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April 5, 1999

Ms. Teresa Bingham, Chief
U.S. Carrier Licensing Division
Office of International Aviation
Department of Transportation
400 Seventh Street, S.W., Room 6412
Washington, D.C. 20590

Re: Application of Atlas Air, Inc., for Renewal of
Statement of Authorization (ABSA)

Dear Ms. Bingham:

Pursuant to section 212.9 of the Department's Economic Regulations, Atlas Air, Inc. ("Atlas") requests renewal of the statement of authorization allowing it to wet lease aircraft on a long-term basis to ABSA-Aerolinhas Brasileiras, S.A. ("ABSA"), a flag carrier of Brazil. The authorization currently is set to expire on June 6, 1999. Atlas requests that the authorization be effective for an indefinite period. By this application, Atlas 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, Atlas submits the following:

1. Atlas is an air carrier holding a Certificate of Public Convenience and Necessity which authorizes it to engage in worldwide charter foreign air transportation of property and mail. Its certificate became effective on February 4, 1993. Order 93-3-7.
2. ABSA holds authority from the Department to engage in charter foreign air transportation of property and mail between points in Brazil and points in the United States, and other charters in accordance with 14 C.R.F. Part 212.
3. Under the long term arrangement Atlas will provide to ABSA B-747 freighter aircraft with crew for the operation of cargo charter service between Brazil and the U.S. Atlas expects to operate on behalf of ABSA between Miami and Brazil but also may serve other U.S.-Brazil

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markets as determined by ABSA. ABSA also will determine the frequency of service to be operated. The current Statement of Authorization expires June 6, 1999, and Atlas desires to renew the statement for an indefinite period.


4. Atlas will provide fully qualified and licensed crews and will be responsible for maintenance of the aircraft. The aircraft will be under the exclusive possession, direction and operational control of Atlas, and the Atlas captain will have complete discretion concerning preparation and flight of the aircraft.

5. Grant of the requested authority is in the public interest because it will permit ABSA to supplement its existing U.S.-Brazil cargo charter service and respond to the increasing demand for cargo capacity in the U.S.-Brazil market. The expansion of ABSA's services clearly will benefit shippers and forwarders and will have a favorable impact on the U.S. balance of trade. In addition, the arrangement will yield additional revenues to Atlas, a U.S.-flag carrier.

6. The situation here is no different than past instances where the Department has granted U.S. carriers authority to wet lease aircraft to foreign carriers. The Department previously approved wet lease operations by Atlas for ABSA as well as for China Airlines, KLM, Aerolineas Argentinas, SAS, Varig and Lan Chile. In addition, the Department granted Florida West authority to conduct wet lease operations for Lineas Aereas Trans Costa, S.A., a Costa Rican carrier providing service between San Jose and Miami. Order 91-1-68. See also, Order 92-10-15 (American International Airways wet lease to Central American Airlines); and, Order 92-10-32 (Rich International Airways wet lease to Aeropostal, S.A.).

For all the foregoing reasons, Atlas Air respectfully requests that the Department renew the statement of authorization to conduct the proposed operations. Copies of the application have been served by U.S. mail upon those persons shown on the attached service list.

Very truly yours,


William C. Evans
Counsel for Atlas Air, Inc.


VLDC01-172158.1

(See reverse)

Atlas/ABSA Wet Lease Application Dated April 5, 1999 (99-15)

Approved under assigned authority

on APR 20 1999


Director, Office of International
Aviation

*The authority granted is subject to the following conditions:

(a) The statement of authorization will remain in effect as long as (i) Atlas Air and ABSA-Aerolinhas Brasileiras continue to hold the necessary underlying authority to operate the services at issue, and (ii) the wet-lease agreement providing for the operations remains in effect.

(b) Atlas Air and/or ABSA-Aerolinhas Brasileiras must promptly notify the Department (Office of International Aviation) if the wet-lease agreement providing for the authorized operations is no longer effective or the carriers decide to cease operating any or all of the approved wet-lease services.¹

(c) Atlas Air must add and maintain ABSA-Aerolinhas Brasileiras as an additional insured under its insurance under Part 205 of the Department's regulations.

(d) We may amend, modify, or revoke the authority granted at any time without hearing at our discretion.

The filing of a petition for review shall not preclude the effectiveness of this action.

¹ We expect this notification to be received within ten (10) days after such non-effectiveness or of such decision.