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International Aviation Decisions (6 of 10)

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WASHINGTON

September 10, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decisions: Cargolux Airlines International and

Virgin Atlantic Airways Limited

Our office has reviewed the above-referenced Department of Transportation International Aviation decisions, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove these orders or to the substance of the letter from the President to the Secretary of Transportation prepared by the Department of Transportation.

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WASHINGTON

September 12, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decisions: Lineas Aereas De Nicaragua, S.A. and

Aerolineas Nicaraquenses, S.A.

Our office has reviewed the above-referenced Department of Transportation International Aviation decisions, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove these orders or to the substance of the letter from the President to the Secretary of Transportation.

You should know that these orders may attract more attention than the typical international aviation decisions, since they are based on the President's May 1, 1985, national emergency declaration banning Nicaraguan air carriers from engaging in transportation to or from points in the United States. The President announced that decision in Executive Order 12513, not 12523 as stated in the OMB memorandum for the President and the Department of Transportation order.

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WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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WHITE HOUSE STAFFING MEMORANDUM

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FOR OFFICIAL USE UNLY



Office of the Secretary of Transportation

Office of Assistant Secretary

400 Seventh St., S.W. Washington, D.C. 20590

JUL 2 3 1985

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I transmit the Department's proposed order on the applications of Lineas Aereas de Nicaragua, S.A. ("LANICA") in Docket 39765 and Aerolineas Nicaraguenses, S.A. (AERONICA) in Docket 40128, for your consideration under section 801(a) of the Federal Aviation Act of 1958, as amended by the Airline Deregulation Act of 1978. The order will, unless you disapprove it within 60 days of this transmittal, deny the Nicaraguan applicants' applications for foreign air carrier permits.

If you should decide earlier that you will not disapprove, please advise us to that effect; this will allow us to issue the order earlier.

We are submitting the proposed decision to you before publication under the provisions of section 801(a) of the Federal Aviation Act of 1958. In accordance with Executive Order 11920, however, we plan to release all unclassified portions of the decision on or after the sixth day following this transmittal unless notified by your Assistant for National Security Affairs.

Respectfully yours,

Mat Mew VA Scocozza

Assistant Secretary for Policy and International Affairs

Enclosures

FOR OFFICIAL USE ONLY



OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

September 10, 1985

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT:

Department of Transportation International Aviation Decision:

Lineas Aereas De Nicaragua, S.A. ("Lanica") and Aerolineas Nicaraguenses, S.A. (Aeronica)

Dockets 39765 and 40128

Date due: September 21, 1985

The Department of Transportation (DOT) proposes to take the following action with regard to the above international aviation case:

-- Deny the applications of Lineas Aereas De Nicaragua, S.A., and Aerolineas Nicaraguenses, S.A., to conduct foreign air transportation between the United States and Nicaragua. The DOT has based its decision on Executive Order 12523 which prohibits trade and other transactions, including air transportation, with Nicaragua.

The Departments of State, Defense, and Justice and the National Security Council have no objection to the proposed order.

The Office of Management and Budget recommends that you approve DOT's decision by signing the attached letter to the Secretary which indicates that you do not intend to disapprove DOT's order within the 60 days allowed by statute for your review.

Original Signed by

Alton G. Keel, Jr.
Associate Director
National Security and
International Affairs

Attachments:

DOT letter of transmittal DOT order Letter to the Secretary

Options and Implementation Actions:

- () (1) Approve DOT's order (DOS, DOD, DOJ, NSC, OMB). -- Sign the attached letter to the Secretary.
- () (2) Disapprove DOT's order.-- Implementation materials to be prepared.
- () (3) See me.

Dear Madam Secretary:

I have reviewed the order proposed by the Department of Transportation in the following case:

Lineas Aereas De Nicaragua, S.A. ("Lanica") and Aerolineas Nicaraguenses, S.A. (Aeronica) Dockets 39765 and 40128

I have decided not to disapprove the proposed order.
Sincerely,

The Honorable Elizabeth Dole Secretary of Transportation Washington, D.C. 20590

FOR OFFICIAL USE ONLY

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

Issued by the Department of Transportation on the 22nd day of July, 1985

Applications of

LINEAS AEREAS DE NICARAGUA, S.A. ("LANICA") and

AEROLINEAS NICARAGUENSES, S.A. (AERONICA)

for foreign air carrier permits pursuant : to section 402 of the Federal Aviation : Act of 1958, as amended :

Dockets 39765 40128

ORDER

Summary

We are denying the applications for foreign air carrier permits filed by Lineas Aereas de Nicaragua, S.A. ("LANICA"), and Aerolineas Nicaraguenses, S.A. (AERONICA), both airlines of Nicaragua.

Background

LANICA was owned and controlled by the Government of Nicaragua. The airline was adjudicated bankrupt in Nicaragua in March 1981, and has been the subject of an ancillary bankruptcy proceeding in the United States Bankruptcy Court for the Southern District of Florida. LANICA ceased all operations in 1981.

LANICA, however, still holds two extant foreign air carrier permits issued by the Civil Aeronautics Board in 1976 (see CAB Order 76-7-8). The five-year permits would have terminated in July 1981, but the carrier filed a timely permit-renewal application in June 1981 (Docket 39765) and has relied on automatic-extension provisions of federal law (5 U.S.C. § 558(c),

as implemented by 14 C.F.R. Part 377) to keep the authority in effect pending final disposition of the application. 1/ Besides the application, various pleadings have been filed in the docket. 2/

AERONICA is owned and controlled by the Government of Nicaragua, and currently operates outside the United States. It has an application for an initial foreign air carrier permit pending in Docket 40128. 3/ In January 1982, the Civil Aeronautics Board granted the airline authority by exemption to conduct Managua-Miami scheduled service. (See Order 82-1-146 in Docket 40129.)

Executive Order

On May 1, 1985, the President issued Executive Order 12523 prohibiting trade and certain other transactions involving Nicaragua, effective May 7, 1985. The order states that "the policies and actions of the Government of Nicaragua constitute an unusual and extraordinary threat to the national security and foreign policy of the United States," and declares a national emergency to deal with that threat. In pertinent part, the order prohibits Nicaraguan air carriers from engaging in air transportation to or from the United States.

On May 3, 1985, in view of the Executive Order, we denied AERONICA's requests in Docket 40129 to continue, by exemption, its Miami service, effective May 7, 1985 (see Order 85-5-26). By that denial, we, in effect, terminated the only extant U.S. operating authority then held by a currently operating airline of Nicaragua.

Decision

We have decided to deny the permit applications of LANICA and AERONICA. Based on the Executive Order and the President's findings regarding national security and foreign policy, we find that denial of the

1/ LANICA was ordered to file the renewal application by the U.S. Bankruptcy Court, apparently based on the Court's belief that the permits together with the underlying operating authority might have some residual value to the bankrupt's U.S. creditors.

3/ AERONICA filed the application in October 1981 and has amended it twice. LANICA's Attorney/Co-trustee has filed certain motions and an answer to the application, and AERONICA filed a pleading in response to the motions and a reply to the answer.

Z/ Two U.S. creditors of LANICA, Batch Air Inc. and International Air Leases, Inc., together filed an answer to the application, and the Government of Nicaragua also filed one. The Attorney for LANICA/Co-trustee to Administer LANICA's Assets in the United States filed certain motions. Also, three amendments to the application have been filed. The Civil Aeronautics Board issued two deferral orders on the application. (See CAB Orders 81-7-68 and 81-10-34.)

Nicaraguan airlines applications for foreign air carrier permits to conduct operations to and from the United States is in the public interest -4/

ACCORDINGLY.

- 1. We deny the application of Lineas Aereas de Nicaragua, S.A. ("LANICA") in Docket 39765 to renew its foreign air carrier permits:
- 2. We deny the application of Aerolineas Nicaraguenses, S.A. (AERONICA) in Docket 40128 for an initial foreign air carrier permit;
- 3. We dismiss all other motions and requests in Dockets 39765 and 40128, except to the extent previously acted on by the Civil Aeronautics Board;
- 4. Unless disapproved by the President of the United States under section 801(a) of the Act, this order shall become effective on the 61st day after its submission to the President, 5/ or upon the date of receipt of advice from the President that he does not intend to disapprove the Department's order under that section, whichever is earlier; and
- 5. We shall serve this order on all parties in Dockets 39765 and 40128, and on the Department of State (Office of Transportation, EB/TL).

By:

MATTHEW V. SCOCOZZA
Assistant Secretary for Policy
and International Affairs

(SEAL)

^{4/} Denial of LANICA's application will terminate the dormant airline's permit authority.

^{5/} This order was submitted to the President on July 23, 1985. The 61st day is September 22, 1985.

WASHINGTON

September 12, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS /

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decision:

Unicorn Air, Ltd.

Our office has reviewed the above-referenced Department of Transportation International Aviation decision, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the Secretary of Transportation.

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WASHINGTON

October 2, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decision:

Hawaiian Airlines, Inc.

Our office has reviewed the above-referenced Department of Transportation International Aviation decision, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the Secretary of Transportation.

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WASHINGTON

October 2, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSET TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decision:

Hispaniola Airways

Our office has reviewed the above-referenced Department of Transportation International Aviation decision, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the Secretary of Transportation.

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WASHINGTON

October 8, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

Department of Transportation 10-Day International Aviation Decision: U.S.-Switzerland Fare Reductions

We have reviewed the above-referenced Department of Transportation international aviation decision, and have no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(b).

We also have no legal objection to OMB's recommendation that the President not disapprove this order.

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Thank you.					

David L. Chew Staff Secretary Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

ACTION

MEMORANDUM FOR: STAFF SECRETARY

AND DEPUTY ASSISTANT TO THE PRESIDENT

SUBJECT:

Department of Transportation 10-Day International Aviation Decision:

U.S.-Switzerland fare reductions proposed

by Swiss Air Transport Co., Ltd.

Docket 43442

Date due: October 8, 1985

Attached is a memorandum for the President about the above 10-day international aviation decision. The interested executive agencies have not identified any foreign policy or national defense reason for disapproving the order.

The Department's decision becomes final unless the President disapproves the order on or before October 8, 1985.

1151

Alton G. Keel, Jr. Associate Director National Security and International Affairs

Attachments:

Memorandum to the President DOT Letter of Transmittal DOT Order



OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

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MEMORANDUM FOR THE PRESIDENT

SUBJECT:

Department of Transportation 10-Day International Aviation Decision:

U.S.-Switzerland fare reductions proposed by Swiss Air Transport Co., Ltd.

Docket 43442

Date due: October 8, 1985

This proposed Department of Transportation (DOT) order prevents a reduction in fares, requested by Swiss Air Transport Co., Ltd. (Swissair), from going into effect for one year.

DOT's order is a reciprocal response to Swiss aeronautical authorities which recently denied several U.S. air carrier pricing initiatives. DOT does not want to approve fares that would be of competitive benefit to Swissair while U.S. air carriers operate under undue restrictions.

The Departments of State, Defense, and Justice and the National Security Council have not identified any foreign policy or national defense reason for disapproving the order in whole or in part.

The Office of Management and Budget recommends that you take no action and allow DOT's order to go into effect. The order becomes final unless you disapprove it on or before October 8, 1985.

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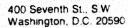
Alton G. Keel, Jr.
Associate Director
National Security and
International Affairs

Attachments:

DOT Letter of Transmittal DOT Order

Options and Implementation Actions:

- () 1) Approve DOT's order by taking no action. (DOS, DOD, DOJ, NSC, OMB).
- () 2) Disapprove DOT's order. Implementation materials to be prepared.
- () 3) See me.



J.S. Department of Transportation

Office of the Secretary of Transportation

SEP 3 0 1985

The President The White House Washington, D.C. 20500

Dear Mr. President:

I enclose for your review copies of a Department order suspending various U.S.-Switzerland fare reductions proposed by Swissair. Our recommendation of suspension is based on the continued reluctance of the Swiss aviation authorities to approve U.S. carrier fare initiatives in order to protect the market position of Swissair. We continue to hope that these problems can be resolved through negotiation, but we believe that suspending Swissair's fares represents a measured response to Switzerland's posture, and will support our efforts to ensure U.S. carriers their rights to compete fairly in the U.S.-Switzerland market.

The order institutes an investigation into the lawfulness of Swissair's fares under section 1002(j) of the Federal Aviation Act of 1958, and suspends them for a period of three hundred sixty-five days pending a hearing and final decision by the Department. Under the Federal Aviation Act of 1958, the Department's order is final unless the President disapproves it not later than ten days following its submission by the Department. No action is necessary if you do not wish to disapprove this order.

If you should decide earlier that you will not disapprove the order, please advise us to that effect; this will allow us to issue the order earlier.

We are submitting the proposed decision to you before publication under the provisions of section 801(a) of the Federal Aviation Act of 1958. In accordance with Executive Order 11920, however, we plan to release all unclassified portions of the decision on or after the sixth day following this transmittal unless notified by your Assistant for National Security Affairs.

ectfully yours,

. Scocozza

Assistant Secretary for Policy and Indernational Affairs

Enclosure

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

Issued by the Department of Transportation on the 27th day of September, 1985

U.S.-Switzerland fare reductions

Docket 43442

proposed by

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SWISS AIR TRANSPORT CO., LTD.

ORDER OF SUSPENSION AND INVESTIGATION

By tariff revisions filed for effect October 9 and 11, 1985, Swiss Air Transport Co., Ltd. (Swissair), proposes reductions in the basic-season levels of its U.S.-Switzerland advance-purchase excursion (APEX), group inclusive-tour (GIT) and group incentive fares.

We have decided to suspend and investigate Swissair's proposed reductions in GIT and incentive group fares, as well as in the APEX fare's midweek levels. 1/ The Swiss aviation authorities have recently denied several U.S. carrier pricing initiatives, thus severely hampering U.S. carriers' ability to compete in the U.S.-Switzerland market. Indeed, these recent denials limit U.S. carrier access to U.S.-Switzerland traffic, especially when considered in concert with Switzerland's refusal to permit other U.S. carrier fare initiatives. As a result, the traveling public has been denied low-fare travel options that it would surely enjoy in a more competitive environment. Since the Swiss authorities' have seriously inhibited U.S. carriers' pricing initiatives to the detriment of the traveling public, we must scrutinize Swissair's fare proposals more closely than we would otherwise prefer. Under these circumstances, we will investigate the lawfulness of Swissair's proposal, and will suspend it pending completion of the investigation. We will submit this order to the President pursuant to section 801(b) of the Federal Aviation Act of 1958, as amended. 2/

^{1/} Our suspension will not include Swissair's proposed reductions in the APEX fare's weekend levels, however, which fall within the pertinent zone established by the Memorandum of Understanding between the United States and member nations of the European Civil Aviation Conference.

2/ Section 1002(j) of the Act authorizes the Department to take this action in the circumstances presented. Section 801(b) of the Act states that the Department shall submit to the President any order suspending a fare or proposed fare in foreign air transportation under section 1002(j).

ACCORDINGLY, pursuant to sections 102, 204(a), 403, 801 and 1002(j) of the Federal Aviation Act of 1958, as amended:

- 1. We shall institute an investigation to determine whether the fares and provisions set forth in the attached Appendices, and rules and regulations or practices affecting such fares and provisions, are or will be unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial or otherwise unlawful or contrary to the public interest; and if we find them to be unlawful or contrary to the public interest, to act appropriately to prevent the use of such fares, provisions or rules, regulations, or practices;
- 2. Pending completion of the investigation and decision by the Department, we suspend and defer the use of the tariff provisions in the attached Appendix A from October 9, 1985, to and including October 8, 1986, and in the attached Appendix B from October 11, 1985, to and including October 10, 1986, unless otherwise ordered by the Department, and shall permit no changes to be made therein during the period of suspension except by order or special permission of the Department;
- 3. We shall submit this order to the President 3/ and, unless disapproved by the President within ten days, it shall become effective October 9, 1985; and
- 4. We shall file copies of this order in the aforesaid tariff and serve them on Swiss Air Transport Co., Ltd., and the Ambassador of Switzerland in Washington, D.C.

By:

MATTHEW V. SCOCOZZA
Assistant Secretary
for Policy and International Affairs

(SEAL)

^{3/} We submitted this order to the President on September 30, 1985

C.A.B. NO. 102 TRANSATLANTIC PASSENGER FARES TARIFF NO. A-2 ISSUED BY OFFICIAL AIRLINE GUIDES, INC., AGENT

The proposed "YLXAP, YLWGV, YLXGV, YLWGC and YLXGC" fare reductions, marked to become effective October 9, 1985, between the points listed below:

Between	<u>and</u>	Appearing on Page
Boston	Basle	11th and 12th revised page 1516-E
Boston	Geneva	11th and 12th revised page 1516-E
Boston	Zurich	11th and 12th revised page 1516-E
Chicago	Basle	11th and 12th revised page 1516-E
Chicago	Geneva	11th and 12th revised page 1516-E

C.A.B. NO. 102 TRANSATLANTIC PASSENGER FARES TARIFF NO. A-2 ISSUED BY OFFICIAL AIRLINE GUIDES, INC., AGENT

The proposed "YLXAP, YLWGV, YLXGV, YLWGC and YLXGC" fare reductions, marked to become effective October 11, 1985, between the points listed below:

Between and	Appearing on Pa	age
Chicago Zurich	12th revised pa 1516-F	a ge
New York Basle	12th revised pa 1516-F	age
New York Geneva	12th revised po 1516-F	age
New York Zurich	12th revised po 1516-F	age

WASHINGTON

November 4, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN G. ROBERTS, JR

SUBJECT:

International Aviation Inquiries

I talked with Matt Scocozza, the Assistant Secretary of Transportation for Policy and International Affairs, concerning the status of the Pan Am-United proceeding, and of the effort to revise the outdated Executive Order on international aviation cases. He advised that the Department had reached a final decision on Pan Am-United, and transmitted it to the White House on October 31. This will not be formally announced, however, until Thursday, November 7. (The sixty day review period will run from October 31.) The final decision is consistent with the initial decision announced in early October: approval of the route sale, with a "soft spin-off" of Seattle: i.e., a proceeding will be instituted to determine if any competing carrier is better than United in Seattle.

Scocozza recommended that any inquiries the White House received be referred to the Department of State. Under the Act, the President can disapprove a Department decision only for foreign policy reasons, and State is the appropriate agency to field foreign policy arguments. State can bring any meritorious arguments to the President's attention during staffing of the decision by OMB. Scocozza urged that the case not be discussed with outside parties at the White House, since the President is an ultimate decision-maker in this regulatory proceeding. State is not, and accordingly can meet more freely with outside interested parties.

Scocozza advised that revisions to the Executive Order were still being drafted at Transportation and OMB. He did not think there were any significant disagreements, only drafting details to be worked out.

WASHINGTON

November 5, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decisions:

UCC Charter Company and TPI Inter-

national Airways, Inc.

Our office has reviewed the above-referenced Department of Transportation International Aviation decisions, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove these orders or to the substance of the letter from the President to the Secretary of Transportation.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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November 6th

WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/4/85 ACTION/CONCURRENCE/COMMENT DUE BY:

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MARKS: Please give November 6th	your recom	mendat	ions to my office	by Wednesday	

WASHINGTON

November 19, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decision:

Pacific Division Transfer

Our office has reviewed the above-referenced Department of Transportation International Aviation decision, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove this order or to the substance of the letter from the President to the Secretary of Transportation.

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REMARKS: Please give your recommendations to my office by Friday, November 22nd. Thanks.

RESPONSE:

WASHINGTON

December 10, 1985

MEMORANDUM FOR DAVID L. CHEW

STAFF SECRETARY

FROM:

JOHN G. ROBERTS

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

DOT International Aviation Decisions:

Caribbean Air Cargo, Co.; Compania

Panamena de Aviacion, S.A.

Our office has reviewed the above-referenced Department of Transportation International Aviation decisions, and has no legal objection to the procedure that was followed with respect to Presidential review of such decisions under 49 U.S.C. § 1461(a).

We also have no legal objection to OMB's recommendation that the President not disapprove these orders or to the substance of the letter from the President to the Secretary of Transportation.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/6/85 ACTION/CONCURRENCE/COMMENT DUE BY: December 11th

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WASHINGTON

Dear Madam Secretary:

I have reviewed the orders proposed by the Department of Transportation in the following cases:

> Caribbean Air Cargo Compania Panamena de Company, Ltd. Docket 41703

Aviacion S.A. Docket 42727

I have decided not to disapprove the proposed orders.

Sincerely,

The Honorable Elizabeth Dole Secretary of Transportation Washington, D.C. 20590



FOR OFFICIAL USE ONLY

Office of Assistant Secretary

400 Seventh St., S.W. Washington, D.C. 20590

OCT 2 1 1985

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I transmit the Department's proposed order on the application of Compania Panamena de Aviacion S.A., Docket 42727, for your consideration under section 801(a) of the Federal Aviation Act of 1958, as amended by the Airline Deregulation Act of 1978. The order will, unless you disapprove it within 60 days of this transmittal, issue the applicant a foreign air carrier permit.

If you should decide earlier that you will not disapprove, please advise us to that effect; this will allow us to issue the order earlier.

We are submitting the proposed decision to you before publication under the provisions of section 801(a) of the Federal Aviation Act of 1958, as amended. In accordance with Executive Order 11920, however, we plan to release all unclassified portions of the decision on or after the sixth day following this transmittal unless notified by your Assistant for National Security Affairs.

Respectfully yours,

Martthew V. Scocbzza

Assistant Secretary for Policy and International Affairs

Enclosures

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