

Served: November 7, 2000

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**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 November, 2000

Application of

**KITTY HAWK INTERNATIONAL, INC.
d/b/a American International Airways
and
KALITTA AIR, L.L.C.**

Docket OST-2000-7588 - 17

for transfer of certificate authority under 49 U.S.C. 41105

FINAL ORDER

By Order 2000-10-29, issued October 26, 2000, we directed all interested persons to show cause why we should not make final our tentative findings and conclusions stated therein and transfer the interstate cargo and mail authority currently held by Kitty Hawk International, Inc. d/b/a American International Airways to Kalitta Air, L.L.C.¹ Interested persons were given 10 calendar days to file objections to the order.

No objections to the show-cause order were received.

ACCORDINGLY,

1. We find that Kalitta Air, L.L.C., is fit, willing, and able to engage in interstate scheduled air transportation of property and mail.
2. We transfer to Kalitta Air, L.L.C., the interstate scheduled property and mail authority issued to Kitty Hawk International, Inc. d/b/a American International Airways by Order 99-3-8, issued March 10, 1999, in the form and subject to the Terms, Conditions and Limitations, attached.
3. We cancel the passenger authority contained in the interstate certificate issued to Kitty Hawk International, Inc. d/b/a American International Airways, Inc. by Order 99-3-8.

¹ That order also noted our intent to cancel the passenger authority contained in Kitty Hawk's interstate certificate.

4. Should Kalitta Air, L.L.C., propose to operate more than five aircraft, we direct it to notify the Department in writing at least 45 days prior to the proposed operations and demonstrate its fitness for such operations before their commencement.
5. We direct Kalitta Air, L.L.C., to submit to the Air Carrier Fitness Division a first-year progress report within 45 days following the end of its first year of operations.²
6. We will serve a copy of this order on the persons listed in Attachment A.

By:

FRANCISCO J. SANCHEZ
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
http://dms.dot.gov/reports/reports_aviation.asp*

² The report shall include a description of Kalitta Air's current operations (number and type of aircraft, principal markets served, total number of full-time and part-time employees), a summary of how these operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements, and a listing of current senior management and key technical personnel.



Certificate of Public Convenience and Necessity
for
Interstate Air Transportation

This Certifies That

KALITTA AIR, L.L.C.

is authorized, subject to the provisions of Subtitle VII of Title 49 of the United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in interstate air transportation of property and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

*Issued by Order 2000-11-3
On November 7, 2000
Effective on (See Attached)*

*Francisco J. Sanchez
Assistant Secretary for
Aviation and International Affairs*



Terms, Conditions, and Limitations

KALITTA AIR, L.L.C.

is authorized to engage in interstate air transportation of property and mail between any point in any State, territory, or possession of the United States or the District of Columbia, and any other point in any of those entities.

This authority is subject to the following provisions:

- (1) The authority to operate under this certificate will not become effective until six (business) days after the Department has received the following documents; provided, however, that the Department may stay the effectiveness of this authority at any time prior to that date:
 - (a) A copy of the holder's Air Carrier Certificate and Operations Specifications authorizing such operations from the Federal Aviation Administration (FAA).*
 - (b) A certificate of insurance on OST Form 6410 evidencing liability insurance coverage meeting the requirements of 14 CFR 205.5(b) for all of its aircraft.*
 - (c) A statement of any changes the holder has undergone in its ownership, key personnel, operating plans, financial posture, or compliance history, since the date of the Show Cause Order in this case.*
 - (d) A revised list of pre-operating expenses already paid and those remaining to be paid, as well as independent verification that the holder has available to it funds sufficient to cover any remaining pre-operating expenses and to provide a working capital reserve equal to the operating costs that would be incurred in three months of operations.**
- (2) Pending receipt of effective authority, the holder may not accept payment of any kind (i.e., cash, check, or credit card) or issue waybills for the operations proposed under this certificate, and any advertisement or listing of flights by the holder must prominently state: "This service is subject to receipt of government operating authority."*
- (3) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.*

- (4) *The holder is not authorized to carry passengers (other than cargo attendants accompanying freight shipments).*
- (5) *The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).*
- (6) *The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).*
- (7) *The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this certificate.*
- (8) *Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(l)), it must first comply with the requirements of 14 CFR 204.5.*
- (9) *In the event that the holder does not commence actual flying operations under this certificate within one year of the date of the Department's determination of its fitness, its authority shall be revoked for dormancy, unless the holder is conducting operations under another type of certificate authority. Further, in the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under all certificates held shall be suspended under the terms of 14 CFR 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.*