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THE WHITE HOUSE

WASHINGTON

September 16, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Letter to James Baker Regarding SKYSTAR

J.M. Haffert, National Secretary of the Roman Catholic lay organization known as the Blue Army, has written both the President and James A. Baker III concerning a pending CAB matter. Haffert's organization has applied before the CAB for a certificate under § 401 of the Federal Aviation Act of 1958, as amended, 49 U.S.C. § 1371, permitting it to offer service for pilgrimages to Lourdes, Fatima, and other religiously significant sites. The corporation formed to provide such air service, Skystar International, Inc., has also requested an exemption under § 416, 49 U.S.C. § 1386, pending review of the § 401 application, or a determination that its activities do not constitute common carriage. The letters to Mr. Baker and the President request their assistance in obtaining favorable treatment.

I am advised by OMB that this matter was just recently sent to an administrative law judge by the CAB. The letter to Mr. Baker should accordingly be handled pursuant to § 4 of Executive Order 11920. The letter to the President is technically not covered by this provision, since he is not an "[i]ndividual within the Executive Office of the President," but I recommend treating it in a similar fashion as a policy matter. A memorandum transmitting both letters to the Transportation General Counsel, and a reply letter to Haffert advising him of this fact, are attached.

Attachments

THE WHITE HOUSE
WASHINGTON

September 16, 1983

MEMORANDUM FOR JAMES H. BURNLEY IV
GENERAL COUNSEL
U.S. DEPARTMENT OF TRANSPORTATION

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Letter to James Baker Regarding SKYSTAR

The attached correspondence concerning a pending Civil Aeronautics Board matter was sent to James A. Baker III. Pursuant to the provisions of Executive Order 11920, I am referring the correspondence to you for whatever review and action may be appropriate.

Attachment

FFF:JGR:aea 9/16/83

cc: FFFielding
JGRoberts
Subj.
Chron

THE WHITE HOUSE

WASHINGTON

September 16, 1983

Dear Mr. Haffert:

This is written in response to your letters of September 8 to the President and to James A. Baker III. Those letters concerned the applications of Skystar International, Inc., currently pending before the Civil Aeronautics Board.

Pursuant to the provisions of Executive Order 11920, individuals within the Executive Office of the President must decline to discuss with an interested private party matters relating to the disposition of a case subject to Presidential review under the Federal Aviation Act. The executive order requires that written communications to White House staff members concerning such matters be referred to an appropriate agency outside the Executive Office of the President. As a matter of policy, a similar procedure is followed with respect to letters to the President on such matters.

Accordingly, I have referred your correspondence to the Department of Transportation.

Sincerely,

Fred F. Fielding
Counsel to the President

Mr. J.M. Haffert
National Secretary
Our Lady Queen of the World, Inc.
Post Office Box 189
Washington, NJ 07882

FFF:JGR:aea 9/16/83
bcc: FFFielding
JGRoberts
Subj.
Chron

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 / 1 /

Name of Correspondent: J. M. Haffert

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Letter to James Baker re: SKYSTAR

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD Type of Response Code Completion Date YY/MM/DD
<u>WHO11</u>	ORIGINATOR	<u>83109112</u> _____ _____ <u> 1 / 1 / </u>
<u>CVAT18</u>	<u>D</u>	<u>83109112</u> _____ <u>S</u> <u>83109112</u>
_____	_____	_____ _____ _____ <u> 1 / 1 / </u>
_____	_____	_____ _____ _____ <u> 1 / 1 / </u>
_____	_____	_____ _____ _____ <u> 1 / 1 / </u>
_____	_____	_____ _____ _____ <u> 1 / 1 / </u>

ACTION CODES:

- A - Appropriate Action
- I - Info Copy Only/No Action Necessary
- C - Comment/Recommendation
- R - Direct Reply w/Copy
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- S - For Signature
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to be used as Enclosure
- X - Interim Reply

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FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
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Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

Our Lady Queen of the World. Inc.



PRESIDENT
Most Rev. Jerome J. Hastrich, D.D.
Bishop of Gallup
VICE PRESIDENT
Frank A. Ceravolo, M.D.

OTHER OFFICERS:
John M. Haffert
Charles E. Clermont

BUSINESS ADDRESS:
P.O. Box 189
Washington, N.J. 07882

Sept. 8, 1983

Mr. James Baker
White House
Washington, D.C.

Dear Mr. Baker,

Thanks to the intervention of several Senators and Congressmen we have had remarkable cooperation from the CAB in processing our application for SKYSTAR (FAA supplemental certificate of same attached), but they are delayed in granting us the permission we need to operate our current flights.

We have been told that this must come from the White House, and we have therefore written the enclosed letter to President Reagan which one of our friends, who is to see the President on Tuesday, hopes to present in person.

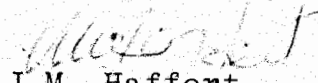
However we have been advised that this is a matter which you usually would handle and therefore we are writing to ask if you would have someone look into the matter for us.

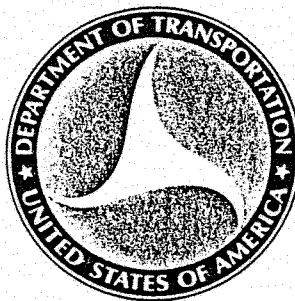
Anything you can do, dear Mr. Baker, will be most appreciated.

A copy of some of the most pertinent information we have supplied to the CAB is enclosed.

Thanking you in advance and with every best wish
I am

Sincerely yours,


J.M. Haffert
National Secretary



UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

Air Carrier Operating Certificate

This certifies that

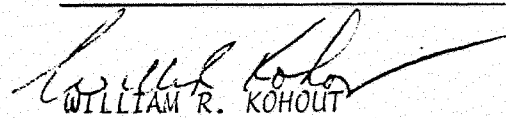
SKYSTAR INTERNATIONAL, INC.
360 B BELVIDERE AVENUE
WASHINGTON, NEW JERSEY 07882

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate, and is hereby authorized to operate as an air carrier in accordance with said Act and the rules, regulations and standards prescribed thereunder, and the terms, conditions, and limitations contained in the operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended or revoked, shall continue in effect indefinitely.

Certificate number: AEA-117
Effective date: AUGUST 26, 1983
Issued at: TETERBORO, NJ, FSDO #61

By Direction of the Administrator


WILLIAM R. KOHOUT

(Signature)

MANAGER

(Title)

BEFORE THE
CIVIL AERONAUTICS BOARD
WASHINGTON, D.C.

RECEIVED
DOCKET SECTION
AUG 30 3 54 PM '83
CIVIL AERONAUTICS
BOARD

Application of :
SKYSTAR INTERNATIONAL, INC. :
for disclaimer of jurisdiction or, :
alternatively, an emergency exemption :

Docket number:

41673

APPLICATION OF
SKYSTAR, INC.
FOR DISCLAIMER OF JURISDICTION
OR, ALTERNATIVELY, AN EMERGENCY EXEMPTION

Skystar is a Delaware corporation formed for the purpose of operating an aircraft on which members of a Roman Catholic lay organization -- the Blue Army -- could take pilgrimages and missionary journeys to Fatima, Portugal, Lourdes, France, and other shrines and locations important to the Catholic religion. For the reasons set forth below, Skystar, Inc. believes that the activities in which it is engaged do not constitute common carriage, and therefore do not require Board authority. If, however, the Board upon review of the facts set forth below, concludes that such authority is required, Skystar, Inc. requests that it be granted a temporary exemption pursuant to Section 416 of the Act to permit it to operate these pilgrimage flights until final Board action on its request for a 401 certificate.

Skystar is the product of the efforts of Mr. John Haffert to expand devotion among Roman Catholics to the Virgin Mary by facilitating pilgrimages to various shrines in her honor. In particular, the pilgrimages center on Fatima, Portugal, the site of a shrine honoring an apparition that is said to have occurred there in 1917.

Through Fatima Travel, an agency owned by Mr. Haffert, he has arranged weekly tours for several years to the Fatima Shrine and others throughout the world. In 1978, he arranged a flight around the world and in 1982 the Peace Flight to China.

In 1982, Mr. Haffert decided that the Blue Army members could best be served if the organization had its own aircraft rather than relying on the vagaries of charters. Accordingly, he organized Skystar International, Inc., with the idea of acquiring and operating an aircraft for use of the Blue Army.

In early 1982, he was given to understand that an organization such as the Blue Army could operate a large aircraft for the use of its members as a commercial operation under FAR Part 125. An application for a Part 125 operating certificate was filed with the FAA in Miami. After several weeks that office advised that since the applicant was based in New Jersey, the application would have to be processed by the FAA office at Teterboro, New Jersey.

Accordingly, a new application for a Part 125 Certificate was filed. That office questioned whether the

proposed Skystar operation constituted common carriage and required Board authorization under Sec. 401 of the Federal Aviation Act and a Part 121 Operating Certificate from FAA. The processing of the application was further delayed when the common carriage question was referred to the FAA Chief Counsel. In the meantime Skystar had acquired a Boeing 707 from Pan American World Airways and the advertised departure date for the Peace Flight to China was fast approaching.

Skystar therefore leased the 707 to Guy America Airways, a certificated carrier which operated the Peace Flight and continued to carry members on pilgrimages to the shrines at Fatima and other holy places.

When Guy America's air carrier operation was terminated, Mr. Haffert decided to have Skystar apply for appropriate authority to conduct air service operations, and thus avoid the question of eligibility for FAR Part 125 operating authority. Accordingly, application was made to FAA for a Part 121 Operating Certificate. Processing of that application is nearing completion, and will permit both air carrier and commercial operations under the provisions of FAR Part 121.

While this application was being processed, Mr. Haffert was given to understand that there had been filed with CAB an appropriate application for a certificate under Sec. 401 of the Federal Aviation Act. Actually that application was not completed until August 23, 1983, and has just been filed with the Bureau of International Aviation.

In view of the delays that Skystar has encountered, the fact that it has satisfactorily demonstrated to FAA its capability and disposition to conduct operations pursuant to the safety standards of FAR Part 121, and the fact that Blue Army charters are virtually fully occupied by members of the Blue Army, it is respectfully requested that the Civil Aeronautics Board disclaim jurisdiction of Skystar operations for compensation or hire, or in the alternative grant a temporary exemption under Section 416 of the Federal Aviation Act, to permit Skystar to operate charter flights of a large aircraft (Boeing 707-321B) until such time as the Board may grant or deny Skystar's application for a Certificate under Section 401 of the Act.

Respectfully submitted,



Martin J. White
Sargent Ahearn & van Heemstra
200 Park Avenue
New York, New York 10166

Worldwide Apostolate of Fatima

The Blue Army



Constantino Luna, O.F.M., Bishop
International President

The President of the United States
The White House
Washington, D.C.

Sept. 8, 1983

Dear President Reagan,

Yesterday when the nation was still reeling from the barbarous act of Russia in shooting down a civilian plane, our CAB "shot down" the Queen of the World plane.

It was not for lack of good will or industry. The personnel at CAB have been most cooperative. The problem is one of a policy decision, perhaps from the White House.

At this particular moment, when the Russians have destroyed a civilian aircraft from the free world, it seems particularly ironic that our government should so dismally fail the Blue Army of Our Lady of Fatima, which was founded in the United States and has spread to 110 countries with over 25 million members praying for peace.

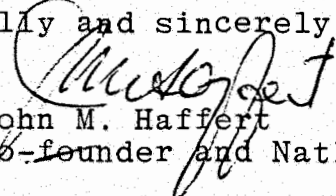
The Queen of the World plane was acquired primarily for Peace Flights, tying together our worldwide apostolate for the conversion of Russia and peace. And our government prevents it from flying not for any economic or technical reason, but for simple lack of authorization.

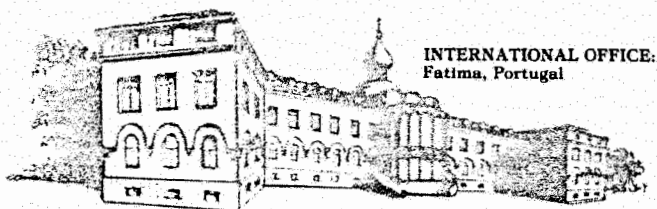
Technically, our personnel and aircraft are certified by the FAA (see attached FAA supplemental certificate).

Economically...the refusal of this permission puts an end to the Queen of the World plane, the jobs of 34 employees, and flights affecting thousands of our members to our prayer center in Fatima, and the 1983 Peace Flight.

Before that happens, Mr. President, won't you please intervene?

Gratefully and sincerely yours,


John M. Haffert
Co-founder and Natl. Delegate



INTERNATIONAL OFFICE:
Fatima, Portugal

Offices: Fatima Secretariat, PO Box 90, CH-4024, Basle, Switzerland
Shrine of the Immaculate Heart of Mary, Washington, N J 07882

THE WHITE HOUSE

WASHINGTON

September 27, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decision in
Empresa Guatemalteca de Aviacion

Our office has reviewed the above-referenced CAB decision and related materials and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the CAB Chairman prepared by OMB.

FFF:JGR:aea 9/27/83

cc: FFFielding
JGRoberts
Subj.
Chron

THE WHITE HOUSE
WASHINGTON

September 27, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Civil Aeronautics Board Decision in
Arrow Airways, Inc.

Richard Darman's office has asked for comments by close of business Thursday, September 29 on the above-referenced CAB decision, which was submitted for Presidential review as required by § 801(a) of the Federal Aviation Act of 1958, as amended, 49 U.S.C. § 1461(a). Under this section, the President may disapprove, solely on the basis of foreign relations or national defense considerations, CAB actions involving either foreign air carriers or domestic carriers involved in foreign air transportation. If the President wishes to disapprove such CAB actions, he must do so within sixty days of submission (in this case, by October 10).

The order here has been reviewed by the appropriate departments and agencies, following the procedures established by Executive Order No. 11920 (1976). OMB recommends that the President not disapprove, and reports that the NSC and the Departments of State, Defense, Justice and Transportation have not identified any foreign relations or national defense reasons for disapproval. Since this order involves a domestic carrier, the proposed letter from the President to the CAB Chairman prepared by OMB includes the standard sentence designed to preserve availability of judicial review.

The order authorizes Arrow to serve the Denver-London route and revokes Western's certificate on the same route. My review confirms OMB's description of this as a "routine, noncontroversial matter."

A memorandum for Darman is attached for your review and signature.

Attachment

THE WHITE HOUSE

WASHINGTON

September 27, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decision in
Arrow Airways, Inc.

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We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the CAB Chairman prepared by OMB.

FFF:JGR:aea 9/27/83

cc: FFFielding
JGRoberts
Subj.
Chron

THE WHITE HOUSE

WASHINGTON

September 27, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decision in
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We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the CAB Chairman prepared by OMB.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

Sherrill

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Richard G. Darman

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: CAB Decision re: Arrow Airways, Inc.

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION	
	Action Code	Tracking Date - YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>CUH011</u>	ORIGINATOR	<u>83109120</u>		<u>1 1</u>
	Referral Note:			
<u>CUAT17</u>	<u>D</u>	<u>83109120</u>		<u>S 83109129</u>
	Referral Note:			
<u>CU AT 18</u>		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

- ACTION CODES:**
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 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
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 Send all routing updates to Central Reference (Room 75, OEOB).
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THE WHITE HOUSE

WASHINGTON

October 5, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Civil Aeronautics Board Decisions in
Independent Air, Inc. and California-
Alberta Service Case

Richard Darman's office has asked for comments by close of business Friday, October 7 on the above-referenced CAB decisions, which were submitted for Presidential review as required by § 801(a) of the Federal Aviation Act of 1958, as amended, 49 U.S.C. § 1461(a). Under this section, the President may disapprove, solely on the basis of foreign relations or national defense considerations, CAB actions involving either foreign air carriers or domestic carriers involved in foreign air transportation. If the President wishes to disapprove such CAB actions, he must do so within sixty days of submission (in these cases, by October 18 and 22, respectively).

The orders here have been reviewed by the appropriate departments and agencies, following the procedures established by Executive Order No. 11920 (1976). OMB recommends that the President not disapprove, and reports that the NSC and the Departments of State, Defense, Justice and Transportation have not identified any foreign relations or national defense reasons for disapproval. Since these orders involve domestic carriers, the proposed letter from the President to the CAB Chairman prepared by OMB includes the standard sentence designed to preserve availability of judicial review.

The Independent Air order authorizes foreign charter service by that carrier. The California-Alberta order authorizes Western to fly that route, with back-up service by Northwest. My review confirms OMB's description of these as "routine, noncontroversial matters."

There is, however, a mistake in the materials that should be pointed out. The memorandum from Constance Horner to Darman incorrectly lists the due date on the California-Alberta order as October 23. That is the sixty-first day, when the order goes into effect. Any action by the President is due the day before, October 22. This error will doubtless make no difference in this case, but should be pointed out so OMB

does not make the same mistake when it could make a difference. (The due date for the Independent Air order is correct.)

A memorandum for Darman is attached for your review and signature.

Attachment

THE WHITE HOUSE

WASHINGTON

October 5, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions in
Independent Air, Inc. and California-
Alberta Service Case

Our office has reviewed the above-referenced CAB decisions and related materials and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove these orders or to the substance of the letter from the President to the CAB Chairman prepared by OMB.

We would point out, however, that the memorandum for the Assistant to the President and Deputy to the Chief of Staff prepared by OMB Associate Director Horner lists an incorrect due date for the California-Alberta Service Case order. Any Presidential action is required by October 22, the sixtieth day after transmittal to the President. October 23 is the sixty-first day, and by then it would, under the statute, be too late for the President to act. The listed due date of October 18 for the Independent Air order is correct.

FFF:JGR:aea 10/5/83

cc: FFFielding
JGRoberts
Subj
Chron

THE WHITE HOUSE

WASHINGTON

October 5, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions in
Independent Air, Inc. and California-
Alberta Service Case

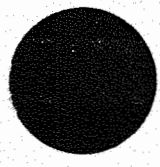
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WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

John



- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Richard G. DARMAN

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: CAB Decisions re: Independent Air, Inc. and California - Alberta Service Case

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION	
	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>CWHOLL</u>	ORIGINATOR	<u>83110105</u>		<u>1 1</u>
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<u>CWDT18</u>	<u>D</u>	<u>83110105</u>	<u>S</u>	<u>83110107</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/5/83 ACTION/CONCURRENCE/COMMENT DUE BY: 10/7/83

SUBJECT: CAB DECISIONS RE INDEPENDENT AIR, INC. AND CALIFORNIA-ALBERTA SERVICE CASE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/> ^P ^{SS}	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we have your comments on the attached by October 7. Thank you.

RESPONSE:



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 4 1983

ACTION

MEMORANDUM FOR: ASSISTANT TO THE PRESIDENT
AND DEPUTY TO THE CHIEF OF STAFF

SUBJECT: Civil Aeronautics Board Decisions:

Independent Air, Inc.
Fitness Investigation
Docket 40524
Date due: October 18, 1983

California-Alberta Service Case
Docket 41221
Date due: October 23, 1983

You will find attached a memorandum for the President about the above international aviation cases. The interested executive agencies have reviewed the Board's decisions and have no objection to the proposed orders.

These are routine, noncontroversial matters. No foreign policy or national defense reasons for disapproving the Board's orders have been identified. I recommend that the President sign the attached letter to the Chairman which indicates that he does not intend to disapprove the Board's orders within the 60 days allowed by statute. Otherwise, the Board's orders become final on the 61st day.

~~Original signed by~~
~~Constance Horner~~

Constance Horner
Associate Director
Economics and Government

Attachments:

Memorandum to the President
CAB letters of transmittal
CAB orders
Letter to the Chairman



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 4 1983

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:

Independent Air, Inc.
Fitness Investigation
Docket 40524
Date due: October 18, 1983

California-Alberta Service Case
Docket 41221
Date due: October 23, 1983

The Civil Aeronautics Board proposes to take the following actions with regard to the above international aviation cases:

- Issue to Independent Air, Inc., a certificate to engage in foreign charter air transportation of persons, property, and mail from any point in the United States to certain foreign points.
- Issue five-year certificates to engage in foreign air transportation of persons, property, and mail to Western Air Lines, Inc., for a Los Angeles-Salt Lake City-Calgary/Edmonton, Alberta route, and to United Air Lines, Inc., for a San Francisco-Calgary/Edmonton route. Also, issue backup authority for both routes to Northwest Air Lines, Inc., and revoke Republic Airlines' authority in the California-Alberta market.

The Departments of State, Defense, Justice, and Transportation and the National Security Council have not identified any foreign policy or national defense reasons for disapproving the orders in whole or in part.

The Office of Management and Budget recommends that you approve the Board's decisions by signing the attached letter to the Chairman which indicates that you do not intend to disapprove the Board's orders within the 60 days allowed by statute for your review. Also, OMB recommends that you state in your letter that no national defense or foreign policy reason underlies your action. This will preserve whatever opportunity is available under the statute for judicial review.

Original signed by
~~Constance Horner~~

Constance Horner
Associate Director
Economics and Government

Attachments:

CAB letters of transmittal
CAB orders
Letter to the Chairman

Options and Implementation Actions:

- () 1) Approve the Board's orders and preserve whatever opportunity is available for judicial review (DOS, DOD, DOJ, DOT, NSC, OMB).
-- Sign the attached letter to the Chairman.
- () 2) Approve the Board's orders and do nothing to preserve whatever opportunity is available for judicial review.
-- Implementation materials to be prepared.
- () 3) Disapprove the Board's orders.
-- Implementation materials to be prepared.
- () 4) See me.

THE WHITE HOUSE

WASHINGTON

Dear Mr. McKinnon:

I have reviewed the orders proposed by the Civil Aeronautics Board in the following cases:

Independent Air, Inc.
Fitness Investigation
Docket 40524

California-Alberta Service
Case
Docket 41221

I have decided not to disapprove the Board's orders. No foreign relations or national defense reason underlies my actions.

Sincerely,

The Honorable Dan McKinnon
Chairman
Civil Aeronautics Board
Washington, D.C. 20428

THE WHITE HOUSE

WASHINGTON

October 13, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: CAB Decision in U.S.- Scandinavia
High Class and Special Point-to-Point
Fares - 10 Day Case

Richard Darman's office asked for comments by noon tomorrow on the above-referenced CAB decision, which was submitted for Presidential review as required by § 801(b) of the Federal Aviation Act of 1958, as amended, 49 U.S.C. § 1461(b). Under this provision, any order of the Board pursuant to 1482(j) of Title 49, "suspending, rejecting or canceling a rate, fare, or charge for foreign air transportation, and any order rescinding the effectiveness of any such order," must be submitted to the President. The President may disapprove a submitted order, but only for foreign policy or national defense reasons. If the President wishes to disapprove an order, he must do so within ten days of submission of the order to him by the Board (in this case, by October 17, 1983).

The CAB order would suspend certain lower fares proposed by SAS on its routes from Detroit, in retaliation for a recent disapproval by Denmark, Norway, and Sweden of lower fares proposed by Northwest Airlines on New York - Scandinavia routes. The action by the Scandinavian countries was taken to protect SAS from competition.

The order here has been reviewed by the appropriate departments and agencies, following the procedures established by Executive Order No. 11920 (1976). OMB recommends that the President allow the order to go into effect, and reports that the NSC and the Departments of State, Defense, Justice and Transportation have no objection to the Board's order. In ten-day review cases, unlike sixty-day review cases under 49 U.S.C. § 1461(a), it is standard simply to take no action on CAB orders not being disapproved, rather than sending a "no disapproval" letter to the Board. I see no reason for disagreeing with the recommendation that the President not disapprove this order.

Attachment

THE WHITE HOUSE

WASHINGTON

October 13, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: CAB Decision in U.S.- Scandinavia
High Class and Special Point-to-Point
Fares - 10 Day Case

We have reviewed the above-referenced CAB decision and have no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(b).

We also have no legal objection to OMB's recommendation that the President not disapprove this order.

FFF:JGR:aea 10/13/83

cc: FFFielding
JGRoberts
Subj
Chron

THE WHITE HOUSE

WASHINGTON

October 13, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: CAB Decision in U.S.- Scandinavia
High Class and Special Point-to-Point
Fares - 10 Day Case

We have reviewed the above-referenced CAB decision and have no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(b).

We also have no legal objection to OMB's recommendation that the President not disapprove this order.

FFF:JGR:aea 10/13/83

cc: FFFielding
JGRoberts
Subj
Chron

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Richard G. DARMAN

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: CAB 10-Day Decision Re: U.S. - Scandinavia
High Class and Special Point-to-Point
Fares

ROUTE TO:	ACTION	DISPOSITION		
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>CWHOLL</u>	ORIGINATOR	<u>831013</u>		<u>1 1</u>
	Referral Note:			
<u>CVAT18</u>	<u>B</u>	<u>831013</u>	<u>S</u>	<u>831014</u>
	Referral Note:			<u>12:00 N</u>
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

- ACTION CODES:**
- A - Appropriate Action
 - C - Comment/Recommendation
 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply

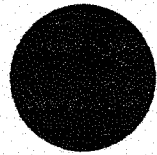
- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOP).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUM



DATE: 10/13/83 ACTION/CONCURRENCE/COMMENT DUE BY: 10/14/83 - 12:00 NOON

SUBJECT: CAB 10-DAY DECISION RE U.S.-SCANDINAVIA HIGH CLASS AND SPECIAL POINT-TO-POINT FARES

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we have your comments on the attached CAB decision by noon tomorrow, October 14. Thank you.

RESPONSE:

007 13

Richard G. Darman
Assistant to the President
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 13 1983

ACTION

MEMORANDUM FOR: ASSISTANT TO THE PRESIDENT
AND DEPUTY TO THE CHIEF OF STAFF

SUBJECT: Civil Aeronautics Board 10-Day Decision:

U.S.-Scandinavia High Class and Special
Point-to-Point fares proposed by

Scandinavian Airlines System
Docket 41747

You will find attached a memorandum for the President about the above 10-day international aviation case. The interested executive agencies have indicated that they have no objection to the proposed order.

The Board's decision becomes final unless the President disapproves the order on or before October 17, 1983.

Original signed by
Constance Horner

Constance Horner
Associate Director
Economics and Government

Attachments:

Memorandum to the President
CAB letter of transmittal
CAB order



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board 10-Day Decision:

U.S.-Scandinavia High Class and Special
Point-to-Point fares proposed by

Scandinavian Airlines System
Docket 41747

Recently, the Governments of Denmark, Norway, and Sweden disapproved a lower fare proposal by Northwest Airlines, Inc., for its New York-Scandinavia flights. In response, the Civil Aeronautics Board is proposing to prevent Scandinavian Airlines System (SAS) from offering lower fares on flights from Detroit to various points in Scandinavia.

This past February, the U.S. completed negotiations with Scandinavian authorities that were designed to prevent these retaliatory actions. However, since the Scandinavian authorities now refuse a U.S. carrier's fare initiative, the Board has decided that it is in the public interest to suspend the lower fares proposed by Scandinavian Airlines System.

The Departments of State, Defense, Justice, and Transportation and the National Security Council have no objection to the Board's proposed order.

The Office of Management and Budget recommends that you take no action and allow the Board's order to go into effect. The Board's order becomes final unless you disapprove it on or before October 17, 1983.

Original signed by
Constance Horner

Constance Horner
Associate Director
Economics and Government

Attachments:

CAB letter of transmittal
CAB order

Options and Implementation Actions:

- 1) Approve the Board's order by taking no action. (DOS, DOD, DOJ, DOT, NSC, OMB).
- 2) Disapprove the Board's order. Implementation materials to be prepared.
- 3) See me.

UNITED STATES OF AMERICA
CIVIL AERONAUTICS BOARD
WASHINGTON, D. C.

Adopted by the Civil Aeronautics Board
at its office in Washington, D.C.
on the 7th day of October, 1983

U.S.-Scandinavia High Class and :
Special Point-to-Point fares :
proposed by / : Docket 41747
: :
SCANDINAVIAN AIRLINES SYSTEM :
: :

ORDER OF SUSPENSION AND INVESTIGATION

By tariffs revisions filed September 19, 1983, Scandinavian Airlines System (SAS) proposes new "High Class" and "Special Point-to-Point" fares between Detroit and various points in Denmark, Norway and Sweden, for effectiveness October 19, 1983. 1/

We have decided to suspend SAS' proposal. The Scandinavian authorities recently disapproved a tariff filing by Northwest Airlines, Inc. to introduce new individual inclusive tour fares to compete with SAS group-2 inclusive tour fares from Scandinavia to New York. Thus, the Governments of Denmark, Norway and Sweden have denied a U.S. carrier fare initiative in order to protect SAS to the detriment of the traveling public. Such circumstances compel us to review SAS proposals with greater scrutiny than we would otherwise prefer.

Therefore, we have decided to investigate SAS' proposed tariffs, and we find that it is in the public interest to suspend the tariffs pending investigation.

Accordingly, pursuant to sections 102, 204(a), 403, 801 and 1002(j) of the Federal Aviation Act of 1958, as amended:

1. We shall institute an investigation to determine whether the fares and provisions set forth in the attached Appendix, and rules and regulations or practices affecting such fares and provisions, are or will be unjust or unreasonable, unjustly discriminatory, unduly prejudicial or otherwise unlawful or contrary to the public interest; and if we find them to be

1/ The fares apply for first-class travel between Detroit and Chicago, and business-class travel between Chicago and Scandinavia on SAS.

unlawful or contrary to the public interest, to act appropriately to prevent the use of such fares, provisions or rules, regulations, or practices;

2. Pending hearing and decision by the Board, we suspend and defer the use of the tariff provisions in the attached Appendix A from October 19, 1983, to and including October 19, 1984, unless otherwise ordered by the Board, and shall permit no changes to be made during the period of suspension except by order or special permission of the Board;

3. We shall submit this order to the President 2/ and, unless disapproved by the President within ten days, it shall become effective October 19, 1983; and

4. We shall file copies of this order in the aforesaid tariff and serve them on Scandinavian Airlines System and the Ambassadors of Denmark, Norway and Sweden in Washington, D.C.

We shall published this order in the Federal Register.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR
Secretary

(SEAL)

All Members concurred.

2/ We submitted this order to the President on October 7, 1983.

APPENDIX A

TARIFF C.A.B. NO. 421, ISSUED BY AIRLINE TARIFF PUBLISHING COMPANY, AGENT

The YF and YSF class fares as follows:

- On 23rd Revised Page SK-20, between Detroit and Copenhagen.
- On 14th Revised Page SK-28-E, between Detroit on the one hand and Bergen, Kristiansand, Oslo and Stavanger on the other.
- On 12th Revised Page SK-38, between Detroit on the one hand and Gothenburg, Malmo and Stockholm on the other.