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BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

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Application of  
  
AIR JAMAICA LIMITED  
  
for an Exemption Pursuant to 49 U.S.C.  
§ 40109 to Engage in Scheduled Combination  
Service between the United States and the  
Eastern Caribbean

Docket OST-99-5344

APPLICATION OF AIR JAMAICA LIMITED  
FOR EXEMPTION AUTHORITY

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Dated: April 15, 1999

**NOTICE:** At present, answers to this application must be filed and served on all persons served with this application by April 30, 1999. However, Air Jamaica is requesting that the Department shorten the answer period to April 22, 1999. Air Jamaica will poll the U.S. carriers identified on the attached service list in connection with this request.

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Docket OST-99-\_\_\_\_  
April 15, 1999

APPLICATION OF AIR JAMAICA LIMITED  
FOR EXEMPTION AUTHORITY

Pursuant to 49 U.S.C. § 40109(c) and the Department's Rules of Practice, Air Jamaica Limited ("Air Jamaica") hereby applies for an exemption from 49 U.S.C. § 41301 to conduct scheduled foreign air transportation of persons, property, and mail between New York (JFK), on the one hand, and the coterminal points Barbados (BGI), Grenada (GND), and St. Lucia (UVF), on the other. Issuance of this authority to Air Jamaica will enable it to provide a new service directly between the U.S. and Grenada and also will permit Air Jamaica the flexibility to restructure the flight numbers that it assigns to various segments of its present operations between the Eastern Caribbean and the U.S.

The exemption authority requested in this application is similar to authority that the Department previously granted to Air Jamaica.

Air Jamaica requests that this exemption authority be granted for a period of one year. Air Jamaica further requests that the Department shorten the answer period for this application to one week (i.e., to Thursday,

April 22, 1999) and grant the requested exemption authority as soon as possible thereafter so that Air Jamaica may begin marketing its new service as far in advance of its planned May 27, 1999 start-up date as possible. In support of this application, Air Jamaica submits the following:

I. Introduction

1. Air Jamaica currently holds a foreign air carrier permit which authorizes it, among other things, to provide scheduled foreign air transportation of persons, property, and mail between points in Jamaica and the following coterminal points: San Francisco, California; San Juan, Puerto Rico; Los Angeles, California; New York, New York; Chicago, Illinois; Philadelphia, Pennsylvania; Miami, Florida; Baltimore, Maryland/ Washington, D.C.; Atlanta, Georgia; and Orlando, Florida. See DOT Order 89-3-74, as amended by DOT Order 91-8-6. Air Jamaica presently is providing service to each of these U.S. points, except San Francisco and San Juan.

In addition, Air Jamaica holds exemption authority for, and is providing, service between Kingston and Montego Bay, Jamaica, on the one hand, and Ft. Lauderdale, Florida, on the other. See Notice of Action Taken in Docket OST-96-1286, dated December 11, 1998.<sup>1</sup>

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<sup>1</sup> Air Jamaica also holds exemption authority for service between Montego Bay and Houston, Texas. See Notice of Action Taken in Docket OST-99-5001, dated February 1, 1999. Air Jamaica's new service between Montego Bay and Houston has not yet been instituted.

2. By this application, Air Jamaica requests exemption authority to engage in scheduled combination service between New York, on the one hand, and Barbados, Grenada, and St. Lucia, on the other. Exhibit AJ-1 to this application summarizes Air Jamaica's proposed routes using this exemption authority. Air Jamaica intends to use Airbus 320 aircraft for its proposed service and plans to commence the service on May 26, 1999.

3. On the basis of comity and reciprocity between the United States and Jamaica, the Department previously granted Air Jamaica similar exemption authority to provide service between New York and Atlanta, Georgia, on the one hand, and Barbados, on the other, via Antigua and Barbuda and St. Lucia.

The most recent renewal of that exemption authority expired last December 1998. See Notice of Action Taken in Docket OST-96-1881, dated November 26, 1997 (authority effective through December 1, 1998). Air Jamaica elected not to renew this authority because of Air Jamaica's development of Montego Bay as its hub for Caribbean service. However, Air Jamaica continued providing service to and from Barbados, Antigua and Barbuda,<sup>2</sup> and St. Lucia as behind points or intermediate points on its authorized U.S.-Jamaica service.

Now, however, Air Jamaica once again desires authority to provide direct service between the U.S. and Barbados and St. Lucia without being

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<sup>2</sup> Air Jamaica eventually discontinued its service to Antigua and Barbuda in February 1998.

required because of bilateral constraints to schedule the flights as behind points or intermediate points on its authorized U.S.-Jamaica service. This new authority will enable Air Jamaica to assign separate flight numbers to route segments between the Eastern Caribbean and the U.S.<sup>3</sup> Having such flexibility would enable Air Jamaica to more efficiently measure its productivity, enhance revenue management, and more accurately identify its services for its customers.

Importantly, Air Jamaica also desires new authority to provide direct service between the United States and Grenada.

II. The U.S.-Barbados Bilateral and Comity and Reciprocity Justify Granting Air Jamaica U.S.-Eastern Caribbean Exemption Authority

1. As stated in Air Jamaica's original application for U.S.-Eastern Caribbean exemption authority,<sup>4</sup> Air Jamaica has been designated through formal diplomatic channels by the Government of Barbados as a flag carrier for Barbados and has been specifically granted authority to operate services between Barbados and the United States with fifth freedom rights at St. Lucia. Pursuant to the existing bilateral agreement between Barbados and

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<sup>3</sup> For instance, a Montego Bay-Barbados-St. Lucia-New York operation currently required to be conducted under a single flight number could be operated under two separate flight numbers, one for the Montego Bay-Barbados segment and another for the Barbados-St. Lucia-New York segments.

<sup>4</sup> See Application of Air Jamaica Limited, filed in Docket OST-96-1881 on October 18, 1996, at 3-4.

the United States, the services requested herein are expressly authorized.

See Air Transport Agreement between the Government of Barbados and the Government of the United States, April 8, 1982, Annex I(A).

2. The Government of St. Lucia previously submitted to the Department a letter supporting Air Jamaica's U.S.-Eastern Caribbean service. The Government of Grenada will soon submit a similar letter of support to the Department. Principles of comity and reciprocity clearly support the authority requested herein between the United States and St. Lucia and Grenada because the latter two nations are, in effect, following an open skies policy toward U.S. air carriers.

3. Air Jamaica has already requested authority from the Government of Jamaica for the services contemplated in this application and believes that issuance of that authority is imminent.

Comity and reciprocity between Air Jamaica's homeland government and the United States further support granting Air Jamaica authority to directly serve Barbados, Grenada, and St. Lucia, even though such service is not expressly encompassed under the terms of the U.S.-Jamaica Air Transport Services Agreement of 1969 and the related 1979 protocol, as amended. The existence of comity and reciprocity is evidenced by the fact that the Government of Jamaica has granted extensive requests for authority by U.S. air carriers. Indeed, the Government of Jamaica has authorized

numerous U.S. air carriers to provide both scheduled and charter service between various points in the United States and Jamaica. 5

III. Granting Air Jamaica U.S.-Eastern Caribbean Exemption Authority Is Consistent with Department Precedent and Is in the Public Interest

1. Granting this exemption application is entirely consistent with Department precedent in cases where a foreign air carrier from one Caribbean country has been designated by another Caribbean country as its flag air carrier and where comity and reciprocity support the inclusion of connecting service to other Caribbean nations. 6

2. Granting this application also is consistent with prior Department and Civil Aeronautics Board determinations that the designation of an air carrier by a foreign government under an air transport

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5 For example, six U.S. carriers are currently providing scheduled passenger service between the U.S. and Jamaica.

6 See, e.g., Notice of Action Taken in Docket OST-98-4714, dated January 26, 1999 (granting Bahamasair, as designee of the Turks & Caicos Islands, Miami-Grand Turk/Providenciales authority); Application of Air Jamaica Limited, DOT Order 96-11-30 (granting Air Jamaica New York/Atlanta-Antigua and Barbuda/St. Lucia-Barbados authority where carrier was designated by Barbados and comity and reciprocity existed with Antigua and Barbuda and St. Lucia); Applications of Aerolineas Centraoamericanas, S.A., et al., DOT Order 92-9-2 (granting Trinidad & Tobago (BWIA International) Airways New York-Barbados-Grenada authority where carrier was designated by Barbados and comity and reciprocity existed with Grenada).

agreement is prima facie evidence that the grant of authority to such foreign air carrier is in the public interest.<sup>7</sup>

3. The public interest further supports granting this application for exemption authority because the authority will enable Air Jamaica to add service between Grenada and New York and also will provide more accurate designation of Air Jamaica's service between Barbados and St. Lucia, on the one hand, and New York, on the other.

The national economies of Barbados, Grenada, and St. Lucia are heavily dependent on tourism, and these islands are substantially underserved at this time. For this reason and considering its previous successful experience with Barbados/St. Lucia-New York service, Air Jamaica is confident that significant demand exists for air transportation between these points and New York.

4. Finally, given the limited nature of the relief requested by Air Jamaica, this exemption application should not be controversial.

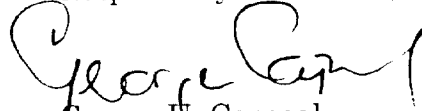
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<sup>7</sup> See, e.g., Application of Aerovias Venezolanas S.A., DOT Order 86-8-88; Application of Singapore Airlines Limited, DOT Order 85-10-16; Application of Singapore Airlines, DOT Order 83-3-132; Application of Fast Air Carrier Ltd., DOT Order 82-2-66; Application of China Airlines, DOT Order 80-12-117.



WHEREFORE, Air Jamaica Limited requests that the Department grant it an exemption from 49 U.S.C. § 41301 to conduct scheduled foreign air transportation of persons, property, and mail between New York, on the one hand, and the coterminal points Barbados, Grenada, and St. Lucia, on the other.

Respectfully Submitted,



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