

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Application of )  
)  
CATHAY PACIFIC AIRWAYS LIMITED )  
) Docket OST-95-940  
for Renewal of Exemption from 49 U.S.C. 41301. )  
(Hong Kong-Vancouver-New York Combination )  
Service; Hong Kong-Toronto-Anchorage/Chicago/ )  
New York All Cargo Service) )

Application of )  
)  
CATHAY PACIFIC AIRWAYS LIMITED ) Docket OST-98-3950  
)  
for Renewal of Exemption from 49 U.S.C. 41301. )  
(Hong Kong-San Francisco Combination Service) )

APPLICATION OF  
CATHAY PACIFIC AIRWAYS LIMITED  
FOR RENEWAL OF EXEMPTIONS FROM 49 U.S.C. 41301

Communications with respect to this  
document may be served upon:

William C. Evans  
John R. Mietus, Jr.  
LAW OFFICE OF JOHN MIETUS  
6701 Democracy Boulevard  
Bethesda, MD 20817  
(301) 571-9334  
(410) 827-5074  
john@mietuslaw.com  
bill@mietuslaw.com  
Counsel for Cathay Pacific Airways Limited

**NOTICE: Any person may support or oppose this application by filing an answer and serving a copy of the answer on counsel for Cathay Pacific Airways, Limited, and upon persons served with this application no later than February 14, 2007.**

DATED: January 30, 2007

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Application of )  
 )  
 CATHAY PACIFIC AIRWAYS LIMITED )  
 )  
 for Renewal of Exemption from 49 U.S.C. 41301. ) Docket OST-95-940  
 (Hong Kong-Vancouver-new York Combination ) January 30, 2007  
 Service; Hong Kong-Toronto-Anchorage/Chicago/ )  
 New York All Cargo Service)

Application of )  
 )  
 CATHAY PACIFIC AIRWAYS LIMITED ) Docket OST-98-3950  
 )  
 for Renewal of Exemption from 49 U.S.C. 41301. )  
 (Hong Kong-San Francisco Combination Service) )

APPLICATION OF  
CATHAY PACIFIC AIRWAYS LIMITED  
FOR RENEWAL OF EXEMPTIONS FROM 49 U.S.C. 41301

Pursuant to 49 U.S.C. 40109(c), Cathay Pacific Airways Limited ("Cathay"),  
respectfully requests renewal of the following exemptions which were last renewed by  
Notice of Action Taken, dated March 14, 2006:

- 1) scheduled foreign air transportation of persons, property and mail between  
Hong Kong and New York, NY via Vancouver, Canada. OST-95-940.
- 2) scheduled foreign air transportation of property and mail between Hong Kong  
and the coterminal points Anchorage, AK; Chicago, IL, and New York, NY via Toronto,  
Canada. OST-95-940. and,
- 3) scheduled foreign air transportation of persons, property and mail between  
Hong Kong and San Francisco. OST-98-3950.

The exemptions will expire on March 14, 2007. Cathay seeks renewal of the authorities for an additional year. By this application, Cathay intends to invoke the automatic extension provisions of 5 U.S.C. § 558(c) and Part 377 of the Department's Special regulations. In support of this application Cathay states as follows:

1. Cathay is a flag carrier of Hong Kong and currently holds a foreign air carrier permit which authorizes combination service between Hong Kong and several U.S. points. Order 92-11-37. Pursuant to that authority and exemption authority, Cathay currently provides extensive combination and all-cargo service between Hong Kong and the U.S., with B-747 and Airbus 360 aircraft. Cathay is financially fit to perform the proposed services so there is no risk to consumer funds. In addition, it continues to comply with 14 C.F.R. 203 (Warsaw Liability Waiver), 205 (Insurance) and 129 (Operations Specifications).

2. By this application, Cathay seeks renewal of its exemption authority to engage in (1) foreign transportation of person property and mail between Hong Kong and New York, NY via Vancouver, Canada (OST-95-940) and between Hong Kong and San Francisco (OST-98-3950), and (2) scheduled foreign air transportation of property and mail between Hong Kong and the coterminal points Anchorage, AK; Chicago, IL, and New York, NY via Toronto, Canada (OST-95-940). The exemptions are set to expire on March 14, 2007.

Cathay currently is providing daily nonstop combination service between Hong Kong, on the one hand, and New York and San Francisco, on the other., and that service has been well-received by the traveling public. In addition, Cathay provides multiple

weekly B-747 all-cargo frequencies between Hong Kong, on the one hand, and Chicago and New York, on the other, via Anchorage, and this service has been heavily patronized by Hong Kong and U.S. shippers. Consequently, Cathay seeks to renew its authority to serve all three routes.

3. Under the October 19, 2002, Memorandum of Understanding between Hong Kong and the U.S. ("MOU"), a carrier designated by the Government of Hong Kong is entitled to operate combination and/or all-cargo service from Hong Kong via certain intermediate points to "a point or points in the United States." Cathay has been designated by the Government of Hong Kong to serve the three routes in question.

4. Under 49 U.S.C. 40109(c), the Department may grant an exemption if it finds that such is consistent with the public interest. It is clear that the designation of a carrier by its homeland government is the most significant factor in determining whether grant of an application is in the public interest. For example, in Linea Aerea Nacional de Chile, Foreign Permit, 26 C.A.B. 604 (1958), the Civil Aeronautics Board stated as follows:

Where, as here, the applicant has shown that it holds the appropriate designation under an effective bilateral agreement to operate the route embraced by the application, the applicant has presented highly significant evidence bearing on the public interest.

See also Application of Aerovias Venezolanas S.A., Order 86-8-88 at 3 (provision for authority in a bilateral is prima facie evidence that grant thereof is in the public interest); Aerolineas Peruanas Foreign Permit, 31 C.A.B. 181 (1960). The same findings are warranted here, where Cathay has been designated for the routes sought to be served. In

addition, Cathay holds authority from the Hong Kong civil aviation authority to serve the routes.

5. Given the fact that Cathay has been designated for the authority requested herein and the fact that the exemption will only be effective for one year, the request is limited in scope and should be noncontroversial. Moreover, the benefits which the services will generate for shippers and receivers further demonstrate that the exemption is consistent with the public interest.

WHEREFORE, Cathay Pacific Airways Limited respectfully requests that the Department grant the exemption authority sought herein.

Respectfully submitted,



John R. Mietus, Jr.  
William C. Evans.  
LAW OFFICE OF JOHN MIETUS  
6701 Democracy Boulevard  
Bethesda, MD 20817  
(301) 571-9334  
(410) 827-5074  
john@mietuslaw.com  
bill@mietuslaw.com

Counsel for Cathay Pacific  
Airways Limited

DATED: January 30, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this 30<sup>th</sup> day of January 2007, caused a copy of the foregoing Application of Cathay Pacific Airways Limited to be served upon those persons on the attached list by electronic mail.

  
William C. Evans

## SERVICE LIST

Carl B. Nelson, Jr.  
Associate General Counsel  
American Airlines, Inc.  
1101 17th Street, N.W.  
Washington, D.C. 20036

Robert E. Cohn (for Delta)  
Hogan & Hartson, LLP  
555 13<sup>th</sup> Street, NW  
Washington, D.C. 20004

R. Bruce Keiner, Jr. (for Continental Airlines, Air Micronesia  
And Continental Micronesia)  
Crowell & Moring  
1001 Pa. Ave., N.W., 10th Fl.  
Washington, D.C. 20004

Jonathan Moss (for United Airlines)  
WilmerHale  
1875 Pennsylvania Avenue, N.W.  
Washington, DC 20006

Marshall S. Sinick ( for Alaska Airlines)  
Squire, Sanders & Dempsey  
1201 Pennsylvania Ave. N.W.  
Washington, D.C. 20004

Alexander Van der Bellen  
Northwest Airlines, Inc.  
901 15th Street, N.W., 3rd Floor  
Washington, D.C. 20005

Stephen Lachter (for Astar)  
Lachter & Clements LLP  
1150 Connecticut Ave., N.W., #900  
Washington, DC 20036

Jonathan B. Hill (Hawaiian)  
Dow, Lohnes & Albertson  
1200 New Hampshire Avenue, N.W..  
Suite 800  
Washington, D.C. 20036

Robert Silverberg (Evergreen)  
Silverberg, Goldman & Bikoff  
1101 30<sup>th</sup> Street, N.W.  
Washington, D.C.  
Indianapolis, IN 46251

Russell Pommer (Atlas)  
1747 Pennsylvania Avenue, N.W., Suite 875  
Washington, DC 20006

Kevin Montgomery (Polar)  
1747 Pennsylvania Avenue, N.W., Suite 875  
Washington, DC 20006

John L. Richardson (for Amerijet)  
555 13<sup>th</sup> Street, N.W., Suite 420 West  
Washington, DC 20004

Sandra Lunsford/Angie Bird  
Federal Express Corporation  
3620 Hacks Cross Road, Bldg. B, 3rd Fl.  
Memphis, TN 38125

David L. Vaughn (for UPS)  
Kelley, Drye & Warren  
3050 K Street, N.W. Suite 400  
Washington, DC 20036

Thomas Newton Bolling  
Senior Attorney Regulatory  
Continental Airlines, Inc.  
P.O. Box 4607 - HQSGV  
Houston, TX 77210-4607

Mark Atwood (Kalitta)  
Sher & Blackwell  
1850 M Street, N.W., Suite 900  
Washington, D.C. 20036

Hershel L. Kamen  
Staff Vice President  
Continental Airlines, Inc.  
P.O. Box 4607-HQSGV  
Houston, TX 77210-4607

Howard Kass  
Associate General Counsel  
US Airways, Inc.  
2345 Crystal Drive  
Arlington, VA 22227

Benjamin Slocum (for US Airways/America West Airlines)  
Assistant General Counsel  
America West Airlines  
111 West Rio Salado Parkway  
Tempe, AZ 85281

Malcolm Bengé (for World)  
Zuckert, Scoutt & Rasenberger  
888 Seventeenth Street, Suite 700  
Washington, DC 20006-3309

Office of Aviation Negotiations  
Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

Flight Standards Service -AFS-200  
Federal Aviation Admin.  
800 Independence Avenue, S.E.  
Washington, D.C. 20591