



**U.S. Department of  
Transportation**

Office of the Secretary of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

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Via email: mhowell@cozen.com

Issue date: February 14, 2020  
Authority expires: March 17, 2020

Director, Office of International Aviation

**NOTICE OF CONSISTENCY**

**Kalitta Air, LLC**

is a properly certificated carrier that holds authority to conduct charter operations to and from China. Based on a proposal submitted by the carrier, we have determined that the operations comply with the applicable Department regulations and the provisions of the 2004 U.S.-China Protocol.

**Number of Flights:** Ten (10) China Zone 1 one-way charters

**Flight Date(s):** March 1-15, 2020

**Points:** ORD-ANC\*-ICN\*-PVG-ANC\*-ORD

**Equipment:** B747-400F

The U.S. carrier operating the above charter flights should report, in writing, to the U.S. Air Carrier Licensing Division (X-44), Office of International Aviation, Department of Transportation, on its operations for the preceding month by the tenth of each month whether the flights operated.

This notice is valid only for the flights contained in the above program.

\*indicates tech stop only

*An electronic version of this document is available on the World Wide Web at:  
[www.regulations.gov](http://www.regulations.gov)*

Application of Kalitta Air, LLC (Kalitta), filed February 7, 2020, for a Notice of Consistency for 20 one-way U.S.-China Zone 1 charter allocations. Kalitta states that it has been contracted to operate in both directions over a Chicago-Shanghai-Chicago routing during the period March 1-15, 2020, to carry relief supplies on the U.S.-China segments and general cargo on the China-U.S. segments. Under the terms of the Department's Notice on 2019/2020 U.S.-China Charter Authorizations, applications to operate more than ten Zone 1 charters in a given month may be considered after the applicant completes polling of interested parties.<sup>1</sup>

### **Responsive Pleadings**

Atlas Air, Inc. (Atlas) opposes Kalitta's request for 20 one-way charters, and suggests that the Department limit Notices of Consistency to 10 flights per carrier per month as contemplated in the governing charter Notice. Atlas argues that awarding over half of the balance of the remaining opportunities to a single carrier would unduly disadvantage Atlas and possibly other U.S. operators.<sup>2</sup> Atlas states that it has experienced an uptick in recent demand for its own services, and anticipates shortly submitting applications of its own for charters during February and March.<sup>3</sup>

Atlas further states that the outbreak of the Coronavirus 2019-nCoV in China has resulted in significant disruption of air transportation and, consequently, international supply chains. In view of those circumstances, Atlas urges the Department to approach China about the possibility of waiving the 75 charter flight limit for the remainder of the charter year.

Avjet Corporation (Avjet) opposes Kalitta's request for 20 one-way charters, on the basis that Kalitta's request would take a disproportionate number of limited charter allocations away from other charter operators. Avjet states that it supports the suggestion of a temporary waiver of the 75-charter flight limit to offset the current cargo capacity constraints brought about by the cancelation of scheduled airline services between the United States and China. Avjet further states that it would support eliminating or significantly increasing the charter limits to China.

Kalitta filed a response urging the Department to approve its request, which Kalitta argues is necessary to meet an urgent need for sustained cargo lift between the United States and China. Kalitta states that it acknowledges that its request exceeds the baseline monthly limit of 10 Zone 1 charters, but argues that approval is warranted due to extreme circumstances stemming from the ongoing Coronavirus public health crisis and immediate need for sufficient cargo capacity. Kalitta also supports temporarily lifting the 75-charter flight limit, and urges the Department to pursue a mutual understanding with the Civil Aviation Administration of China (CAAC).

### **Decision**

We have decided to approve Kalitta's request in part and allocate 10 of the 20 charters that Kalitta requested for its March operations. Given that 6 months into the 2019/2020 charter year, 40 of the 75 charters available to U.S. carriers have already been allocated, including 20 to Kalitta, and taking into account the responsive pleadings filed by interested parties, we have determined that the public interest would be best served in this case by limiting approval of Kalitta's present request to 10 one-way charter allocations.

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<sup>1</sup> See Notice dated July 24, 2019, in Docket DOT-OST-1998-20.

<sup>2</sup> At the time of Atlas' objection, there were 35 available U.S.-China Zone 1 charters remaining from the pool of 75 annual charters. The 2019/2020 charter year ends on July 31, 2020.

<sup>3</sup> Atlas subsequently filed a request for nine U.S.-China Zone 1 charters. We will handle that request separately through normal procedures.

The Department appreciates the interested parties' suggestions that we engage with the Chinese aviation authorities to secure an increase in the permissible number of charters for U.S. carriers. We are aware of the various impacts that the Coronavirus situation is having on air transportation, and we have accordingly been working with the CAAC on a variety of issues in this regard. Although we have not yet received an indication from the Chinese as to whether they might on the basis of comity and reciprocity be willing to authorize Zone 1 charter flights in excess of the seventy-five (75) flight cap, our efforts in this regard will continue.

Persons entitled to petition the Department for review of this action may file their petitions within seven days of the date of this action. This allocation is effective immediately, and the filing of a petition for review will not alter its effectiveness.