



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

Issued by the Department of Transportation on **August 5, 2020**

**NOTICE OF ACTION TAKEN -- DOCKETS DOT-OST-2016-0076, DOT-OST-2010-0245,
DOT-OST-2014-0169, and DOT-OST-2020-0035**

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 **American Airlines, Inc. (American)** filed **7/1/20**, for:¹

1. Docket DOT-OST-2010-0245

XX Exemption under 49 U.S.C. 40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Seattle, Washington, and Shanghai, People's Republic of China.²

XX Transfer of seven (7) weekly frequencies allocated to American for Los Angeles-Shanghai service to the Seattle-Shanghai market.³

2. Dockets DOT-OST-2014-0169 and DOT-OST-2020-0035

XX Extension until March 28, 2021, of the waiver granted by Order 2020-3-9 applicable to the 90-day dormancy condition attached to the seven weekly frequencies allocated to American for Dallas/Fort Worth-Beijing service in Docket DOT-OST-2014-0169.⁴

Applicant representative: **Robert A. Wirick (682) 278-0096**

DOT Analyst: **Darren Jaffe (202) 366-2512**

¹ In addition to the requests granted by this Notice of Action Taken, American's application includes two notifications regarding its U.S.-China services. First, American notifies the Department that it is returning seven (7) weekly frequencies allocated for Los Angeles-Beijing service in Docket DOT-OST-2016-0076 by Order 2016-12-14. American's second notification involves its Dallas/Fort Worth-Shanghai service using frequencies allocated in Docket DOT-OST-2013-0187. Pursuant to Order 2020-3-9, American advises that it plans to resume its Dallas/Fort Worth-Shanghai service on October 25, 2020.

² American states that it currently holds exemption authority in Docket DOT-OST-2011-0228, to provide service between Seattle and Beijing, and to any point in China on a code-share basis with Hainan Airlines. American further states that, to the extent American requires an amendment to that exemption authority, or separate exemption authority, to operate its Seattle-Shanghai service, American requests such exemption authority.

³ By Notice of Action Taken dated October 7, 2010, in Docket DOT-OST-2010-0245, American was allocated seven weekly frequencies to provide combination service between Los Angeles and Shanghai. American requests transfer of those frequencies to the Seattle-Shanghai market for operations to commence on March 28, 2021.

⁴ By Order 2020-3-9, the Department granted a dormancy waiver to all U.S. carriers holding limited-entry international route authority until October 24, 2020. American states that the prolonged downturn in international travel will continue to have an impact beyond the Summer season and that offering daily Dallas/Fort Worth-Beijing service as of October 25, 2020, will not be feasible. However, American anticipates that market conditions will improve on this route so that it can resume service by the start of the IATA 2021 Summer traffic season. American accordingly requests an extension of the waiver until March 28, 2021.

DISPOSITION

XX Granted, request for Seattle-Shanghai exemption authority in Docket DOT-OST-2010-0245 (subject to conditions, see below)

XX Granted, request for transfer of seven (7) weekly frequencies from Los Angeles-Shanghai to Seattle-Shanghai in Docket DOT-OST-2010-0245 (subject to conditions, see below)

XX Granted, extension of dormancy waiver for Dallas/Fort Worth-Beijing service in Dockets DOT-OST-2014-0169 and DOT-OST-2020-0035 (subject to conditions, see below)

The above action granting exemption authority was effective when taken: **August 5, 2020**, through **August 5, 2022**, subject to the conditions below

The above action granting a transfer of frequencies was effective when taken: **August 5, 2020**, and will remain in effect indefinitely, subject to the conditions below.

The above action granting an extension of the dormancy waiver is effective **October 25, 2020**, through **March 28, 2021**.

**Action taken by: Esta Rosenberg, Acting Director
Office of International Aviation**

XX The authority granted is consistent with the Air Transport Agreement, as amended, between the United States and the People's Republic of China.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX The holder's certificates of public convenience and necessity
XX Standard U.S. carrier exemption conditions (attached)

Conditions: Consistent with our standard practice, the frequency allocation made here is subject to our standard 90-day dormancy condition, wherein any frequency not operated for a period of 90 days (once inaugurated), will be deemed dormant and the allocation as to that frequency will expire automatically and the frequency will revert to the Department for reallocation.

In addition, consistent with our practice in awarding frequencies, we will allow a 10-day leeway in the proposed start-up date for American's Seattle-Shanghai service. We will allow American to inaugurate service with the frequencies allocated here within 10 days of March 28, 2021 (*i.e.*, by April 7, 2021). Failure to inaugurate service with a newly allocated frequency by April 7, 2021, will result in the unused frequency reverting to the Department.

With respect to our extension of the dormancy waiver applicable to American's Dallas/Fort Worth-Beijing frequencies, we will require the carrier to resume service using the affected frequencies no later than March 28, 2021.

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

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U.S. Carrier Exemption Conditions

In the conduct of the operations authorized, the U.S. carrier 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 all applicable requirements of the Federal Aviation Administration, the Transportation Security Administration, and with all applicable U.S. Government requirements concerning security, including, but not limited to, 49 CFR Part 1544. To assure compliance with all applicable U.S. Government requirements concerning security, the holder shall, before commencing any new service (including charter flights) to or from a foreign airport, contact its Principal Security Inspector (PSI) to advise the PSI of its plans and to find out whether the Transportation Security Administration has determined that security is adequate to allow such airport(s) to be served;
- (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.