



U.S. Department of Transportation
Office of the Secretary of Transportation
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Washington, DC 20590

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Via email: Matwood@cozen.com

Issue date: March 17, 2020

Authority expires: March 31, 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: Six (6) China Zone 1 one-way charters

Flight Date(s): March 9-29, 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

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Application of Kalitta Air, LLC (Kalitta), filed March 6, 2020, as amended March 16, 2020, for a Notice of Consistency for 6 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 9-29, 2020, carrying relief supplies from the United States to China and general cargo from China to the United States. Since Kalitta was previously allocated 10 charter flights for the month of March,¹ it conducted a poll of interested carriers.

Responsive Pleadings

National Air Cargo, Inc. d/b/a National Airlines (National) opposes Kalitta's request for six U.S.-China charter flights, noting that Kalitta has already received 10 charters for the month of March. National states that Kalitta has received the lion's share of the China Zone 1 charter authorization this charter year and National suggests that the Department should be judicious in awarding allocations among carriers, so that one carrier is not disproportionately favored over another.

National states that the Coronavirus pandemic has caused severe dislocation in trade moving between China and the United States, and that with passenger services largely suspended and a corresponding shortage of belly cargo availability, there is a growing need for charter operations. National also states that the impact of the Coronavirus pandemic on industrial production in the United States is unclear, and that the Department would be wise to defer allocation of the few Zone 1 charter authorizations that remain, as there may come a time when the need for such charters is at a premium. National also states that U.S. negotiators should enter into immediate discussions with their Chinese counterparts to increase the limits on U.S.-China charter authorizations or set them aside entirely for the rest of the charter year.

Kalitta states that it agrees that the Department should be judicious in allocating the few remaining Zone 1 charters, but Kalitta argues that National does not indicate that it has a contract, or that it has any expectation of having a contract to conduct flights of its own. Kalitta asserts that since National does not have contracts for the flights, as does Kalitta, its objection should not prevent shippers from being able to move their goods when needed. Kalitta states that it too hopes the Department is soon able to negotiate some form of relief from the agreed US-China charter quota.

Decision

We have decided to approve Kalitta's request and allocate six U.S.-China Zone 1 charters for its proposed operations through March 29, to transport relief supplies and general cargo between the United States and China. While National states that there may come a time when the need for China Zone 1 charters is at a premium, Kalitta asserts that that time is now and has provided evidence that it has firm plans to use the charters at issue. In these circumstances, we do not find that withholding these valuable charter opportunities would be consistent with the public interest.

The Department also appreciates the parties' continued interest and suggestions that we continue to engage with the Chinese aviation authorities to secure an increase in the permissible number of Zone 1 charters for U.S. carriers. Although our initial request to the Civil Aviation Authority of China (CAAC) to authorize Zone 1 charters in excess of the seventy-five (75) flight cap was denied, our efforts in this regard are continuing.

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.

¹ See Notice of Consistency dated February 14, 2020, in Docket DOT-OST-1998-20.