



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

Issued by the Department of Transportation on May 9, 2008

NOTICE OF ACTION TAKEN -- DOCKET DOT-OST-2006-24703

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

Application of **SOUTHERN AIR, INC.** filed **4/23/08** for:

XX Renewal of exemption authority pursuant to 49 U.S.C. 40109 to provide the following services:

Scheduled foreign air transportation of property and mail between points in the United States, directly or via any intermediate points, and Hong Kong; and between Hong Kong and any third-country points.¹ The applicant also requests to integrate this authority with its existing authority in other markets.

Applicant Rep: **R. Bruce Keiner (202) 624-2500**

DOT Analyst: **Robert J. Finamore (202) 366-2405**

DISPOSITION

XX **Granted renewal of exemption authority**

XX **Dismissed, as moot, route integration request²**

The above action was effective when taken: **May 9, 2008**, through **May 9, 2010**, or until 90 days after final Department action on Southern Air's corresponding application for a certificate of public convenience and necessity in Docket DOT-OST-2006-25478, whichever occurs earlier.

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

XX **The authority granted is consistent with the October 19, 2002, Memorandum of Understanding between the Government of the United States and the Government of the Hong Kong Special Administrative Region of the People's Republic of China.**

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

XX **Holder's certificates of public convenience and necessity**

XX **Standard exemption conditions (attached)**

Remarks: Southern Air's renewal application was not timely filed under the terms of 14 CFR 377.10(c). The carrier requests a waiver of the advance filing requirements pursuant to 14 CFR Part 377, so that the subject exemption authority would remain in effect beyond the prescribed expiration date, pending the Department's action on the renewal request. The Director, Office of International Aviation, acting under assigned authority, orally granted the carrier's request on May 8, 2008. We confirm that action here.

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

¹ The applicant states that it recognizes that any operations serving intermediate or beyond points would be without local traffic rights unless it secures fifth-freedom Hong Kong frequencies for the carriage of local traffic.

² By Order 2008-5-4, the Department awarded the carrier a blanket route integration certificate.

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 application 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, 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://www.regulations.gov>

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, the Transportation Security 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 Principal Security Inspector (PSI) to advise the PSI 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;
- (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.

