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UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

Issued by the Department of Transportation on November 1, 2001

NOTICE OF ACTION TAKEN -- DOCKETS OST-97-3283 - 7

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 **Continental Micronesia, Inc.** filed **10/11/2001** to:

XX Renew for two years exemption pursuant to 49 U.S.C. §40109 to provide the following service:

Scheduled foreign air transportation of persons, property and mail between Guam and Cairns, Australia, and its authority to integrate this service with its other exemption and certificate authority.

Applicant rep: **R. Bruce Keiner (202) 624-2615** DOT Analyst: **Michael D. Bodman (202) 366-9667**

DISPOSITION

XX Granted, subject to conditions (see below).

The above action was effective when taken: **November 1, 2001,** through **November 1, 2003**.

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

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

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)

Conditions: The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with the applicable bilateral aviation agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award of the route integration authority requested should be construed as conferring upon Continental Micronesia additional rights (including fifth-freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless Continental Micronesia first notifies the Department of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedures to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited-entry route rights that are included in Continental Micronesia's authority by virtue of the route integration authority granted here, but that are not then being used by Continental Micronesia, the holding of such authority by route integration will not be considered as providing any preference for Continental Micronesia in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

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 exemption 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 ten (10) 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 order is available on the World Wide Web at
http://dms.dot.gov//reports/reports_ aviation.asp

APPENDIX A

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 203, concerning waiver of Warsaw Convention liability limits and defenses;

(6) Comply with the applicable requirements of the Federal Aviation Administration Regulations, including all FAA 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.