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

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

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Application of )	
AMERICAN INTERNATIONAL AIRWAYS, INC. )	Docket OST-97-3126
for an exemption pursuant to )	
49 U.S.C. § 40109 (Ecuador start-up delay) )	
_____ )	

APPLICATION OF  
AMERICAN INTERNATIONAL AIRWAYS, INC.  
FOR AN EXEMPTION

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AIRWAYS, INC.

Dated: June 9, 1998

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U.S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
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Pursuant to 49 U.S.C. section 40109 and Subpart Q of the Department's Rules of Practice, American International Airways, Inc. ("AIA") hereby requests an exemption from the 90-day dormancy condition of Order 97-8-20, as extended by Orders 97-12-15 and 98-3-1 and Notice of Action Taken dated April 17, 1998, under which AIA would be required to begin scheduled service to Ecuador by June 19, 1998, or forfeit its route authority. AIA asks that it be granted an additional 60 days to begin its service so that it may complete the process of obtaining its Ecuadorian operating authority.

In support of this request, AIA states as follows:

1. By Order 97-8-20 in the above-referenced docket, the Department granted AIA exemption authority for a period of one year to perform

scheduled air transportation of property and mail between Miami, Florida, and Quito and Guayaquil, Ecuador, and to integrate this authority with its authority to serve Colombia. The Department also allocated AIA three weekly narrow-body frequencies for this service. Upon receipt of this authority, AIA began the process of applying to the Ecuadorian civil aviation authorities ("DGAC") for an operating permit. AIA's counsel in Quito is handling this matter.

2. At the request of AIA, by Order 97-12-15, the Department granted AIA a 60-day extension until January 20, 1998 to begin operations. A further extension was granted in Order 98-3-1, and again, by Notice of Action Taken dated April 17, 1998, the date was extended until June 29, 1998.

3. Despite the substantial progress AIA has made toward obtaining its operating permit, that permit has still not been issued. AIA has established the requisite Ecuadorian subsidiary, and has provided extensive technical documentation to the DGAC. The Civil Aviation Council has informed the carrier that it has agreed to grant AIA its operating authority. Some differences have arisen, however, over the technical supporting material that has been requested by the DGAC; the agency continues to request additional manuals. AIA is now attempting to comply with the request; while the carrier had expected that this process would have been completed prior to June 19, it is apparent that this will not be possible. AIA expects, however, that the permit will be issued very shortly after the material has been received.

4. Until the DGAC issues its permit, AIA will not be in a position to inaugurate service. Therefore, to avoid the loss of its route authority, and out of an

abundance of caution, AIA requests a 60-day extension of time, to August 18, 1998, to begin service.<sup>1</sup> AIA expects to inaugurate this service as soon as possible after receipt of the Ecuadorian authority.

5. Grant of this exemption will not prejudice any party, and will enable AIA to make use of the authority previously granted by the Department.

6. In view of the limited time, AIA requests that any answers to this application be filed by June 16, 1998. Undersigned counsel will poll the parties on the attached service list to ascertain if there are any objections.

WHEREFORE, AIA requests the Department to exempt it from the 90-day dormancy condition of Order 97-8-20, as extended by Orders 97-12-15 and 98-3-1, and Notice of Action Taken dated April 17, 1998, and to grant it an additional 60 days in which to inaugurate its scheduled cargo service to Ecuador.

Respectfully submitted,



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<sup>1</sup> AIA's underlying exemption authority is set to expire on August 21, 1998. AIA will shortly file an application for renewal of that exemption.