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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 July 19, 2002

NOTICE OF ACTION TAKEN -- DOCKET OST-2002-12868 - 2

**\*CORRECTED NOTICE**

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This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of ALASKA AIRLINES, INC., filed 7/17/02, for:

**XX** Exemption for two years under 49 U.S.C. 40109 to provide the following service:

**Scheduled foreign air transportation of persons, property, and mail between the terminal point Houston, Texas, on the one hand, and the coterminal points Acapulco, Leon/Guanajuato, Cozumel, Guadalajara, Merida, and Monterrey, Mexico, on the other hand. Alaska proposes to use the requested authority by placing its airline designator code on flights operated by Continental Airlines, Inc., in the subject markets.**

Applicant rep: Marshall S. Sinick (202) 626-6651 DOT Analyst: Linda Lundell (202) 366-2336

**DISPOSITION**

**XX** **Granted (subject to conditions, see below)**

The authority granted was effective when taken: **July 19, 2002**, through **July 19, 2004**, or until 90 days after final Department action on a corresponding certificate application, whichever occurs earlier.

**Action taken by:** **Paul L. Gretch**  
**Office of International Aviation**

**XX** **The authority granted is consistent with the aviation agreement between the United States and Mexico.**

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated: **XX** **Holder's certificates of public convenience and necessity**  
**XX** **Standard Exemption Conditions (attached)**

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**Conditions:** The U.S.-Mexico exemption authority granted is subject to the dormancy notice requirements set forth in condition 7 of Appendix A of Order 88-10-2. In addition, the exemption authority granted is limited to services provided on a code-share basis only.

**\*Corrects Notice of Action Taken dated July 19,2002 to reflect correct docket number**

- see next page -

The code-share operations conducted under this authorization are subject to the following conditions:

- (a) The code-sharing operations conducted under this authority must comply with 14 CFR 257 and with any amendment to the Department's regulations concerning code-share arrangements that may be adopted. Notwithstanding any provisions in the contract between the carriers, our approval here is expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservation systems and elsewhere; that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept responsibility for the entirety of the code-share journey for all obligations established in its contract of carriage with the passenger; and that the passenger liability of the operating carrier be unaffected; and
- (b) The authority granted here is specifically conditioned so that neither Alaska nor Continental Airlines, Inc., shall give any force or effect to any contractual provisions between themselves that are contrary to these conditions.

**Remarks:** We acted on this application without awaiting expiration of the 15-day answer period with the consent of all parties served.

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On the basis of data officially noticeable under Rule 24(g) of the Department's regulations, we found the applicant qualified to provide the services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action was consistent with Department policy; (2) grant of the application was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within seven (7) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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

**U.S. CARRIER**  
**Standard Exemption Conditions**

In the conduct of operations authorized by the attached notice, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR Part 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations and with all U.S. Government requirements concerning security; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.