

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

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Joint Application of		)
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AEROVIAS DE MEXICO, S.A. DE C.V.		)
and AUSTRIAN AIRLINES,		)
OSTERREICHISCHE LUFTVERKEHRS		)
AG		)
for Renewal of Code Share Statement of		)
Authorization Under 14 C.F.R. Part 212.		)
(U.S.-Mexico Code-Sharing)	)	)
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Docket OST-2000-  
February 7, 2000

JOINT APPLICATION OF AEROVIAS DE MEXICO, S.A. DE C.V.  
and AUSTRIAN AIRLINES, OSTERREICHISCHE LUFTVERKEHRS AG  
FOR RENEWAL OF CODE SHARE STATEMENT OF AUTHORIZATION

Pursuant 14 C.F.R. Part 212, Aerovias de Mexico, S.A. de C.V. ("Aeromexico"), and Austrian Airlines, Österreichische Luftverkehrs AG ("Austrian Airlines") hereby request that the Department renew a Statement of Authorization authorizing Aeromexico to carry the code of Austrian Airlines on Aeromexico flights between Mexico City, Mexico and New York, New York for the purpose of transporting Austrian Airlines on-line connecting traffic. The authorization currently is set to expire on February 16, 2000. By this application, Aeromexico intends to invoke the automatic extension provisions of 5 U.S.C. § 558(c) and Part 377 of the Department's Special Regulations. Renewal is requested for one year. In support of this application, Aeromexico and Austrian Airlines state as follows:

Austrian

1. Aeromexico holds underlying route authority to provide nonstop service over the Mexico City-New York route, and it currently operates nonstop service over that route.

Austrian Airlines holds authority to operate from points in Austria to points in the United states and beyond. Order 97-11-31. Thus, Austrian Airlines has authority to operate from Austria via New York to Mexico City.

2. Under the arrangement, Aeromexico has been carrying the Austrian Airlines code on its nonstop services between Mexico City and New York, which connect to Austrian Airlines service between New York and Austria. Only traffic between Mexico City and Austria (and points beyond) has been transported under the Austrian Airlines code on the Aeromexico code share flights.<sup>1/</sup> Austrian Airlines does not sell travel between Mexico and the U.S. for movement on the code share flights. Aeromexico's code is not placed on U.S.-Austria flights of Austrian Airlines.

3. Code sharing such as that proposed here is expressly permitted under the U.S.-Austria open skies bilateral aviation agreement. Austrian Airlines relies on that agreement to conduct its code sharing services, which are an important means by which the airline exercises its traffic rights under the U.S.-Austria open skies agreement.

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<sup>1/</sup> In the event Aeromexico is deemed to be commingling traffic moving in foreign air transportation with traffic not moving in foreign air transportation, Aeromexico and Austrian Airlines respectfully request that Aeromexico be granted permission to do so under 14 C.F.R. Part 216.

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With regard to Mexico, although the bilateral agreement with the United States does authorize transborder and intra-country code sharing, it does not provide for third country code-sharing; thus, the Department must consider whether reciprocity exists between the two countries as to such code sharing. The Department has previously approved similar code sharing arrangements between Aeromexico and Swissair, Aeromexico and Austrian Air, Compania Mexicana de Aviacion, S.A. de C.V. and Aeroperu, and Mexicana and Air Canada. These approvals evidence the Department's belief that there is reciprocity between the U.S. and Mexico on the issue of third country code sharing.

4. Aeromexico and Austrian Airlines will comply with the Department's policies and rules concerning code-sharing arrangements including (a) the requirement that the contract of carriage and the ticket reflect the carrier that is holding out the service, (b) the requirement that the carrier holding out the service accepts responsibility to its passengers according to the terms of its contract of carriage, and (c) the requirements of Part 257 with respect to giving reasonable and timely notice to actual and prospective passengers of the code-sharing arrangements.

5. Approval of the code share arrangements has permitted Austrian Airlines to provide online service between Austria and Mexico City and thereby enhance its presence in the market. It also has been able to offer travelers the benefits of online service such as

Austrian

ease in ticketing and baggage handling. Thus, renewal of the Department's approval of the arrangement is consistent with the public interest.

WHEREFORE, Aeromexico and Austrian Airlines respectfully request that the Department grant renewal of the Statement of Authorization as requested.

Respectfully submitted,

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DATED: February 7, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this 7th day of February 2000, caused a copy of the foregoing Joint Application of Aerovias de Mexico, S.A. de C.V. and Austrian Airlines for Renewal of Statement of Authorization to be served by mail upon those persons on the attached list.

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William C. Evans

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Communications with respect to this document may be served upon:

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