



Order 97-9-39
Served: September 30, 1997

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation
on the 30th day of September, 1997

Application of

AIR JAMAICA LIMITED

for extension of exemption

Docket **OST-96-1881**

ORDER VACATING ORDERS 97-9-22 AND 97-9-17

Summary

By this order, we vacate Orders 97-9-22 and 97-9-17. Those Orders otherwise would have revoked Air Jamaica Limited's Department exemption to conduct scheduled combination operations between New York, New York, and Atlanta, Georgia, on the one hand, and Barbados, on the other, via the intermediate points Antigua and Barbuda and St. Lucia, effective 11:59 p.m., September 30, 1997.

Background

By Order 97-9-17, the Department revoked Air Jamaica's extrabilateral exemption authority to conduct the U.S.-Barbados operations noted above, effective 11:59 p.m., September 19, 1997. That action was in response to the Government of Jamaica's (GOJ) failure to ensure that Amerijet International, Inc., had the requisite facilities to implement its bilaterally-agreed right to conduct operations to Jamaica by December 1, 1997. In taking our action in Order 97-9-17, we stated that we would consider reinstating Air Jamaica's authority in this Docket when and if Amerijet had the requisite facilities to commence its operations.

Subsequent Developments

By letter of September 16, 1997, the Jamaican Deputy Prime Minister/Minister of Foreign Affairs and Foreign Trade presented a letter, on behalf of the Prime Minister, containing certain commitments going to the providing of the requisite facilities.¹

Among other assurances, the Deputy Prime Minister stated that a warehouse partition wall would be completed in time for Amerijet's required warehouse space to be delivered to the carrier on the morning of September 26. He further assured that Amerijet's contractors could start projected renovations as of that date. Prompt completion of these renovations was critical for Amerijet to meet its proposed December 1 start-up date. On the basis of the Deputy Prime Minister's commitments, we stayed the effectiveness of Order 97-9-16 until 11:59 p.m., September 30, noting that our stay would give us time to monitor the GOJ's progress in fulfilling the stated commitments.

On September 26, 1997, we received notification from the GOJ that the construction of the warehouse partition has been completed and that Amerijet could take possession of the warehouse space at 2:00 p.m. on that date.² While an occupancy agreement has not been formalized by Amerijet and the Airports Authority of Jamaica (AAJ) at this time, it is our understanding that those parties are now negotiating the final terms of such an agreement. As noted in footnote 2, we will continue to monitor the situation.³

We believe that the GOJ has, by these actions, substantially met its obligations under the U.S.-Jamaica Agreement. Against this background, we find that it is in the public interest to vacate Orders 97-9-17 and 97-9-22, and to restore the status of Air Jamaica's Barbados-U.S. authority as previously granted in Order 97-8-28. By that Order, Air Jamaica's exemption is effective through December 1, 1997.

ACCORDINGLY,

1. We vacate Orders 97-9-17 and 97-9-22, in this Docket; and

¹ A copy of the letter has been placed in Docket 96-1881.

² We note, however, that certain other commitments, such as putting into place of appropriate Customs services by December 1, i.e., the date when Amerijet proposes to commence service, still remain to be achieved. Therefore, we will continue to monitor the situation.

³ In a letter dated September 25, 1997, Amerijet continued to express reservations about certain aspects of the occupancy agreement for this space; specifically, the duration of a lease abatement that the AAJ would grant to Amerijet. This remaining issue is not, in our view, one that would call into question Jamaica's fulfillment of its obligations under the U.S.-Jamaica Agreement or otherwise justify withholding of authority from Air Jamaica.

2. We will serve a copy of this order on Air Jamaica Limited, Amerijet International, Inc., the Ambassador of Jamaica in Washington, D.C., the Department of State (Office of Aviation), and the Federal Aviation Administration (AFS-200).

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation and
International Affairs

