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January 21, 1998

**Via Facsimile Transmission**  
**Originals to Follow via U.S. Mail**

Gordon Bingham  
Department of Transportation  
Licensing Division, P-45  
Office of Aviation Operations  
400 Seventh Street, SW  
Washington, DC 20590

Re: Air Foyle Ltd. Application for Statement of Authorization

Dear Mr. Bingham:

On January 16, 1998 Air Foyle Ltd. ("Air Foyle"), as agent for Antonov Design Bureau ("ADB"), submitted an application for a Statement of Authorization to operate a series of three (3) one-way fifth-freedom cargo flights between Houston and Iquitos, Peru transporting oil well supply pipes and ancillary equipment. Southern Air Transport, Inc. ("Southern") respectfully files this objection to Air Foyle/ADB's application.

Air Foyle/ADB's application states that the three (3) flights will be operated between January 20-30, 1998. Southern has two (2) Lockheed L-100-30 "Hercules" aircraft positioned and available to transport this cargo during that same ten (10)-day time period. Southern operates flights out of Houston quite often, and has extensive experience in transporting cargo to South America.<sup>1</sup>

Air Foyle/ADB contends in its application that the airport in Iquitos is not equipped to off-load conventional freighter aircraft. See Application at p. 2. Like the AN-124, Southern's Hercules aircraft does not need equipment to off-load cargo either. The Hercules has on-board winches and portable roller systems for easy loading and unloading of outsized cargo. Southern

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<sup>1</sup> Southern currently holds exemption authority to operate scheduled service to Chile (See Order 95-3-31 and Application for Renewal of Scheduled Exemption Authority dated January 4, 1996 in Docket OST96-987) and Colombia (See Order 97-6-16) and charter authority to operate to Brazil (See Order 97-6-33).

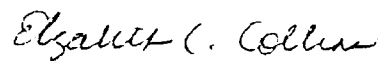
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also has special backload sleds which are made specifically for pipe loading and unloading. Southern's aircraft are readily capable of handling and transporting the oil well supply pipes per the charterer's request.

Air Foyle/ADB is a foreign air carrier from the Ukraine and the U.K.. This operation, therefore, would be a fifth freedom operation. The Department has determined that operations by foreign air carriers may not be unduly reliant upon fifth-freedom operations in relation to its level of third and fourth freedom operations. See, e.g., Letter from Paul L. Gretch to Jeffrey A. Manley, dated November 26, 1997 denying Application of Balkan Bulgarian Airlines. Air Foyle/ADB relies primarily on fifth freedom operations for its U.S. operations. Since April 1997, Air Foyle/ADB has been granted DOT authority to operate at least thirty-three (33) fifth-freedom all-cargo flights. During this same time period, Air Foyle/ADB has been granted DOT authority to operate only three (3) third/fourth freedom all-cargo flights. Southern respectfully submits that Air Foyle/ADB is already unduly reliant on fifth freedom operations, and that grant of the application herein would only further this undue reliance.

Should you have any question or comment, please do not hesitate to contact us.

Sincerely,



Pierre Murphy  
Elizabeth C. Collins  
Attorneys for Southern Air Transport, Inc.

cc: Sheryl Israel  
Crystal Bergstrom