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**Collection:** Roberts, John G.: Files  
**Folder Title:** JGR/Civil Aviation Board Decisions  
(15 of 16)  
**Box:** 10

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# WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

Withdrawer

File Folder JGR/CIVIL AVIATION BOARD DECISIONS (15 OF 16)

IGP 8/30/2005

Box Number 10

FOIA

F05-139/01

COOK

73IGP

DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions	
1	APPLICATION	SUMMARY APPLICATION FROM AERONAUTIC CHAGO FOR FOREIGN AIR CARRIER PERMIT (OPEN IN WHOLE)	1	ND	B4	962
2	APPLICATION	SUMMARY APPLICATION FROM TRADEWINDS AIRWAYS FOR FOREIGN AIR CARRIER PERMIT (OPEN IN WHOLE)	1	ND	B4	963

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

E.O. 13233

C. Closed in accordance with restrictions contained in donor's deed of gift.

THE WHITE HOUSE  
WASHINGTON

November 2, 1984

MEMORANDUM FOR RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS *JGR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:  
Arrow Air; Key Airlines; Skystar  
International; Connie Kalita Services;  
London-Frankfurt; and Spokane-Alberta  
Service Case

Counsel's 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.

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 1/1

Name of Correspondent: Richard Darman

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: CAB Decision re Arrow Air: Key Airlines; Starstar International; Connie Kalita Services: London - Frankfurt and Spokane - Alberta Service Case

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD
<u>Clutter</u>	ORIGINATOR	8411107
<u>Clutter</u>	Referral Note: B	8411101
	Referral Note:	58411105 11000
	Referral Note:	1 1
	Referral Note:	1 1
	Referral Note:	1 1
	Referral Note:	1 1

- |  |   |   |
|--|---|---|
| <p><b>ACTION CODES:</b></p> <ul style="list-style-type: none"> <li>A - Appropriate Action</li> <li>C - Comment/Recommendation</li> <li>D - Draft Response</li> <li>F - Furnish Fact Sheet to be used as Enclosure</li> </ul> | <ul style="list-style-type: none"> <li>I - Info Copy Only/No Action Necessary</li> <li>R - Direct Reply w/Copy</li> <li>S - For Signature</li> <li>X - Interim Reply</li> </ul> | <p><b>DISPOSITION CODES:</b></p> <ul style="list-style-type: none"> <li>A - Answered</li> <li>B - Non-Special Referral</li> <li>C - Completed</li> <li>S - Suspended</li> </ul> |
|--|---|---|

**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.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

NOV 1 1984

ACTION

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

SUBJECT: Civil Aeronautics Board Decisions:

Arrow Air, Inc. Docket 41617 Date due: November 12, 1984	Connie Kalitta Services, Inc. Docket 42125 Date due: November 18, 1984
Key Airlines, Inc. Docket 42171 Date due: November 26, 1984	London-Frankfurt Route Proceeding Docket 42056 Date due: December 10, 1984
Skystar International, Inc. Fitness Investigation Docket 41675 Date due: November 20, 1984	Spokane-Alberta Service Case Docket 41638 Date due: November 20, 1984

Attached is 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

NOV 1 1984

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:

Arrow Air, Inc. Docket 41617 Date due: November 12, 1984	Connie Kalitta Services, Inc. Docket 42125 Date due: November 18, 1984
Key Airlines, Inc. Docket 42171 Date due: November 26, 1984	London-Frankfurt Route Proceeding Docket 42056 Date due: December 10, 1984
Skystar International, Inc. Fitness Investigation Docket 41675 Date due: November 20, 1984	Spokane-Alberta Service Case Docket 41638 Date due: November 20, 1984

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

- Amend the certificate of Arrow Air, Inc., allowing Arrow to add Paramaribo, Surinam, to its current South and Central American points of service.
- Authorize Connie Kalitta Services, Inc., to engage in foreign charter air transportation of property and mail.
- Authorize Key Airlines, Inc., to engage in foreign charter air transportation of persons, property, and mail between the United States and Canada, Mexico, certain points in the Caribbean, and South or Central America.
- Approve an agreement between the Board's Bureau of International Aviation, Northwest Airlines, Inc., and World Airways, Inc., whereby Northwest and World are each awarded a five-year experimental certificate to carry local traffic between London, England, and Frankfurt, Federal Republic of Germany. Only one carrier would be authorized to provide service at any given time, with Northwest providing service in the peak summer season and World in the off-peak winter season. Each carrier is given back-up authority during the other carrier's assigned season. Concurrently, the Board also proposes to remove the existing, unused authority of Air Florida, Inc., and Trans World Airlines, Inc., for the London-Frankfurt market.
- Find Skystar International, Inc., fit to provide service authorized by a proposed certificate which allows Skystar to engage in foreign charter air transportation of persons, property, and mail.

- Award primary authority to serve the Spokane-Alberta market to Alaska Airlines, Inc., with back-up authority given to Cascade Airways, Inc. Concurrently, the Board proposes to remove the unused authority of Republic Airlines, Inc., for the same 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 actions. 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. Chairman:

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

Arrow Air, Inc.  
Docket 41617

Connie Kalitta Services, Inc.  
Docket 42125

Key Airlines, Inc.  
Docket 42171

London-Frankfurt  
Route Proceeding  
Docket 42056

Skystar International, Inc.  
Fitness Investigation  
Docket 41675

Spokane-Alberta Service Case  
Docket 41638

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



# WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/1/84 ACTION/CONCURRENCE/COMMENT DUE BY: NOON Monday, 11/5

SUBJECT: CAB DECISION RE ARROW AIR: KEY AIRLINES; SKYSTAR INTL.; CONNIE KALITTA SERVICES: LONDON-FRANKFURT AND SPOKANE-ALBERTA SERVICE CASE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McMANUS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we have your comments by noon Monday, November 5. Thank you.

RESPONSE:

1984 NOV -1 PM 4: 12


Richard G. Darman  
Assistant to the President  
Ext. 2702

THE WHITE HOUSE

WASHINGTON

December 3, 1984

MEMORANDUM FOR RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS, JR.   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:  
Alfonso Airways and Export, Inc.,  
Puerto Rico - Venezuela Service  
Proceeding, Pacific Freight Airlines,  
Inc., and JFC Enterprises, Inc.,  
d/b/a Concord International Airlines

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.

bcc: Dianna Holland

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: Richard Darman

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: CAB Decisions re: Alfonso Airways & Export, Inc., Puerto Rico - Venezuela Services Proceeding, Pacific Freight Airlines, Inc. and JFC Enterprises, Inc., d/b/a Concord International Airlines

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>CUHOU</u>	<u>ORIGINATOR</u>	<u>7411130</u> _____      _____ <u>  1  /  1  /  </u>
<u>CUAT 18</u>	<u>R</u>	<u>8411130</u> _____ <u>5841104</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: _____	_____

- |  |   |   |
|--|---|---|
| <p><b>ACTION CODES:</b></p> <ul style="list-style-type: none"> <li>A - Appropriate Action</li> <li>C - Comment/Recommendation</li> <li>D - Draft Response</li> <li>F - Furnish Fact Sheet to be used as Enclosure</li> </ul> | <ul style="list-style-type: none"> <li>I - Info Copy Only/No Action Necessary</li> <li>R - Direct Reply w/Copy</li> <li>S - For Signature</li> <li>X - Interim Reply</li> </ul> | <p><b>DISPOSITION CODES:</b></p> <ul style="list-style-type: none"> <li>A - Answered</li> <li>B - Non-Special Referral</li> <li>C - Completed</li> <li>S - Suspended</li> </ul> |
|--|---|---|
- 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, OEOb).  
 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: 11/30/84 ACTION/CONCURRENCE/COMMENT DUE BY: 12/4/84

SUBJECT: CAB DECISIONS RE: ALFONSO AIRWAYS & EXPORT, INC., PUERTO RICO - VENEZUELA SERVICE PROCEEDING, PACIFIC FREIGHT AIRLINES, INC, AND JFC ENTERPRISES, INC., d/b/a CONCORD INTERNATIONAL AIRLINES

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McMANUS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we have your comments by c.o.b. Tuesday, December 4. Thank you.

RESPONSE:

1984 NOV 30 PM 6:26

Richard G. Darman  
Assistant to the President  
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

NOV 30 1984

ACTION

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

SUBJECT: Civil Aeronautics Board Decisions:

Alfonso Airways & Export, Inc.	Pacific Freight Airlines, Inc.
Fitness Investigation	Docket 42181
Docket 42028	Date due: December 14, 1984
Date due: December 10, 1984	

Puerto Rico - Venezuela	JFC Enterprises, Inc., d/b/a
Service Proceeding	Concord International Airlines
Docket 41998	TRA Airlines, Inc.
Date due: December 17, 1984	Docket 42498
	Date due: December 18, 1984

Attached is 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

NOV 30 1984

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:

Alfonso Airways & Export, Inc.  
Fitness Investigation  
Docket 42028  
Date due: December 10, 1984

Pacific Freight Airlines, Inc.  
Docket 42181  
Date due: December 14, 1984

Puerto Rico - Venezuela  
Service Proceeding  
Docket 41998  
Date due: December 17, 1984

JFC Enterprises, Inc., d/b/a  
Concord International Airlines  
TRA Airlines, Inc.  
Docket 42498  
Date due: December 18, 1984

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

- Authorize Alfonso Airways & Export, Inc., to engage in foreign air transportation of persons, property, and mail in the United States-Dominican Republic and the United States-Costa Rica markets.
- Authorize Pacific Freight Airlines, Inc., to engage in foreign air transportation of property and mail between the United States and Taiwan, Korea, Thailand, Indonesia, and Singapore.
- Authorize American Airlines, Inc., to engage in foreign air transportation of persons, property, and mail for the market between Puerto Rico and Venezuela. Concurrently, the Board proposes to award back-up authority for the market to Arrow Air, Inc., and to revoke the current unused authority for the market, held by Pan American World Airways, Inc.
- Revoke the foreign charter air transportation authorities of JFC Enterprises, Inc., and TRA Airlines, Inc. Neither airline is currently operating and neither objected to the Board's proposed action.

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 actions. 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. Chairman:

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

Alfonso Airways & Export, Inc.  
Fitness Investigation  
Docket 42028

Pacific Freight Airlines, Inc.  
Docket 42181

Puerto Rico - Venezuela  
Service Proceeding  
Docket 41998

JFC Enterprises, Inc., d/b/a  
Concord International Airlines  
TRA Airlines, Inc.  
Docket 42498

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

December 20, 1984

MEMORANDUM FOR RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS, JR. *JGR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:  
Aero-Chago, S.A. & Tradewinds  
Airways Ltd.

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.

bcc: Dianna Holland

THE WHITE HOUSE

WASHINGTON

December 20, 1984

MEMORANDUM FOR RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS, JR. *JGR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:  
Aero-Chago, S.A. & Tradewinds  
Airways Ltd.

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.

bcc: Dianna Holland

THE WHITE HOUSE

WASHINGTON

December 20, 1984

MEMORANDUM FOR RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT

FROM: JOHN G. ROBERTS, JR. *JGR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:  
Aero-Chago, S.A. & Tradewinds  
Airways Ltd.

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.

bcc: Dianna Holland

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Name of Correspondent: Richard Dorman

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: CAB Decisions: Aero-Change, S.A. & Tradewind Airways Ltd.

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD
<u>CUHOW</u>	ORIGINATOR	<u>8/4/20</u>
<u>CUAT 18</u>	Referral Note:	<u>5/8/4/20</u>
	Referral Note:	<u>5:00pm</u>
	Referral Note:	<u>1/1</u>
	Referral Note:	<u>1/1</u>
	Referral Note:	<u>1/1</u>
	Referral Note:	<u>1/1</u>

**ACTION CODES:**

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

**DISPOSITION CODES:**

- A - Answered
- C - Completed
- B - Non-Special Referral
- S - Suspended

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Comments: \_\_\_\_\_

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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: 12/20/84 ACTION/CONCURRENCE/COMMENT DUE BY: 5:00 P.M. TODAY 12/20

SUBJECT: CAB DECISIONS: AERO-CHANGO, S.A. & TRADEWINDS AIRWAYS LTD.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McFARLANE	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McMANUS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please provide any comments/recommendations by c.o.b. today.  
Thank you.

**RESPONSE:**

1984 DEC 20 AM 10:49

Richard G. Darman  
Assistant to the President  
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 20 1984

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decisions:

Aero-Chago, S.A.	Tradewinds Airways Limited
Docket 41056	Docket 41484
Date due: January 5, 1985	Date due: February 8, 1985

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

- Authorize Aero-Chago, S.A., to engage in nonscheduled foreign air transportation of property and mail between the Dominican Republic and Miami, Florida, and also between the Dominican Republic and certain points in the Caribbean.
- Issue a permit authorizing Tradewinds Airways Limited to engage in scheduled foreign air transportation of property and mail between London, England, and certain points in the United States. The permit would also allow Tradewinds to conduct various charter flights of property and mail to and from the United States.

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 Board's 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.

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 (DOS, DOD, DOJ, DOT, NSC, OMB).  
-- Sign the attached letter to the Chairman.
- ( ) 2) Disapprove the Board's orders.  
-- Implementation materials to be prepared.
- ( ) 3) See me.

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

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

Aero-Chago, S.A.

Docket 41056

Date due: January 5, 1985

Tradewinds Airways Limited

Docket 41484

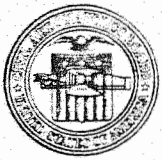
Date due: February 8, 1985

I have decided not to disapprove the Board's orders.

Sincerely,

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





THE CHAIRMAN  
OF THE  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D. C. 20428

NOV 6 1984

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I transmit the Board's proposed order on the application of Aero-Chago, S.A., Docket 41056, for your consideration under section 801(a) of the Federal Aviation Act of 1958, as amended by the Airline Deregulation Act of 1978. The order will finalize the Board's tentative findings and conclusions set forth in Order to Show Cause 84-10-32, (enclosed) unless you disapprove it within 60 days of this transmittal.

If you should decide earlier that you will not disapprove, please advise me to that effect; this will allow earlier issuance of the authority.

We are submitting the proposed decision to you before publication under the provisions of section 801(a) of the Federal Aviation Act of 1958. In accordance with Executive Order 11920, however, we plan to release all unclassified portions of the decision on or after the sixth day following this transmittal unless notified by your Assistant for National Security Affairs.

Respectfully yours,

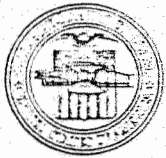
~~Signed~~ Dan McKinnon

Dan McKinnon

Enclosures

cc: National Security Council  
Department of Transportation  
Department of State  
Department of Defense  
Department of Justice  
The White House

*and 2/6/85*



THE CHAIRMAN  
OF THE  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D. C. 20428

DEC 10 1984

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I transmit the Board's proposed order on the application of Tradewinds Airways Limited, Docket 41484, for your consideration under section 801(a) of the Federal Aviation Act of 1958, as amended by the Airline Deregulation Act of 1978. The order will issue the applicant a foreign air carrier permit, and adopt the Board's tentative decision in its Order to Show Cause 84-11-38 (enclosed) unless you disapprove it within 60 days of this transmittal.

If you should decide earlier that you will not disapprove, please advise me to that effect; this will allow the earlier issuance of the authority.

We are submitting the proposed decision to you before publication under the provisions of section 801(a) of the Federal Aviation of 1958. In accordance with Executive Order 11920, however, we plan to release all unclassified portions of the decision on or after the sixth day following this transmittal unless notified by your Assistant for National Security Affairs.

Respectfully yours,

Dan McKinnon

Enclosures

~~FOR OFFICIAL USE ONLY~~

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 30th day of October, 1984

-----  
Application of :  
AERO-CHAGO, S.A. : Docket 41056  
: :  
for an initial foreign air carrier :  
permit pursuant to section 402 of :  
the Federal Aviation Act of 1958, :  
as amended :  
-----

ORDER

By Order 84-10-32, adopted October 9, 1984, the Board directed all interested persons to show cause why the Board should not, subject to the disapproval of the President, issue a foreign air carrier permit to Aero-Chago, S.A., for a period of five years to authorize it to engage in nonscheduled foreign air transportation of property and mail, as follows:

- A. Between a point or points in the Dominican Republic, and the terminal point Miami, Florida.
- B. Between a point or points in the Dominican Republic, the intermediate points Borinquen, Ponce, and San Juan, Puerto Rico; and St. Croix, Virgin Islands; and the terminal point St. Thomas, Virgin Islands.

The order directed persons having objections to the Board's tentative findings and conclusions set forth in that order, or to the issuance of the proposed foreign air carrier permit, to file their objections within 14 days. In addition, the order provided that in the event no objections were filed, all further procedural steps would be considered waived, and the Secretary would enter an order which (1) would make final the Board's tentative findings and conclusions, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, would issue a foreign air carrier permit to Aero-Chago, S.A. in the specimen form attached to that order.

No objections to Order 84-10-32 have been filed.

~~FOR OFFICIAL USE ONLY~~ *and 8/10/85*

ACCORDINGLY,

1. We make final our tentative findings and conclusions set forth in Order 84-10-32;
2. We issue a foreign air carrier permit to Aero-Chago, S.A. in the form attached;
3. The Secretary of the Board shall sign the permit on our behalf and shall affix the seal of the Board; and
4. Unless disapproved by the President of the United States under section 801(a) of the Act, this order and the permit attached shall become effective on the 61st day after its submission to the President, 1/ or upon the date of receipt of advice from the President that he does not intend to disapprove the Board's order under that section, whichever is earlier.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

All Members concurred.

1/ This order was submitted to the President on NOV 6 1984  
The 61st day is JAN 6 1985

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

-----  
PERMIT TO FOREIGN AIR CARRIER  
-----

AERO-CHAGO, S. A.

is authorized, subject to the provisions set forth, the provisions of the Federal Aviation Act of 1958, as amended, and the Board's orders, rules and regulations, to engage in foreign air transportation of property and mail, as follows:

- A. Between a point or points in the Dominican Republic, and the terminal point Miami, Florida.
- B. Between a point or points in the Dominican Republic, the intermediate points Borinquen, Ponce, and San Juan, Puerto Rico; and St. Croix, Virgin Islands; and the terminal point St. Thomas, Virgin Islands.

The holder shall be authorized to engage in charter trips of property only in foreign air transportation, subject to the terms, conditions and limitations prescribed by the Board's Regulations governing charters.

This permit and the exercise of the privileges granted in it shall be subject to the terms, conditions and limitations attached, and to the following:

- (1) The authority granted above shall be subject to the condition that the holder not engage in scheduled international air service.
- (2) This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective during the period the permit remains in effect, to which the United States and the Dominican Republic shall be parties.
- (3) In the event any practice develops which the Board regards as inimical to fair competition, the holder and the Board will consult and will use their best efforts to agree upon modifications satisfactory to the Board and the holder.

This permit shall be effective on \_\_\_\_\_, and shall terminate five years thereafter, except that it shall be subject to termination at any time if the authority to conduct flight operations to and from the Dominican Republic granted by the Government of the Dominican Republic to any carrier authorized by the United States is cancelled or restricted.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on October 30, 1984.

Secretary

(SEAL)

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 9th day of October, 1984

-----  
Application of

AERO-CHAGO, S.A.

for an initial foreign air carrier :  
permit pursuant to section 402 of :  
the Federal Aviation Act of 1958, :  
as amended :

Docket 41056

STATEMENT OF TENTATIVE FINDINGS AND CONCLUSIONS  
AND ORDER TO SHOW CAUSE  
E R R A T U M

Order 84-10-32 was not served on the original calculated date due to an exorbitant amount of orders in the Board's printing plant. Consequently, the dates in ordering paragraph 3 should be October 29, 1984 for objections to be filed and November 9, 1984 for answers.

Dated: October 15, 1984

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 9th day of October, 1984

-----  
 Application of :

AERO-CHAGO, S.A. :

Docket 41056

for an initial foreign air carrier :  
 permit pursuant to section 402 of :  
 the Federal Aviation Act of 1958, :  
 as amended :

-----

STATEMENT OF TENTATIVE FINDINGS AND CONCLUSIONS  
 AND ORDER TO SHOW CAUSE

By application filed on October 18, 1982, 1/ and noted in the Federal Register (47 FR 49051, October 29, 1982), Aero-Chago, S.A. (Aero-Chago), a Dominican Republic air carrier, requests an initial foreign air carrier permit to provide nonscheduled foreign air transportation of property and mail over the following routes:

- A. Between a point or points in the Dominican Republic, and the terminal point Miami, Florida.

1/ The application as initially filed was incomplete. By Order 82-11-1, the Director, Bureau of International Aviation, acting under delegated authority, deferred processing Aero-Chago's application until such time as the applicant complied fully with the evidentiary and procedural requirements of Part 211 and Subpart Q of Part 302. Aero-Chago did so on January 6, 1983. In addition, by telephone call on April 23, 1983, the staff requested that Aero-Chago clarify and supplement previously submitted evidentiary materials. On August 18 and October 11, 1983, Aero-Chago submitted the additional information necessary for us to proceed on its application.



- B. Between a point or points in the Dominican Republic, the intermediate points Borinquen, Ponce, and San Juan, Puerto Rico; and St. Croix, Virgin Islands; and the terminal point St. Thomas, Virgin Islands. 2/

In addition, Aero-Chago requests that its application be processed under Subpart Q of the Board's Procedural Regulations. 3/

There were no answers to the application in Docket 41056.

#### TENTATIVE DECISION

We have tentatively decided that grant of Aero-Chago's application is in the public interest and request that interested persons show cause why we should not issue the carrier a foreign air carrier permit in the specimen form attached to this order.

In support of its application, which is summarized in Attachment A, Aero-Chago provided the following evidentiary information as required by Part 211 of the Board's Regulations.

#### OPERATING HISTORY

Aero-Chago was incorporated in the Dominican Republic in October 1981. The carrier holds an operating certificate from the Government of the Dominican Republic authorizing it "to operate services of irregular air transportation of passengers and cargo (with no fixed schedules) between

2/ Aero-Chago further requests a Special Authorization under Part 216 of the Board's Regulations to allow it to commingle revenue traffic moving in foreign air transportation along the route described in paragraph "B", above, with traffic not moving in foreign air transportation between the Dominican Republic and St. Kitts, Leeward Islands. We will dismiss the Special Authorization request. Aero-Chago provided no supporting information for it, as required by Part 216. It requested dismissal of an identical request made in conjunction with its exemption application in Docket 41064. We conclude that the carrier is no longer interested in pursuing such authority in connection with its permit application. See Order 83-3-58. Our dismissal is without prejudice to Aero-Chago filing a Special Authorization request, properly supported pursuant to Part 216 of the Board's Regulations.

3/ By Order 83-1-79, January 20, 1983, the Director, Bureau of International Aviation, acting under delegated authority, granted Aero-Chago exemption authority to engage in nonscheduled foreign air transportation of property and mail over these routes for a period of one year or 90 days after we submit an order to the President in this case, whichever occurs first. In its exemption renewal application, filed January 19, 1984, Aero-Chago relies upon the automatic-extension provisions of the Administrative Procedure Act, 5 U.S.C. 558(c), as implemented by Part 377 of our regulations, to keep the authority granted in Order 83-1-79 in effect pending final disposition of the instant application.

the Dominican Republic and points outside the country." Aero-Chago began international operations early in 1982, providing round-trip charter service between the Dominican Republic and Aruba. Since that time, Aero-Chago has also operated round-trip charter flights to Panama, St. Maarten, and Curacao. As previously noted, Aero-Chago holds exemption authority to perform the U.S.-Dominican Republic nonscheduled cargo operations for which it seeks permit authority. Pursuant to its exemption authority, Aero-Chago states that it has been operating two or three weekly round-trip flights between Santo Domingo and San Juan, and weekly flights to the U.S. Virgin Islands.

#### OWNERSHIP AND CONTROL

Aero-Chago states that all of its stock is held by Dominican citizens, 4/ that none of its stock has been pledged as collateral, and that all of its officers, directors, and key personnel are Dominican citizens, except its commercial manager, who is a U.S. citizen. 5/ In addition, none of Aero-Chago's officers, directors, or key personnel holds any stock or other interest in any U.S. or other foreign air carrier, common carrier, or person engaged in the business of aeronautics. Aero-Chago itself holds no stock or other interest in any other person, and no government holds any interest in Aero-Chago.

#### FINANCIAL AND OPERATING FITNESS

Aero-Chago submitted audited financial statements which show that at June 30, 1983, it had current assets of \$47,000, current liabilities of \$30,000, total assets of \$440,000, total liabilities of \$333,000, and stockholders' equity of \$108,000. 6/ Aero-Chago states that it has been able to meet all of its financial and transportation commitments and that it has not been refused debt financing in whole or in part. Aero-Chago also reported an operating profit in excess of \$51,000 for the 12 months ending June 30, 1983. Aero-Chago states that it has not received any government financial assistance and that none is expected in the future.

Aero-Chago dry leases two L-1049 Constellation aircraft from Aerotour Dominicano and states that it is in the process of acquiring another Constellation. The carrier expects that its San Juan-Santo Domingo cargo traffic will nearly double when the third Constellation aircraft is put

4/ Mr. Pedro S. Rodriguez Echevarria holds approximately 97 percent of the company's stock and serves as Aero-Chago's chairman of the board of directors, president, treasurer, and chief pilot. The remaining three percent of the company's stock is held by persons who are Mr. Echevarria's close relatives.

5/ Mr. Filipino d'Plana is Aero-Chago's commercial manager. He holds no stock in the company.

6/ Aero-Chago's financial statements are shown in Dominican dollars, asserted to be par with U.S. dollars.

into service. Aero-Chago does most of its own maintenance on its aircraft, including a continuous inspection system. Heavy maintenance on the aircraft is done at the facilities of the Dominican Air Force. Aero-Chago states that it has never been refused any insurance in whole or in part, and it has on file with the Board a certificate of insurance indicating that its aircraft accident liability insurance coverage meets the requirements contained in Part 205 of our Regulations.

The Dominican Republic's General Director of Civil Aeronautics has certified that the Dominican Republic is a contracting state to the Chicago Convention, with reference to the qualifications of Aero-Chago's pilots and crew, and that, at the time Aero-Chago's permit application was filed, the carrier had not violated any aeronautical law of the Dominican Republic. 7/

#### PUBLIC INTEREST CONSIDERATIONS

A number of U.S. and Dominican air carriers currently provide scheduled combination and all-cargo service in the U.S.-Dominican Republic market. U.S. flag scheduled combination service, much of it with wide-bodied aircraft, is provided by American Airlines, Eastern Air Lines, Capitol Air, 8/ and two commuter air carriers--Puerto Rico International Airlines, Inc. (PRINAIR) and Ocean Air. 9/ American is also providing all-cargo scheduled service, while The Flying Tiger Line recently received a Dominican license to serve the market. Dominicana, the national carrier of the Dominican Republic, provides scheduled combination service in the market as does a Dominican commuter, Aerolineas Dominicanas. Dominican flag scheduled all-cargo service is provided by Aeromar C. por A. and APA International Air, S.A.

Although Aero-Chago holds the requisite authority from its government to operate nonscheduled cargo services between the Dominican Republic and points outside that country, our aviation agreement with the Dominican Republic does not provide for such services. Accordingly, any award of such nonscheduled authority must be premised on the principles of reciprocity and a finding that the proposed transportation would be in the public interest.

We have two primary concerns in our aviation relationship with the Dominican Republic. First, U.S. carriers have been experiencing difficulty in obtaining prompt conversion and remittance of their Dominican revenues in excess of local expenses. Second, the Dominican aviation authorities have unilaterally imposed an aircraft weight limitation in the license of Flying Tiger.

7/ We were advised by the Federal Aviation Administration that it knows of no reason why the Board should act unfavorably on Aero-Chago's permit application.

8/ Capitol's Dominican authority was recently expanded to include Miami-Port-au-Prince-Santo Domingo operations.

9/ Air Florida also served the market until it ceased all operations on July 3, 1984.

Recent progress has been made on the remittance problem. We understand that U.S. carriers serving the Dominican Republic are no longer accumulating backlogs of funds and that Dominican Republic banking authorities are being cooperative in seeking to release previously accumulated U.S. carrier funds. We will continue to monitor this situation.

During United-States Dominican Republic consultations held August 8 and 9, 1984, the United States maintained that the restriction on Flying Tiger's license was in violation of the U.S.-D.R. Air Transport Services Agreement. The Dominican delegation argued that the capacity provisions in the Agreement supported imposition of the restriction and that Flying Tiger was granted a license for the capacity (DC-8 service) it had proposed in its application.

While we remain concerned about this matter, we do not find that present circumstances dictate that insufficient reciprocity exists to the extent warranting denial of the authority sought by Aero-Chago--a small, privately held carrier. The United States, through diplomatic channels, will pursue appropriate steps to deal with the Dominican Republic's weight restriction on Flying Tiger's aircraft.

Other factors support a finding that adequate reciprocity exists. U.S. carriers garner two-thirds of passenger traffic in the market. U.S. and Dominican carriers share equally in cargo traffic. The Dominican Republic has also granted U.S. carriers substantial operating rights outside the Agreement. Capitol's present, and Air Florida's former services to Puerto Plata and U.S. commuter carriers' services to Santiago and La Romana are not provided for in the Agreement. Under these circumstances, we find that sufficient reciprocity exists to grant the authority requested by Aero-Chago. A grant of the requested permit authority to Aero-Chago should serve to expand existing reciprocity and increase competition for cargo traffic in the market, thereby benefiting the shipping public in the form of additional price and service options.

Accordingly, we tentatively find that it is in the public interest to grant Aero-Chago's application and issue it a foreign air transportation of property and mail over the routes requested.

#### TENTATIVE FINDINGS AND CONCLUSIONS

In view of the foregoing and all the facts of record, we tentatively find and conclude that:

1. It is in the public interest to issue a foreign air carrier permit to Aero-Chago, S.A. in the specimen form attached, authorizing nonscheduled foreign air transportation of property and mail between the Dominican Republic and certain points in the United States;

2. Aero-Chago, S.A. is fit, willing, and able properly to perform the nonscheduled foreign air transportation described in the specimen permit, and to conform to the provisions of the Act, and our rules, regulations, and requirements;

3. The public interest requires that the exercise of the privileges granted by the permit should be subject to the terms, conditions, and limitations contained in the specimen permit attached to this order and to such other reasonable terms, conditions, and limitations required by the public interest as we may prescribe;

4. The applicant is substantially owned and effectively controlled by nationals of the Dominican Republic;

5. The proposed issuance of Aero-Chago's foreign air carrier permit will not constitute a "major regulatory action" under the Energy Policy and Conservation Act of 1975 as defined in section 313.4(a)(1); 10/

6. The public interest does not require an oral evidentiary hearing on the application; and

7. Except to the extent granted, the application of Aero-Chago, S.A. in Docket 41056 should be denied.

ACCORDINGLY,

1. We direct all interested persons to show cause why the Board should not (1) make final its tentative findings and conclusions, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, issue a foreign air carrier permit to Aero-Chago, S.A. in the specimen form attached;

2. We dismiss without prejudice Aero-Chago's request for a Special Authorization pursuant to Part 216 of the Board's Regulations;

3. Any interested persons objecting to the issuance of an order making final the Board's tentative findings and conclusions and issuing the attached specimen permit shall, no later than October 26, 1984, file with

10/ Our tentative findings are based upon the fact that Aero-Chago's proposed operations will not result in increased fuel consumption in excess of 10 million gallons per year.

the Board and serve on the persons named in paragraph 6, a statement of objections specifying the part or parts of the tentative findings and conclusions objected to, together with a summary of testimony, statistical data, and concrete evidence to be relied upon in support of the objections. An oral evidentiary hearing or discovery procedures may be requested. The objector should state in detail why such a hearing or discovery is considered necessary and what material issues of decisional fact he/she would expect to establish through such hearing or discovery which cannot be established in written pleadings. The objector should consider whether discovery procedures alone would suffice to resolve material issues of decisional fact; if so, the type of procedures should be specified (see Part 302, Rules 19 and 20); if not, the reasons why not should be explained. If objections are filed, answers may be filed, but no later than November 5, 1984;

4. If timely and properly supported objections are filed, we will give further consideration to the matters and issues raised by the objections before we take further action: Provided, that we may proceed to enter an order in accordance with our tentative findings and conclusions set forth in this order if we determine that there are no factual issues present that warrant the holding of an oral evidentiary hearing or the institution of discovery procedures; 11/

5. In the event that no objections are filed, all further procedural steps shall be deemed waived, and the Secretary shall enter an order which (1) shall make final our tentative findings and conclusions set forth in this order, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, shall issue a foreign air carrier permit to the applicant in the specimen form attached; and

6. We shall serve a copy of this order upon Aero-Chago, S.A., the Ambassador of the Dominican Republic in Washington, D.C., the U.S. Departments of State and Transportation, and the Federal Aviation Administration (AFO-220).

We shall publish a summary of this order in the Federal Register.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

All Members concurred.

11/ Since provision is made for the filing of objections to this order, petitions for reconsideration will not be entertained.

SUMMARY OF APPLICATION  
Docket 41056

Homeland Country: Dominican Republic

Designated By Its Government: No, since nonscheduled authority is not provided for in the United States-Dominican Republic Air Transport Agreement.

Reciprocity And Comity As Basis For Authority Sought: Yes--adequate comity and reciprocity exist.

Holds Government License For Authority Sought: Exhibit 9, Docket 41056.

Operating History: Charter service between the Dominican Republic and other Caribbean and Central American countries since 1982. Began non-scheduled foreign air transportation of property and mail between the U.S. and the Dominican Republic in 1983, pursuant to exemption authority granted in Order 83-1-79.

Aircraft Owned (O) And Leased (L): 2 L-1049 Constellation (L);  
in the process of acquiring a third L-1049

Aircraft Maintenance Performed By: Aero-Chago

Financial Indicators (As Of):	<u>June 30, 1982</u> (000)	<u>June 30, 1983</u> (000)
Total Assets	\$ 290	\$ 440
Total Liabilities	233	333
Stockholders' Equity	57	108
Operating Profit (Loss)--12 mos. ended	24	51

Majority Ownership By Nationals Of: Dominican Republic

Effective Control By Nationals Of: Dominican Republic

Insurance Coverage: Meets requirements of 14 CFR 205

Insurance Refused Or Involuntarily Canceled During Last 3 Years: No

Refused Debt Financing Last 3 Years: No

Defaulted On Transportation Commitments Last 3 Years: No

Failed To Meet Current Financial Obligations Last 3 Years: No

Safety Or Tariff Violations During Last 5 Years: No

Subscribes To Standard Permit Conditions Regarding Insurance And Annex 6  
Of Chicago Convention And C.A.B. Agreement 18900: Yes

Near-term Annual Fuel Consumption Exceeds 10 Million Gallons: No

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

-----  
PERMIT TO FOREIGN AIR CARRIER  
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AERO-CHAGO, S. A.

is authorized, subject to the provisions set forth, the provisions of the Federal Aviation Act of 1958, as amended, and the Board's orders, rules and regulations, to engage in foreign air transportation of property and mail, as follows:

- A. Between a point or points in the Dominican Republic, and the terminal point Miami, Florida.
- B. Between a point or points in the Dominican Republic, the intermediate points Borinquen, Ponce, and San Juan, Puerto Rico; and St. Croix, Virgin Islands; and the terminal point St. Thomas, Virgin Islands.

The holder shall be authorized to engage in charter trips of property only in foreign air transportation, subject to the terms, conditions and limitations prescribed by the Board's Regulations governing charters.

This permit and the exercise of the privileges granted in it shall be subject to the terms, conditions and limitations attached, and to the following:

- (1) The authority granted above shall be subject to the condition that the holder not engage in scheduled international air service.
- (2) This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective during the period the permit remains in effect, to which the United States and the Dominican Republic shall be parties.
- (3) In the event any practice develops which the Board regards as inimical to fair competition, the holder and the Board will consult and will use their best efforts to agree upon modifications satisfactory to the Board and the holder.



This permit shall be effective on \_\_\_\_\_, and shall terminate five years thereafter, except that it shall be subject to termination at any time if the authority to conduct flight operations to and from the Dominican Republic granted by the Government of the Dominican Republic to any carrier authorized by the United States is cancelled or restricted.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on

Secretary

(SEAL)

~~FOR OFFICIAL USE ONLY~~

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 3rd day of December, 1984

-----  
Application of :  
TRADEWINDS AIRWAYS LIMITED : Docket 41484  
for amendment of its foreign air carrier :  
permit pursuant to section 402 of the :  
Federal Aviation Act of 1958, as amended :  
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ORDER

By Order 84-11-38, adopted November 9, 1984, we directed all interested persons to show cause why we should not, subject to review by the President, reissue and amend the foreign air carrier permit to Tradewinds Airways Limited, to authorize the carrier to (1) engage in the scheduled foreign air transportation of property and mail between London, England; the intermediate point Toronto, Canada; and the U.S. coterminal points Boston, Chicago, Detroit, Los Angeles, and New York (without local traffic rights between Toronto and Los Angeles); (2) conduct scheduled services between London and the U.S. coterminal points Atlanta, Boston, Chicago, Detroit, Los Angeles, Miami, New York, and San Francisco; and (3) conduct various charter flights of property and mail to and from the United States.

The order directed persons objecting to our tentative findings and conclusions set forth in that order, or to the issuance of the proposed foreign air carrier permit, to file their objections within 14 days. In addition, the order provided that in the event no objections were filed, all further procedural steps would be deemed waived, and the Secretary would enter an order which (1) would make final our tentative findings and conclusions, and, (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, would issue a foreign air carrier permit to Tradewinds Airways in the specimen form attached.

No objections to Order 84-11-38 have been filed.

ACCORDINGLY,

1. We make final our tentative findings and conclusions set forth in Order 84-11-38;

*and*  
8/16/05

2. We are issuing a foreign air carrier permit in the form attached to Tradewinds Airways Limited to engage in scheduled foreign air transportation of property and mail between London, England, and certain points in the United States, some of the services via the intermediate point Toronto, Canada; and to conduct various charter flights of property and mail to and from the United States;

3. The Secretary of the Board shall sign the permit on our behalf and shall affix the seal of the Board; and

4. Unless disapproved by the President of the United States under section 801(a) of the Act, this order and the permit attached shall become effective on the 61st day after its submission to the President, 1/ or upon the date of receipt of advice from the President that he does not intend to disapprove the Board's order under that section, whichever is earlier.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

1/ This order was submitted to the President on DEC 10 1984  
The 61st day is FEB 9 1985

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

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PERMIT TO FOREIGN AIR CARRIER  
(as amended and reissued)  
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TRADEWINDS AIRWAYS LIMITED

is authorized, subject to the provisions of the Federal Aviation Act of 1958, as amended, and the orders, rules, and regulations of the Board or Department of Transportation (U.S.D.O.T.), to engage in foreign air transportation:

A. 1. Between London, England; the intermediate point Toronto, Canada; and the coterminal points Boston, Massachusetts, New York, New York, Chicago, Illinois, Detroit, Michigan and Los Angeles, California (without rights to carry local traffic between Toronto and Los Angeles).

A. 2. Between London, England, and the coterminal points Atlanta, Georgia, Boston, Massachusetts, New York, New York, Chicago, Illinois, Detroit, Michigan, Miami, Florida, Los Angeles, California, and San Francisco, California.

B. Between any point or points in the United Kingdom <sup>1/</sup> and any point or points in the United States, either directly or via intermediate or beyond points in other countries, with or without stopovers.

C. Between any point or points in the United States and any point or points not in the United Kingdom or the United States.

This permit and the exercise of the privileges granted in it shall be subject to the following conditions:

1. The exercise of authority granted by paragraphs A.1 and A.2 shall be limited to scheduled transportation of property and mail.

2. The exercise of authority granted by paragraphs B and C shall be limited to charter foreign air transportation of property and mail.

<sup>1/</sup> For the purpose of this permit, "United Kingdom" shall mean the United Kingdom of Great Britain and Northern Ireland, but not any territory outside the British Isles which may be under the sovereignty, protection, jurisdiction, or trusteeship of the Government of the United Kingdom.

3. Flights authorized by paragraph C must be individually approved by the U.S.D.O.T. unless this requirement is waived by U.S.D.O.T. order. Application shall be made as provided in the order issuing this permit or as required by subsequent U.S.D.O.T. order or regulation.

4. The authority of the holder to perform charters originating in the United Kingdom shall be subject to the terms, conditions, and limitations contained in the rules, regulations, or licenses issued by the Civil Aviation Authority of the United Kingdom authorizing the performance of such charters, including waivers or variations. The authority of the holder to perform charters (1) originating in the United States or, (2) between any point or points in the United States and any point or points not in the United Kingdom or the United States, is subject to applicable U.S.D.O.T. regulations, except where waivers of these regulations have been granted by the U.S.D.O.T.

5. The holder shall not allow charter traffic to stop over at one point in the United States before transporting it to, or after transporting it from, any other point in the United States.

6. Charter transportation, provided pursuant to paragraph B of this permit, which originates in the United States and stops over at any point or points outside the United Kingdom, shall also stop over in the United Kingdom for at least two consecutive nights. Unless the U.S.D.O.T. specifically authorizes, in advance, shortening or eliminating the United Kingdom stopover, all traffic originating in the United States and stopping over in the United Kingdom for less than two consecutive nights shall be carried pursuant to paragraph C of this permit.

7. The U.S.D.O.T., by order or regulation and with or without hearing, may require advance approval of individual charter trips conducted under the authority granted by paragraph B of the permit, if it finds (i) either (a) that the requirement of such prior approval is authorized under the terms of a treaty, agreement, or understanding, or amendments or protocols to such instrument, in effect between the United States and the United Kingdom; or (b) that the Government of the United Kingdom has denied or failed to prevent the denial of, in whole or in part, the fair and equal opportunity to exercise the operating rights provided for in an air transport agreement between the United Kingdom and the United States of any U.S. air carrier designated thereunder with respect to flight operations to, from, through, or over the United Kingdom; and (ii) that such action is required in the public interest.

8. The holder shall conform to the airworthiness and airman competency requirements of the Government of the United Kingdom of Great Britain and Northern Ireland for British international air service.

9. The holder shall not provide foreign air transportation under this permit unless it holds a currently effective authorization from the Government of the United Kingdom for such operations.

10. The holder shall not operate any aircraft under the authority granted by this permit unless the holder complies with operational safety requirements at least equivalent to Annex 6 of the Chicago Convention.

11. By accepting this permit the holder waives any right it may possess to assert any defense of sovereign immunity from suit in any action or proceeding instituted against it in any court or other tribunal in the United States (or its territories or possessions) based upon any claim arising out of its operations under this permit.

12. The holder shall comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses.

13. The holder shall comply with the requirements for minimum insurance coverage contained in 14 CFR 205.

14. This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective to which the United States and the United Kingdom of Great Britain and Northern Ireland shall be parties.

15. The exercise of the privileges granted by this permit will be subject to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the U.S.D.O.T.

This permit shall be effective on \_\_\_\_\_ . Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention, or agreement, this permit shall terminate (1) upon the effective date of any treaty, convention, or agreement or amendment, which shall have the effect of eliminating the bilaterally authorized service authorized by this permit from the service which may be operated by airlines designated by the Government of the United Kingdom of Great Britain and Northern Ireland (or in the event of the elimination of any part of the authorized service, the authority granted shall terminate to the extent of such elimination); or (2) upon the effective date of any permit granted by the U.S.D.O.T. to any other carrier designated by the Government of the United Kingdom in lieu of the holder; or (3) upon the termination or expiration of the Air Services Agreement or any part thereof between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, as amended (or in the event of the termination or expiration of any part of the Air Services Agreement the authority granted by this permit shall cease to the extent of such termination or expiration). However, clause (3) of this paragraph shall not apply if the operation of the authorized foreign air transportation becomes the subject of any treaty, convention, or agreement to which the United States of America and the United Kingdom of Great Britain and Northern Ireland are or shall become parties.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on

Secretary

(SEAL)

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 9th day of November, 1984

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Application of

TRADEWINDS AIRWAYS LIMITED

Docket #1484

for amendment of its foreign air carrier  
permit pursuant to section 402 of the  
Federal Aviation Act of 1958, as amended  
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STATEMENT OF TENTATIVE FINDINGS AND CONCLUSIONS  
AND ORDER TO SHOW CAUSE

ERRATUM

The dates in ordering paragraph two should be changed so that any interested person objecting to the issuance of the order should file no later than November 30, 1984 and answers may be filed but no later than December 10, 1984.

Dated: November 16, 1984

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 9th day of November, 1984

-----	:	
Application of	:	
	:	
<b>TRADEWINDS AIRWAYS LIMITED</b>	:	<b>Docket 41484</b>
	:	
for amendment of its foreign air carrier	:	
permit pursuant to section 402 of the	:	
Federal Aviation Act of 1958, as amended	:	
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STATEMENT OF TENTATIVE FINDINGS AND CONCLUSIONS  
AND ORDER TO SHOW CAUSE

Background

Tradewinds Airways Limited, a carrier of the United Kingdom, currently holds a foreign air carrier permit issued by Order 80-4-119, effective April 16, 1980. The permit authorizes the airline to engage in charter foreign air transportation of property to and from the United States. 1/

In March 1983 the Government of the United Kingdom designated Tradewinds under Article 3 of Bermuda 2 to provide scheduled all-cargo services on U.K. Routes 10, 11, and 12. 2/

1/ The permit has no fixed termination date. Tradewinds is designated to provide charter flights between the United States and the United Kingdom under the U.S.-U.K. Air Services Agreement (Bermuda 2). Under permit provisions, it may operate certain charter flights between the United States and third countries, subject to prior approval.

2/ The U.K. Government made the designation by Diplomatic Note No. 39, dated March 23, 1983. U.K. Routes 10, 11, and 12 are in Section 4 of Annex 1 to Bermuda 2 and are delineated in Attachment A of this order.

After the designation was made, we granted Tradewinds authority by exemption (see Order 83-8-14) to provide scheduled cargo services between London, United Kingdom, and the United States points New York, Boston, and Chicago, via Toronto, Canada. The airline relies on the automatic extension provisions of the Administrative Procedure Act, 5 U.S.C. 558(c), as implemented by 14 CFR 377, to keep the exemption authority in effect (see Tradewinds' renewal application filed April 30, 1984, in Docket 42169.).



Application

By application filed May 12, 1983, 3/ as supplemented May 12, 1983, June 9, 1983, June 23, 1983, March 15, 1984, and June 19, 1984, Tradewinds requests that we amend its foreign air carrier permit to authorize it to engage in scheduled all-cargo foreign air transportation "pursuant to its (March 1983) designation." 4/

In support of its application, Tradewinds asserts (Attachment B is a summary of the application) that it is a carrier of the United Kingdom, substantially owned and effectively controlled by nationals of the United Kingdom; 5/ that it is financially and operationally qualified to conduct the scheduled all-cargo services it proposes; and that it is licensed and designated by its government to do so. 6/

3/ A notice of the application appeared in the Federal Register, 48 FR 22768, May 20, 1983.

4/ Tradewinds wants us to add three scheduled routes to its permit for the carriage of property and mail, as follows: (1) Between any point or points in the United Kingdom, either directly or via an intermediate point or points in Canada, and any point or points in the United States, and beyond to Panama (without rights to carry local traffic between Los Angeles and Canada and Los Angeles and Panama); (2) Between any point or points in the United Kingdom and any point or points in the United States, and beyond to Venezuela, Colombia, Manaus, and/or Peru (without rights to carry local traffic between Houston and Peru); and (3) Between any point or points in the United Kingdom and any point or points in the United States, and beyond to Mexico City. The airline also requests that we amend its charter authority to include the carriage of mail. (See Specimen Permit Exhibit TRW-15 in this docket.)

5/ Tradewinds states that all its stock is owned, through intermediate United Kingdom holding companies, by Lonrho PLC, which is a public limited company organized and existing under the laws of the United Kingdom (see Revised Exhibit TRW-2, filed June 23, 1983). Lonrho was incorporated in England in 1909, is comprised of over 800 companies engaged in various activities, and has about 64,000 shareholders (see the supplementary materials concerning Lonrho filed May 12, 1983, in this docket). The applicant further states that its officers, directors, and key management personnel are all British citizens (see Exhibit TRW-1).

6/ The applicant submitted copies of three licenses from the U.K.'s Civil Aviation Authority which authorize it to transport cargo and mail on scheduled flights to and from points in various countries. License No. 1B/24555 authorizes Tradewinds to serve nine specific North American points to and from London (Gatwick) as follows: Toronto and/or Atlanta and/or Boston and/or Chicago and/or Detroit and/or Miami and/or New York and/or Los Angeles and/or San Francisco. None of the three scheduled licenses list any South American point or any other points in North America. See Exhibit TRW-7.

Answers 7/

On June 14, 1983, The Flying Tiger Line Inc. and Transamerica Airlines, Inc., both filed answers to the application, which indicate their opposition to large portions of Tradewinds' request for scheduled authority. 8/

Flying Tigers and Transamerica argue that we should only grant Tradewinds authority for which it is both designated and licensed. The U.S. carriers assert that because Tradewinds was not designated under Annex 5 (but only under Article 3) of Bermuda 2, the carrier's designation for Third, Fourth, and Fifth Freedom scheduled services covers only the specified U.K., U.S., intermediate, and beyond points listed in Section 4 of Annex 1, and does not entitle Tradewinds to the "Liberalized Cargo Air Services" provisions of Annex 5, Part III (See Attachment A). 9/

Reply

On June 24, 1983, Tradewinds filed a reply to the U.S. carriers' answers, together with a motion to file an otherwise unauthorized document. 10/

In its reply, Tradewinds again asserts that its designation under Article 3 entitles it to the broad route rights it requests, and, in addition, argues that its lack of homeland license for portions of the scheduled authority it requests should not preclude its having the

7/ By Notice in this docket dated June 10, 1983, the Secretary of the Board extended the due date for filing answers to June 14, 1983.

8/ Transamerica also asserts that the U.K. Government has a protectionist policy concerning Fifth Freedom cargo charters and requests that we, therefore, remove such charter authority from U.K. carrier permits, which, in effect, would require those airlines to file applications for exemption from section 402 of the Act for our consideration prior to conducting such flights.

9/ Flying Tigers and Transamerica thus argue that, at most, we should only add scheduled authority to Tradewinds' permit for the carriage of property and mail, as follows: (1) Between London, (Gatwick), either directly or via the intermediate point Toronto, Canada, and Boston/Chicago/Detroit/Los Angeles/New York (without rights to carry local traffic between Toronto and Los Angeles); (2) Between London, (Gatwick), and Atlanta; and (3) Between London, (Gatwick), and Miami. Flying Tigers, in addition, avows that comity and reciprocity with the United Kingdom are inadequate in the area of scheduled cargo services to warrant grant of the requested authority which is not provided for by Bermuda 2.

10/ We will grant the motion.

authority in its amended permit, 11/ and that the U.S. carriers did not adequately support their allegations of cargo reciprocity problems with the United Kingdom.

### Decision

After thoroughly reviewing all facts and pleadings in the record, we tentatively have decided to amend Tradewinds' permit to add authority to conduct scheduled services between London and eight U.S. coterminal points (Atlanta, Boston, Chicago, Detroit, Los Angeles, Miami, New York, and San Francisco) and to provide certain U.S. services (to and/or from Boston, Chicago, Detroit, Los Angeles, and New York) via Toronto. We also tentatively have decided to reissue Tradewinds' authority to conduct charter flights to and from the United States, 12/ and to amend its charter authority to authorize the carriage of mail.

Based on Tradewinds' submissions, we tentatively find and conclude that the applicant is substantially owned and effectively controlled by nationals of the United Kingdom, and that it is fit, willing, and able to perform properly the scheduled and charter foreign air transportation described in the attached permit and to conform to the provisions of the Act, and to our rules, regulations, and requirements. In this regard, no party has challenged Tradewinds' ownership and control by homeland

11/ The applicant asserts that requiring a foreign airline to apply for additional permit authority from the Board each time it seeks to start service at a new point or receive new authority from its homeland government is anticompetitive and inefficient. Tradewinds cites Belize Airways, Permit Amendment, 79 CAB 657 (1978), in which the Board granted Belize Airways scheduled authority to serve New Orleans, even though the carrier did not hold authority from its government to serve that point. Tradewinds, moreover, argues that it could not serve points without homeland license under the requested permit anyway, because the amended permit would include the standard condition which prohibits the carrier from providing the foreign air transportation authorized thereunder unless it holds "a currently effective authorization from its Government" for such operations.

12/ We are not convinced by Transamerica's pleading that we should remove the underlying Fifth Freedom charter authority from the permit of Tradewinds and other U.K. carriers. Those airlines currently must file for prior approval under Part 212 of our Economic Regulations to operate various Fifth Freedom charter flights, and we, therefore, have adequate means to deal with Fifth Freedom charter problems which may arise. We tentatively find and conclude that adequate comity and reciprocity underlie Tradewinds' request to conduct those charter flights to and from the United States which are not provided for under Bermuda 2.

nationals, its financial and operational fitness, <sup>13/</sup> nor the adequacy of the carrier's compliance disposition. Moreover, Tradewinds is both designated and licensed by its homeland government to provide the scheduled services which we tentatively find and conclude should be authorized by amendment and reissuance of its foreign air carrier permit.

We are not, however, inclined to grant Tradewinds' broad request to conduct scheduled services between its homeland and any point or points in the United States, or to conduct such services via any intermediate point or points in Canada and beyond to various points and countries south of the United States.

Our long standing policy is not to grant scheduled permit authority which exceeds the scope of the carrier's homeland license. <sup>14/</sup> The scope of Tradewinds' homeland scheduled license is clear--the carrier holds authority only to conduct scheduled North and South American services to Toronto, Atlanta, Boston, Chicago, Detroit, Los Angeles, Miami, New York, and San Francisco. <sup>15/</sup> Nor do we believe that it is appropriate to award the authority on the basis of reciprocity, as much of it is provided for by the Agreement.

<sup>13/</sup> By letter dated June 20, 1983, the Federal Aviation Administration's Acting Manager, Air Transportation Division, Office of Flight Operations, advised us that Tradewinds conducts its U.S. operations in accordance with Part 129 of the Federal Aviation Regulations, and that he sees no reason why we should act unfavorably on the application.

Favorable action in this matter would not be an endorsement for Tradewinds' obtaining relief from the Federal Aviation Administration's noise-abatement rules under FAR Parts 36 and 91.

<sup>14/</sup> See, e.g., Order 76-4-20; Internacional de Aviacion, Permit Amendment, 70 CAB 417 (1976) at 420-421.

<sup>15/</sup> We are not authorizing the applicant to conduct its services to Atlanta, Miami, and San Francisco via Toronto, because such authority exceeds the carrier's designation for U.K. Route 10. Tradewinds' designation for services on U.K. Routes 10, 11, and 12, to be conducted via intermediate points or to beyond points, covers only the specific U.S. points listed in Column C for each route (see Attachment A). We do not accept Tradewinds' position that its designation would entitle it to conduct its requested Canadian and beyond services to and/or from U.S. points which are not specified in Column C of the routes. Tradewinds' designation, however, covers Third and Fourth Freedom services between any point or points in the United States and any point or points in the United Kingdom. The U.S. carriers' position that Tradewinds would have to be designated under Annex 5 to be entitled to the liberal Third and Fourth Freedom provisions of Part III thereunder is incorrect.

We tentatively find and conclude that to grant Tradewinds scheduled authority in this case which exceeds the scope of either its designation and/or license would not be in the public interest. 16/

In view of the foregoing and all facts of record, we tentatively find and conclude that:

1. The applicant is qualified and has been designated by its government to perform the air services described in the attached foreign air carrier permit;

2. The applicant is fit, willing and able properly to perform the foreign air transportation described in the attached permit and to conform to the provisions of the Act, and our rules, regulations and requirements;

3. The public interest requires that the exercise of the privileges granted by the permit shall be subject to the terms, conditions, and limitations contained in the attached permit, and to such other reasonable terms, conditions, and limitations required by the public interest as we may prescribe;

4. The applicant is substantially owned and effectively controlled by nationals of its homeland country;

5. Issuance of this foreign air carrier permit will not constitute a "major regulatory action" under the Energy Policy and Conservation Act of 1975, as defined in subsection 313.4(a)(1) of our Regulations; 17/

16/ In the Belize Airways case, cited by the applicant, the Board only authorized the airline to serve a single point for which it was not licensed. Here, Tradewinds is seeking authority to serve hundreds of points for which it is not licensed. Moreover, the standard permit condition which prohibits the carrier from providing the foreign air transportation unless it holds a currently effective authorization from its homeland, precludes the airline from continuing permit operations under circumstances in which it loses license authority from its government which it held at the time it received the permit authority. We do not use the condition to enable operations which exceed the scope of the airline's homeland license.

17/ Our finding is based upon the fact that reissuance and amendment of the applicant's permit would not result in a near-term annual increase in fuel consumption in excess of 10 million gallons.

6. The public interest does not require an oral evidentiary hearing on the application; and

7. Except to the extent granted, the application in Docket 41484 should be denied.

ACCORDINGLY,

1. We direct all interested persons to show cause why we should not (1) make final our tentative findings and conclusions, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, reissue and amend the foreign air carrier permit issued to Tradewinds Airways Limited by Order 80-4-119, to authorize, among other things, scheduled and charter air service of property and mail between the United States and the United Kingdom, in the specimen form attached;

2. Any interested person objecting to the issuance of an order making final our tentative findings and conclusions and reissuing the attached specimen permit shall, no later than December 3, 1984, file with the Board and serve on the persons named in ordering paragraph 6, a statement of objections specifying the part or parts of the tentative findings and conclusions objected to, together with a summary of testimony, statistical data, and concrete evidence to be relied upon in support of the objections. An oral evidentiary hearing or discovery procedures may be requested. The objector should state in detail why such a hearing or discovery is considered necessary and what material issues of decisional fact he or she would expect to establish through such hearing or discovery which cannot be established in written pleadings. The objector should consider whether discovery procedures alone would suffice to resolve material issues of decisional fact; if so, the type of procedure should be specified (see Part 302, Rules 19 and 20); if not, the reasons why not should be explained. If objections are filed, answers may be filed, but no later than December 13, 1984;

3. If timely and properly supported objections are filed, we will give further consideration to the matters and issues raised by the objections before we take further action: Provided, that we may proceed to enter an order in accordance with our tentative findings and conclusions set forth in this order if we determine that there are no factual issues presented that warrant the holding of an oral evidentiary hearing; 18/

4. In the event no objections are filed, all further procedural steps will be deemed to have been waived, and the Secretary shall enter an order which (1) shall make final our tentative findings and conclusions set forth in this order, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, shall reissue a foreign air carrier permit to the applicant in the specimen form attached;

18/ Since we are providing for the filing of objections to this order, we will not entertain petitions for reconsideration.

5. We grant the applicant's motion filed June 24, 1983, for leave to file an otherwise unauthorized document in this docket; and

6. We shall serve this order on Tradewinds Airways Limited, the Ambassador of Great Britain and Northern Ireland in Washington, D.C., the Federal Aviation Administration (AFO-220), and the Departments of State and Transportation.

We shall publish a summary of this order in the Federal Register.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

All Members concurred.

UNITED KINGDOM ROUTES 10, 11, AND 12 IN SECTION 4 OF ANNEX 1 TO BERMUDA 2 \*/

	<u>Column (A)</u> <u>U.K. Gateway Pts.</u>	<u>Column (B)</u> <u>Intermediate Pts.</u>	<u>Column (C)</u> <u>Points in U.S.</u>	<u>Column (D)</u> <u>Points Beyond</u>
<u>Rt. 10:</u>	London Manchester Prestwick/Glasgow	Canada <u>1/</u>	Boston Chicago Detroit Los Angeles <u>1/</u> New York Washington/Balt.	Panama <u>1/</u>

1/ Without rights to carry local traffic between Los Angeles and Canada and between Los Angeles and Panama.

<u>Rt. 11:</u>	London Manchester Prestwick/Glasgow		Atlanta Houston <u>2/</u>	Venezuela Colombia Manaus Peru <u>2/</u>
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2/ Without rights to carry local traffic between Houston and Peru.

<u>Rt. 12:</u>	London Manchester Prestwick/Glasgow		Miami	Mexico City
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\*/ Beginning January 1, 1983, all airlines designated by either government for scheduled air services may operate such services between any point or points in the United States and any point or points in the United Kingdom. See sub-paragraph (3)(b) of Part III, Liberalized Cargo Air Services, of Annex 5.



SUMMARY OF APPLICATION  
Docket 41484

Homeland Country: United Kingdom

Current Permit Issued By: Order 80-4-119, dated April 16, 1980

Authority Covered By Bilateral Agreement: See p. 5, n. 15 of this order.

Designated By Its Government: Yes, for various charter flights and for scheduled all-cargo services on U.K. Routes 10, 11, and 12 in Section 4 of Annex 1.

Government Licenses: See Exhibit TRW-7.

Operating History: Tradewinds states that it was founded in 1968 and commenced worldwide cargo charter operations that year, using CL-44 equipment. In 1980 Tradewinds began using B-707 equipment. In 1983 the U.K. Government awarded the carrier scheduled authority to 21 points in various world areas, authority which the airline is implementing. (See Exhibit TRW-18.)

Aircraft Owned (O) And Leased (L): (O) 1 B-707, (L) 1 B-707

Aircraft Maintenance Performed By: Dan Air Services Ltd., at Lasham Air Field, Hampshire, U.K.

Financial Statements: See Exhibit TRW-17, as supplemented by Tradewinds submissions filed in the correspondence section of Docket 41484 by letters dated May 12, 1983, June 3, 1983, and June 19, 1984.

Majority Ownership By Nationals Of: United Kingdom

Effective Control By Nationals Of: United Kingdom

Insurance Coverage: Yes, meets the requirements of 14 CFR 205.

Insurance Refused Or Involuntarily Canceled During Last 3 Years: No

Refused Debt Financing Last 3 Years: No

Defaulted On Transportation Commitments Last 3 Years: No

Failed To Meet Current Financial Obligations Last 3 Years: No

Safety Violations During Last 5 Years: No

Tariff Violations During Last 5 Years: No

Subscribes To Standard Permit Conditions Regarding Insurance And Annex 6 Of Chicago Convention And C.A.B. Agreement 18900: Yes

Near-term Annual Fuel Consumption Exceeds 10 Million Gallons: No

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

-----  
PERMIT TO FOREIGN AIR CARRIER  
(as amended and reissued)  
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TRADEWINDS AIRWAYS LIMITED

is authorized, subject to the provisions of the Federal Aviation Act of 1958, as amended, and the orders, rules, and regulations of the Board or Department of Transportation (U.S.D.O.T.), to engage in foreign air transportation:

A. 1. Between London, England; the intermediate point Toronto, Canada; and the coterminal points Boston, Massachusetts, New York, New York, Chicago, Illinois, Detroit, Michigan and Los Angeles, California (without rights to carry local traffic between Toronto and Los Angeles).

A. 2. Between London, England, and the coterminal points Atlanta, Georgia, Boston, Massachusetts, New York, New York, Chicago, Illinois, Detroit, Michigan, Miami, Florida, Los Angeles, California, and San Francisco, California.

B. Between any point or points in the United Kingdom <sup>1/</sup> and any point or points in the United States, either directly or via intermediate or beyond points in other countries, with or without stopovers.

C. Between any point or points in the United States and any point or points not in the United Kingdom or the United States.

This permit and the exercise of the privileges granted in it shall be subject to the following conditions:

1. The exercise of authority granted by paragraphs A.1 and A.2 shall be limited to scheduled transportation of property and mail.

2. The exercise of authority granted by paragraphs B and C shall be limited to charter foreign air transportation of property and mail.

1/ For the purpose of this permit, "United Kingdom" shall mean the United Kingdom of Great Britain and Northern Ireland, but not any territory outside the British Isles which may be under the sovereignty, protection, jurisdiction, or trusteeship of the Government of the United Kingdom.

3. Flights authorized by paragraph C must be individually approved by the U.S.D.O.T. unless this requirement is waived by U.S.D.O.T. order. Application shall be made as provided in the order issuing this permit or as required by subsequent U.S.D.O.T. order or regulation.

4. The authority of the holder to perform charters originating in the United Kingdom shall be subject to the terms, conditions, and limitations contained in the rules, regulations, or licenses issued by the Civil Aviation Authority of the United Kingdom authorizing the performance of such charters, including waivers or variations. The authority of the holder to perform charters (1) originating in the United States or, (2) between any point or points in the United States and any point or points not in the United Kingdom or the United States, is subject to applicable U.S.D.O.T. regulations, except where waivers of these regulations have been granted by the U.S.D.O.T.

5. The holder shall not allow charter traffic to stop over at one point in the United States before transporting it to, or after transporting it from, any other point in the United States.

6. Charter transportation, provided pursuant to paragraph B of this permit, which originates in the United States and stops over at any point or points outside the United Kingdom, shall also stop over in the United Kingdom for at least two consecutive nights. Unless the U.S.D.O.T. specifically authorizes, in advance, shortening or eliminating the United Kingdom stopover, all traffic originating in the United States and stopping over in the United Kingdom for less than two consecutive nights shall be carried pursuant to paragraph C of this permit.

7. The U.S.D.O.T., by order or regulation and with or without hearing, may require advance approval of individual charter trips conducted under the authority granted by paragraph B of the permit, if it finds (i) either (a) that the requirement of such prior approval is authorized under the terms of a treaty, agreement, or understanding, or amendments or protocols to such instrument, in effect between the United States and the United Kingdom; or (b) that the Government of the United Kingdom has denied or failed to prevent the denial of, in whole or in part, the fair and equal opportunity to exercise the operating rights provided for in an air transport agreement between the United Kingdom and the United States of any U.S. air carrier designated thereunder with respect to flight operations to, from, through, or over the United Kingdom; and (ii) that such action is required in the public interest.

8. The holder shall conform to the airworthiness and airman competency requirements of the Government of the United Kingdom of Great Britain and Northern Ireland for British international air service.

9. The holder shall not provide foreign air transportation under this permit unless it holds a currently effective authorization from the Government of the United Kingdom for such operations.

10. The holder shall not operate any aircraft under the authority granted by this permit unless the holder complies with operational safety requirements at least equivalent to Annex 6 of the Chicago Convention.

11. By accepting this permit the holder waives any right it may possess to assert any defense of sovereign immunity from suit in any action or proceeding instituted against it in any court or other tribunal in the United States (or its territories or possessions) based upon any claim arising out of its operations under this permit.

12. The holder shall comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses.

13. The holder shall comply with the requirements for minimum insurance coverage contained in 14 CFR 205.

14. This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective to which the United States and the United Kingdom of Great Britain and Northern Ireland shall be parties.

15. The exercise of the privileges granted by this permit will be subject to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the U.S.D.O.T.

This permit shall be effective on \_\_\_\_\_ . Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention, or agreement, this permit shall terminate (1) upon the effective date of any treaty, convention, or agreement or amendment, which shall have the effect of eliminating the bilaterally authorized service authorized by this permit from the service which may be operated by airlines designated by the Government of the United Kingdom of Great Britain and Northern Ireland (or in the event of the elimination of any part of the authorized service, the authority granted shall terminate to the extent of such elimination); or (2) upon the effective date of any permit granted by the U.S.D.O.T. to any other carrier designated by the Government of the United Kingdom in lieu of the holder; or (3) upon the termination or expiration of the Air Services Agreement or any part thereof between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, as amended (or in the event of the termination or expiration of any part of the Air Services Agreement the authority granted by this permit shall cease to the extent of such termination or expiration). However, clause (3) of this paragraph shall not apply if the operation of the authorized foreign air transportation becomes the subject of any treaty, convention, or agreement to which the United States of America and the United Kingdom of Great Britain and Northern Ireland are or shall become parties.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on

Secretary

(SEAL)