

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

Application of)
)
 US AIRWAYS, INC.)
) Docket OST-2004-18932
 for exemption authority pursuant)
 to 49 U.S.C. § 40109)
 (U.S. – Regional U.K. Airports))
)

**APPLICATION OF US AIRWAYS, INC.
FOR RENEWAL OF EXEMPTION AUTHORITY
(U.S. – Regional U.K. Airports)**

Communications with respect to this document should be sent to:

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

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

August 1, 2006

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

Application of)	
)	
US AIRWAYS, INC.)	
)	Docket OST-2004-18932
for exemption authority pursuant)	
to 49 U.S.C. § 40109)	August 1, 2006
(U.S. – Regional U.K. Airports))	
)	

**APPLICATION OF US AIRWAYS, INC.
FOR RENEWAL OF EXEMPTION AUTHORITY
(U.S. – Regional U.K. Airports)**

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 renewal of its exemption authority to engage in scheduled foreign air transportation of persons, property, and mail between any point or points in the United States, and regional airports in the United Kingdom directly and via intermediate points, and beyond the United Kingdom to any point or points in third countries.¹ To the extent necessary, US Airways also applies for renewal of any necessary exemption authority in order to engage in code-sharing arrangements with British Midland Airways Limited (“bmi”). Additionally, US Airways requests that the Department consolidate the exemption authority requested herein with the exemption authority granted by the Department to

¹ US Airways also applies on behalf of its affiliated carriers, Piedmont Airlines, Inc. and PSA Airlines, Inc.

US Airways for scheduled foreign air transportation of persons, property, and mail between (1) points in the United Kingdom; and (2) points in the United Kingdom and points in third countries, by code-sharing on flights operated by bmi's wholly owned affiliate, British Midland Regional Limited ("bmi regional"). See Notice of Action Taken, June 2, 2006, Docket OST-2004-18932.

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

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

2. 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 provide the services contemplated by this renewal application. US Airways holds various certificates of public convenience and exemption authorities. See, e.g., DOT Order 97-7-2 (various foreign authorities); Notice of Action Taken, January 5, 2005, Docket OST 97-3179. 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.

3. By Notices of Action Taken in this docket (October 1, 2004 and October 25, 2004), the Department granted US Airways an exemption from 49 U.S.C. § 41101, through October 1, 2006, to engage in scheduled foreign air transportation of persons, property, and mail between any point or points in the United States, and regional airports in the United Kingdom directly and via intermediate points, and beyond the United Kingdom to any point or points in third countries.

4. US Airways currently provides daily scheduled air service between Philadelphia, Pennsylvania (“PHL”), and both Manchester, England, and Glasgow, Scotland, using Airbus and/or Boeing aircraft. Renewal of US Airways’ exemption will greatly serve the public interest by providing substantial competition to other carriers serving regional airports in the United Kingdom. Because US Airways operates this nonstop service from its PHL hub, US Airways offers convenient, on-line connecting service to the United Kingdom from a large number of communities in the United States.

5. US Airways’ Codeshare Agreement with bmi remains in effect.

6. The Department has previously determined that the exemption authority sought in this renewal application is consistent with the air transport agreement between the United States and the United Kingdom. See Notice of Action Taken, October 25, 2004, Docket OST-2004-18932.

6. Consolidation with US Airways’ exemption authority to provide scheduled foreign air transportation of persons, property, and mail between (1) points in the United Kingdom; and (2) points in the United Kingdom and points in third countries, by code-sharing on flights operated by bmi regional would facilitate the administration and processing of US Airways’ exemption authorities for service between the U.S. and U.K. Furthermore, consolidation would reduce unnecessary regulatory burden on the Department, and preserve valuable Department resources. See, e.g., Notice of Action Taken, January 29, 2004, Dockets OST-1997-2128, OST-2000-7338, OST-2002-13855.

7. Pursuant to 14 C.F.R. § 377.10, US Airways intends to rely on the Administrative Procedure Act, 5 U.S.C. § 558(c), implemented by Part 377, to continue in effect its current exemption pending a final determination on this renewal application.

US Airways' current exemption to engage in foreign air transportation of persons, property, and mail between any point or points in the U.S., and regional airports in the U.K. directly and via intermediate points, and beyond the U.K. to any point or points in third countries, is effective through October 1, 2006. Accordingly, this renewal application is timely filed under the provisions of Part 377.

WHEREFORE, US Airways respectfully requests that the Department renew its exemption to engage in foreign air transportation of persons, property, and mail between any point or points in the United States, and regional airports in the United Kingdom directly and via intermediate points, and beyond the United Kingdom to any point or points in third countries, as discussed herein.

Respectfully submitted,

/s/ Howard Kass
Howard Kass
Managing Director and
Associate General Counsel
US Airways, Inc.
1401 H Street, NW, Suite 1075
Washington, DC 20005
(202) 326-5153
howard_kass@usairways.com

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

August 1, 2006

CERTIFICATE OF SERVICE

I certify that, on August 1, 2006, I caused to be served a copy of the foregoing Application of US Airways, Inc. for Renewal of Exemption Authority (U.S. – Regional U.K. Airports) by email upon those addressees listed below:

byerlyjr@state.gov
jim.ballough@faa.gov
carl.nelson@aa.com
hkamen@coair.com
rbkeiner@crowell.com
reohn@hhlaw.com
prizzi@hhlaw.com
sascha.vanderbellen@nwa.com
jeffrey.manley@wilmerhale.com
bruce.rabinovitz@wilmerhale.com
msinick@ssd.com
pmurphy@lopMurphy.com
mlbenge@zsrlaw.com
matwood@sherblackwell.com
cdonley@ssd.com
anbird@fedex.com
nssparks@fedex.com
dvaughan@kelleydrye.com
jrichardson@johnlrichardson.com
mroller@rollerbauer.com
tom.lydon@evergreenaviation.com

Embassy of the United Kingdom
Office of Aviation Affairs
3100 Massachusetts Avenue, N.W.
Washington, D.C. 20008

/s/ Benjamin T. Slocum_____

August 1, 2006

Benjamin T. Slocum