

International Security for reconsideration of the ineligibility determination. A request for reconsideration must be submitted in writing within 30 days after a person has been informed of the adverse decision, in accordance with 22 CFR 127.7(d) and 128.13(a).

This notice is provided for purposes of making the public aware that the persons listed above are prohibited from participating directly or indirectly in any brokering activities and in any export from or temporary import into the United States of defense articles, related technical data, or defense services in all situations covered by the ITAR. Specific case information may be obtained from the Office of the Clerk for the U.S. District Courts mentioned above and by citing the court case number where provided.

This notice involves a foreign affairs function of the United States encompassed within the meaning of the military and foreign affairs exclusion of the Administrative Procedure Act. Because the exercise of this foreign affairs function is discretionary, it is excluded from review under the Administrative Procedure Act.

Dated: January 24, 2006.

**John Hillen,**

*Assistant Secretary for Political-Military Affairs, Department of State.*

[FR Doc. E6-1339 Filed 1-31-06; 8:45 am]

**BILLING CODE 4710-25-P**

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Application of Hawaii Island Air, Inc. D/ B/A Island Air for Certificate Authority

**AGENCY:** Department of Transportation.

**ACTION:** Notice of Order to Show Cause (Order 2006-1-20), Docket OST-2005-22001.

**SUMMARY:** The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Hawaii Island Air, Inc. d/b/a Island Air fit, willing, and able, and awarding it a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property and mail.

**DATES:** Persons wishing to file objections should do so no later than February 8, 2006.

**ADDRESSES:** Objections and answers to objections should be filed in Docket OST-2005-22001 and addressed to U.S. Department of Transportation, Docket

Operations, (M-30, Room PL-401), 400 Seventh Street, SW., Washington, DC 20590, and should be served upon the parties listed in Attachment A to the order.

**FOR FURTHER INFORMATION CONTACT:**

Vanessa R. Balgobin, Air Carrier Fitness Division (X-56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366-9721.

Dated: January 25, 2006.

**Michael W. Reynolds,**

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. E6-1321 Filed 1-31-06; 8:45 am]

**BILLING CODE 4910-62-P**

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

[Docket OST-2005-21790]

#### Notice on the Essential Air Service Code-Sharing Pilot Program

**AGENCY:** Office of the Secretary, DOT.

**ACTION:** Notice.

**SUMMARY:** Vision 100—Century of Aviation Reauthorization Act, Public Law 108-176, Title IV, subtitle A, section 406 requires the Secretary of Transportation to establish a pilot program, under which the Secretary would have discretion to require air carriers receiving Essential Air Service (EAS) subsidy and major carriers serving large hub airports to participate in code-sharing arrangements for up to 10 EAS communities. Public comments were invited about such a prospective program; all of the comments raised objections, particularly concerns that the Department would use the authority to force carriers to participate involuntarily in the program. This Notice discusses the comments, advises of the establishment of the pilot program, solicits applications for participation in the program, and specifies issues that should be addressed in such applications.

**FOR FURTHER INFORMATION CONTACT:**

Kevin Schlemmer, U.S. Department of Transportation, Office of Aviation Analysis, 400 7th Street, SW., Washington, DC 20590. Telephone (202) 366-3176. E-mail: [kevin.schlemmer@dot.gov](mailto:kevin.schlemmer@dot.gov).

**SUPPLEMENTARY INFORMATION:** The Essential Air Service program, established in 1978 by the Airline Deregulation Act, Public Law 95-504, enables small communities that were served by certificated air carriers before deregulation to maintain at least a

minimal level of scheduled air service. Under this program, the Department currently provides subsidies to air carriers so that approximately 150 rural communities, including 37 in Alaska, can receive such service. DOT's program determines the minimum level of service at each community by specifying a hub through which the community is linked to the national transportation system, a minimum number of round trips and available seats that must be provided to that hub, certain characteristics of the aircraft to be used, and the maximum number of permissible intermediate stops to the hub.

A code-sharing agreement is a marketing arrangement between two carriers that allows one to publish schedules and sell tickets on flights operated by another. Typically, code-sharing allows carriers to broaden their network of destinations, to feed additional passengers to their hub airports, and to serve destinations that they could not otherwise serve on a profitable basis. Major airlines now commonly enter into voluntary code-share contracts with others, including smaller, regional carriers. Most airports covered under the EAS program have service provided by a carrier that has at least one major airline's code attached to its flights out of the airport. However, some carriers that provide subsidized service under the EAS program do not have any code-share arrangements in some of the markets that they serve.

On December 12, 2003, President Bush signed the Vision 100—Century of Aviation Reauthorization Act, Public Law 108-176. Title IV, subtitle A, section 406 of that statute required the Secretary of Transportation to establish a pilot program, under which the Secretary would have discretion to require air carriers receiving EAS subsidy and major carriers serving large hub airports to participate in code-sharing arrangements for up to 10 EAS communities. Section 406 provides as follows:

#### Code-Sharing Program

(a) In General.—The Secretary of Transportation shall establish a pilot program under which the Secretary may require air carriers providing air service with compensation under subchapter II of chapter 417 of title 49, United States code, and major carriers (as defined in section 41716(a)(2) of such title) serving large hub airports (as defined in section 40102 of such title) to participate in multiple code-sharing arrangements consistent with normal industry practice whenever and wherever the Secretary determines that such multiple

code-sharing arrangements would improve air transportation services.

**Limitation.**—The Secretary may not require air carriers to participate in the pilot program under this section for more than 10 communities receiving service under subchapter II of chapter 417 of title 49, United States Code.

On July 12, 2005, the Department solicited expressions of interest by air carriers regarding participation in the pilot program, suggestions as to how such a pilot program might be structured, and other comments concerning the practical aspects of mandating code-share arrangements. 70 FR 40098 (July 12, 2005).

*Comments:* We received comments from the Air Transport Association of America, Inc. (ATA), American Airlines, Inc. (American), The Boyd Group, Inc., Pacific Wings Airlines Limited (Pacific Wings), the Regional Airline Association (RAA), Southwest Airlines Co. (Southwest), and United Air Lines, Inc. (United).

All commenters objected in some manner to a mandated code-sharing program. Commenters also typically questioned the legal authority of DOT to enforce such a regulation, cited the apparent conflict of a mandated program with the laws and policies promoting deregulation of the airline industry, and asserted that carriers would experience substantial difficulties and costs in implementing such a program.

ATA, American, The Boyd Group, RAA, and Southwest all strongly opposed the mandatory aspect of participation in the program. ATA believed intrusive government involvement would seriously harm the dynamics of commercially viable code-share relationships. American, Southwest and The Boyd Group noted the considerable expense and close coordination required for code-share relationships even among willing participants. United stated that it desires to make its route decisions voluntarily and coordinate with EAS providers based on code-share relationships that strengthen its product and route network. Pacific Wings generally objected, but stated that it could support mandatory code-sharing in limited cases with certain restrictions in Hawaii, an area that the carrier serves. RAA noted that, while it is a strong supporter of the EAS program in general, it would prefer to see carriers enter into any program voluntarily.

A number of commenters questioned DOT's legal authority to mediate or intervene when code-share parties under any such program disagreed over the terms of the commitment. ATA

asserted that such involvement would constitute a "serious intrusion into the commercial processes through which code-share arrangements are established in the free market." Moreover, RAA contended that DOT does not have the operational or financial expertise to structure and administer such a program. American echoes this, arguing that such interference is antithetical to free enterprise. In a similar vein, Southwest maintained that compulsory code-sharing would be inconsistent with a deregulated industry and would require an unequivocal expression by Congress to re-regulate the industry before the Department should consider implementation. And United stated that DOT cannot force two independent carriers into a code-share agreement any more than it can force a carrier to enter an EAS market.

Difficulty and oversight of implementation are other concerns cited. In RAA's view, highly complicated issues are involved, among them the terms and conditions of contracts including liability for such matters as lost baggage and bumped passengers, coordination of schedules, passenger and freight pricing, allocation of airport facilities and staff, family assistance assignments, frequent flier programs, and revenue sharing. The Boyd Group and Southwest echo RAA in raising concerns as to the complexity of these issues. While Pacific Wings believed that DOT could help facilitate code-sharing by dealing with technological issues of real-time connections to the host's computer reservations system (CRS) to manage inventory, confirm reservations, and reaccommodate passengers, United points to a more practical matter: it has a shortage of 4 digit flight numbers and the company already has to sacrifice certain code-share markets due to the technological problem of flight number shortages.

Several commenters questioned the potential effectiveness of any such program. The Boyd Group says that, before this program is implemented, the entire EAS program should first be reevaluated and updated to adjust to the air transportation system that has changed considerably since the industry was deregulated in 1978. It stated that while code-sharing would appear to boost traffic at EAS communities, it does not in fact necessarily do this. RAA further expressed doubt whether a mandatory code-share program would increase enplanements, especially where there is a major airport within reasonable driving distance.

American, Southwest, and RAA further noted that the plain language

used in the statute specifies only that the Secretary "may" require air carriers to participate. Southwest argued that this plain language does not mandate that DOT require major carrier participation. American urged that, during a time of unprecedented distress in the industry, the DOT should not harm major carriers by imposing "substantial non-recoverable costs" that this program would entail. It stated that, should DOT err and implement this program, several limitations should be imposed, including limiting the display of the major carrier's code on flights operated by the EAS carrier between the EAS point and the large hub airport, limiting the mandated code sharing to one EAS route per major carrier, and not entering into agreement with any EAS carrier unless it has been in operation for at least five years. It also would have the Department require that any EAS partner have compatible systems interfaces with the major carrier (including electronic ticketing capability), and be a full participant in the Airline Reporting Corporation (ARC) before the EAS carrier could apply for a mandatory code-share agreement. American further proposed that all implementation and recurring expenses be borne by the EAS carrier.

*Decision:* We generally agree with the commenters that requiring code-sharing between unwilling partners would raise serious policy and practical issues. From a policy standpoint, we acknowledge that requiring and enforcing involuntary code-sharing would intrude on carrier management of rates, routes, and services in a manner that is, at a minimum, inconsistent with the basic thrust of the Airline Deregulation Act of 1978 and its implementing Federal policies. From a practical standpoint, even if we were inclined to require code-sharing, the implementation problems would be difficult, if not impossible, to overcome. Under a voluntary arrangement, the major carrier could work with the EAS carrier to delineate the specific details of revenue sharing arrangements and technical considerations within the scope of their business plans and methods. However, because major airlines are under considerable pressure to control costs, when they devote valuable and sometimes scarce resources (such as planning staff, gate agents, and ramp space) they should be confident that there would be a positive revenue outcome for each carrier. Compelling a carrier to enter into an arrangement may cause financial losses. Gate space at hub airports for small aircraft is a concern, as some airlines

have no room for additional aircraft at their existing gates. Some airports now require aircraft parked on certain gates to have a minimum amount of seats and, generally, the EAS carriers would not meet that requirement.

Nonetheless, under some circumstances, code-sharing can make EAS more attractive to customers, increasing traffic and reducing subsidy costs. We agree that carriers should be encouraged to expand code-sharing to small and underserved communities, and look to whether the obstacles some perceive can be overcome. While we find the comments highly persuasive, we are unwilling to state categorically that there are no circumstances where mandatory code-sharing might work. Therefore, we will fulfill our statutory obligation to establish a program, and in doing so encourage any carrier interested in participating in it to submit an application in the context of particular communities or goals. In doing so, however, an applicant should address why its proposal should be implemented in a manner in which the various objections discussed above can be resolved or minimized. If it has a particular code-share partner in mind, it should address any specific objections that carrier has to participating with it in a code-share relationship. This program is limited to subsidized EAS communities. Proposals should be thorough, with a well-laid out plan why the proposed arrangement would be beneficial to the community and the carriers involved. Applicants that do not satisfactorily address the concerns that we have outlined in this Notice, and the concerns of the partner(s) with which it wishes to establish a code-share relationship, should expect to have their applications rejected. Applicants should file any such applications in Docket No. OST-2005-21790.

Issued in Washington, DC on January 26, 2006.

**Michael W. Reynolds,**

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. E6-1322 Filed 1-31-06; 8:45 am]

**BILLING CODE 4910-62-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Highway Administration

#### Environmental Impact Statement: City and County of Los Angeles, CA

**AGENCY:** Federal Highway Administration (FHWA), DOT.

**ACTION:** Notice of intent.

**SUMMARY:** The FHWA is issuing this notice to advise the public that an Environmental Impact Statement (EIS) and Environmental Impact (EIR) will be prepared for a project in Los Angeles, California, known as the State Route (SR) 90/Admiralty Way Improvements Project.

**FOR FURTHER INFORMATION CONTACT:**

Steve Healow, Federal Highway Administration, 650 Capitol Mall Suite 4-100, Sacramento, California 94814, Telephone: (916) 498-5849 or Dominic Osmena, Project Manager, L.A. County Public Works, 900 South Fremont Avenue, Alhambra, California 91803, Telephone: (626) 458-5912.

**SUPPLEMENTARY INFORMATION:** The FHWA is issuing this notice to advise the public that an EIS will be prepared for proposed improvements to the roadway system in Los Angeles County, California.

The study area is in the northwest, north and east quadrants of Marina del Rey, a County-owned and operated tidal marina, which connects to Santa Monica Bay. The approximate study area boundaries are Via Marina/Admiralty Way intersection on the West, Admiralty Way on the northwest and west, SR 90 on the northeast, Mindanao Way on the east and Fiji Way on the south.

The proposed improvements will extend SR90 to create a direct route into Marina del Rey, and improvements to Admiralty Way. The proposed project consists of two components: the SR 90 (Marina Expressway) Connector Road, and Admiralty Way Improvements. The SR 90 Connector Road consists of realignment of approximately 1,250 feet of SR 90 between Mindanao Way and SR 1 (Lincoln Boulevard), and construction of a connector road between SR 1 and Admiralty Way. Alternatives under consideration include (1) taking no action; (2) the Northern Alternative realignment of SR 90; (3) the Basin F realignment of SR 90; and (4) the Bali Way realignment of SR 90. The Admiralty Way Improvements component includes proposed improvements to intersections, lane configurations, and/or land widths along 8,450 feet of Admiralty Way between Fiji Way and Via Marina. Alternatives under consideration include (1) taking no action; (2) five lane re-striping; (3) five/six land widening; (4) reconfigure Via Marina/Admiralty Way intersection, and (5) pedestrian enhancements. Incorporated into and studied with the various build alternatives will be design variations of grade and alignment. Property acquisitions and utility relocations may

be necessary. Transportation Systems Management (TSM)/Transportation Demand Management (TDM) alternatives will also be considered.

To ensure that the full range of issues related to this proposed action are addressed and all significant issues identified, comments, and suggestions are invited from all interested parties. Comments or questions concerning this proposed action and the EIS should be directed to the contacts provided above. Key environmental issues to be studied include, but are not limited to, air quality, noise, traffic, socioeconomic impacts, business relocations, hazardous materials, biological, water quality, coastal zone, flood plains, wetlands, visual impacts, impacts to open space and cultural resources and parking. Other key issues may arise at the scoping meeting or during the environmental review process. Resources subject to Section 106 of the National Historic Preservation Act may be affected. Section 4(f) resources may also be affected. Letters describing the proposed action and soliciting comments will be sent to appropriate Federal, State and local agencies, and to private organizations and citizens who have previously expressed, or are known to have an interest in, this proposal.

The public is invited to participate in a scoping meeting(s) on March 9, 2006 at 7 p.m. and on March 18, 2006 at 10:30 a.m. at the Burton Chace Park Community Room, 13650 Mindanao Way, Marina del Rey. The purpose of the scoping meeting(s) is to seek input and to collect ideas and concerns regarding (1) the individual project concepts and (2) the environmental studies to be done. The draft EIS will be available for public and agency review prior to the public hearing.

(Catalogue of Federal Domestic Assistance Program Number 20.205, Highway Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program.)

Issued on: January 23, 2006.

**Steve Healow,**

*Federal Highway Administration, Sacramento, California.*

[FR Doc. 06-924 Filed 1-31-06; 8:45 am]

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