico)**

5. US Airways plans to commence daily service on or about September 6, 2006, using Airbus A-319 aircraft.

6. The December 12, 2005 Amendment to the Air Transportation Services Agreement between the United States and Mexico allows the United States government to designate up to three (3) airlines to provide air service between points in the United States and Cancun. See Annex I, Paragraph B, Sub-paragraph 5.

7. America West is the only U.S. carrier currently providing scheduled, non-stop service in the Phoenix-Cancun market,<sup>2</sup> and US Airways is unaware of any other U.S. carriers with authority to serve this market. By granting the requested authority, one designation for a U.S. carrier to provide scheduled air service in the PHX-CUN market will remain available. Accordingly, the proposed services are consistent with the aviation agreement between the United States and Mexico.

8. US Airways states that approval of this application will have no effect on its CRAF commitments. US Airways submits that its application raises no environmental or energy issues, and anticipates no difficulty in obtaining fuel for this service.

9. US Airways will accept and abide by all terms, limitations, and conditions that the Department normally attaches to exemption authority for scheduled foreign air transportation. US Airways asks that this requested authority be granted for a term of at least two (2) years.

---

<sup>2</sup> See [www.oag.com/NorthAmerica/airlineandairport/airrouteindex.asp](http://www.oag.com/NorthAmerica/airlineandairport/airrouteindex.asp)

**Application of US Airways for an Exemption  
(Phoenix, Arizona – Cancun, Mexico)**

10. US Airways urges the Department to use expedited procedures in approving the authority sought in this application. This will enable US Airways promptly to implement its planned services, secure all necessary local approvals, and engage in advance sales and marketing of its new scheduled air services.

11. The requisite filing fee is enclosed.

**Application of US Airways for an Exemption  
(Phoenix, Arizona – Cancun, Mexico)**

WHEREFORE, US Airways respectfully requests that its application for an exemption and a designation (to the extent necessary), as discussed herein, be granted, as well as such further relief as the Department deems warranted for such services. US Airways further requests that the Department notify the Government of Mexico in writing of the designation of US Airways for the scheduled air services at issue in this application.

Respectfully submitted,

/s/ Howard Kass

Howard Kass  
Managing Director and  
Associate General Counsel  
US Airways, Inc.  
1401 H Street, N.W.  
Suite 1075  
Washington, DC 20005  
(202) 326-5153  
howard\_kass@usairways.com

Benjamin T. Slocum  
Assistant General Counsel  
US Airways, Inc.  
111 West Rio Salado Parkway  
Tempe, Arizona 85281  
(480) 693-5782  
benjamin\_slocum@usairways.com

April 24, 2006

## CERTIFICATE OF SERVICE

I certify that, on April 24, 2006, I caused to be served a copy of the foregoing Application of US Airways, Inc. for an Exemption, by email, upon those addressees listed below:

byerlyjr@state.gov  
jim.ballough@faa.gov  
carl.nelson@aa.com  
rbkeiner@crowell.com  
reohn@hhlaw.com  
megan.rosia@nwa.com  
jeffrey.manley@wilmerhale.com  
pmurphy@lopmurphy.com  
amosner@gcwconsulting.com  
jhill@dlalaw.com  
efaberman@wrf.com  
brian.hunt@iflyata.com  
msinick@ssd.com  
anbird@fedex.com  
nssparks@fedex.com  
dvaughan@kelleydrye.com

Embassy of Mexico  
1911 Pennsylvania Avenue, NW  
Washington, DC 20006

/s/ Benjamin T. Slocum

Benjamin T. Slocum