



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 7th day of December, 2000

In the matter of

Aero Continente Chile
LADECO, S.A.
Lan Chile
Air New Zealand
Ansett New Zealand
Singapore Airlines
Royal Brunei Airlines

Docket 2000-8393

Foreign air carrier permits and exemptions
Under 49 U.S.C. 41301 and 40109

ORDER

Summary

By this order we grant the request for expedition filed by Air New Zealand, Singapore Airlines and LAN Chile (the movants) and deny the petition for reconsideration of Order 2000-12-1 filed by the movants.

Decision

On December 1, 2000, the Department issued Order 2000-12-1, extending the dates for filing objections to Order 2000-11-25. Specifically, we extended from December 1 to December 8 the date for filing objections to the condition that we proposed to add to the authority held by the above-captioned foreign air carriers; Order 2000-12-1 also extended from December 4 to December 14 the date for filing reply comments. This extension was granted in an effort to accommodate the movants who had asked for an additional two weeks (until December 15) to respond to the show cause order so that they could consult with their respective aeronautical authorities and foreign ministries that were in time zones significantly different from Washington's.

Subsequent to the issuance of Order 2000-11-25, Federal Express filed on December 1, 2000 an answer in support of the movants' request for additional time, but proposed

that objections not be due until January 15, 2001. On December 4, 2000, the movants filed a petition for reconsideration of Order 2000-12-1 and answer in support of the

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Federal Express answer, accompanied by a request for expeditious treatment of the Petition and Answer.¹

The movants and Federal Express raise a number of issues in their pleadings which have the net effect of arguing that the Department's proposed action raises complex issues that require a significant amount of time to formulate a response. We do not agree and are not persuaded to change the dates set in Order 2000-12-1.

The new multilateral agreement greatly liberalizes the ownership requirements traditionally found in our bilateral aviation agreements. Instead of the broad requirement that the foreign air carrier be substantially owned by its homeland or nationals, a narrow provision was negotiated by the participating governments which provided that it was in a Party's discretion not to accept a designation if substantial ownership of the designated carrier were vested in nationals of the Party receiving the designation.

As we noted in the show cause order, the Department did not have a mechanism in place by which it could ascertain whether U.S. nationals have substantial ownership of any of the airlines designated by these four countries. Therefore, in order to give effect to this new provision, we proposed the conditions set out in that order. It is our view that the 14 days that we have provided is sufficient time in which to consult with clients and governments and to respond to the limited condition proposed.

ACCORDINGLY,

1. We grant the request for expeditious treatment filed by the movants;
2. We deny the petition for reconsideration file by the movants; and
3. We will serve a copy of this order on Aero Continente Chile; LADECO, S.A., Lan Chile, Air New Zealand, Ansett New Zealand, Singapore Airlines, Royal Brunei Airlines, the embassies of these carriers' homelands in Washington, D.C., United Air Lines, Federal Express, and the Department of State.

By: Francisco Sanchez

¹ Under the Department's regulations, answers to the movants' petition would not be due until 10 days after the petition was filed, *i.e.*, December 14, 2000. As that would be after the current deadline (December 8, 2000) for filing comments to the show cause order, we have decided to act on the movants' request without awaiting expiration of the period for answers.

Assistant Secretary for Aviation and International Affairs

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