



## NOTICE OF ACTION TAKEN

### DOCKET OST-95-804

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Icelandair (Flugleidir Hf.)**      Date Filed: November 26, 1996, as amended January 8, 1998

#### Background

On January 16, 1998, we orally approved, for the reasons set forth in Order 92-10-50, Icelandair's request to renew its existing exemption authority to serve Luxembourg as a coterminal point with Iceland on scheduled operations between Luxembourg and Chicago, New York, Baltimore, Boston, Orlando, Ft. Lauderdale, Cleveland and Detroit, subject to the condition that a minimum of 50 percent of these services must operate via Iceland. We also approved Icelandair's request to conduct scheduled operations from points behind Iceland, via Iceland and intermediate points, to points in the United States and beyond, finding that this authority was encompassed by the U.S.-Iceland Air Transport Agreement. We dismissed Icelandair's request to provide Luxembourg-Minneapolis/St. Paul service, finding that grant of this authority is not provided for in our aviation agreement with Iceland and was not within the scope of authority we were prepared to grant the carrier.<sup>1</sup>

By letter dated February 17, 1998, the Department of State requested that, in consideration of foreign policy objectives, favorable consideration be given to Icelandair's application to operate services between Luxembourg and Minneapolis/St. Paul. By letter dated February 18, 1998, Icelandair requested the Department to reconsider its decision of January 16, 1998, based on the State Department's letter and Icelandair's January 8 application, and grant it an exemption to provide nonstop Luxembourg-Minneapolis/St. Paul service subject to the existing condition that a minimum of 50% of all U.S.-Luxembourg flights operate via Iceland.<sup>2</sup> On February 25, 1998, Icelandair informed us that it had polled the parties served with its letter and that none objected to its request.

#### **DISPOSITION**

Action: We decided to reconsider our decision of January 16, 1998, and on reconsideration to grant Icelandair an exemption from 49 U.S.C. 41301 to provide Luxembourg-Minneapolis/St. Paul scheduled service. We found, taking into account the views expressed by the Department of State, that our action was consistent with the public interest. As previously imposed on Icelandair's U.S.-Luxembourg services, grant of this authority is subject to the condition that a minimum of 50 percent of these services must operate via Iceland.

Action date: **FEBRUARY 25, 1998**

Effective dates of authority granted: **FEBRUARY 25, 1998, thru JANUARY 16, 1999**

Except to the extent exempted/waived, this authority is also subject to the terms, conditions, and limitations of Icelandair's foreign air carrier permit (Order 80-1-2).

Action taken by:      Paul L. Gretch, Director  
                                 Office of International Aviation  
                                 under assigned authority (14 CFR 385)

(Petitions for review may be filed from now until 10 days after the service date of the confirming order/letter. Filing of a petition shall not stay the effectiveness of this action.)

---

<sup>1</sup> See January 16, 1998, Notice of Action Taken in this docket.

<sup>2</sup> Both of these letters have been placed in Docket OST-95-804.