

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.
March 3, 2000**

Joint Application of)	
UNITED AIR LINES, INC.)	
And)	
BRITISH MIDLAND AIRWAYS LTD.)	Docket OST-00-6842
For statements of authorization under 14 CFR)	
Part 212 (U.S.-U.K. code-sharing))	

Application of)	
BRITISH MIDLAND AIRWAYS LTD.)	Docket OST-00-6954
)	
)	
)	
)	

CONSOLIDATED ANSWER OF DELTA AIR LINES, INC.

British Midland Airways Ltd. ("British Midland") and United Air Lines, Inc. ("United") filed an amendment to their joint application for U.S.-UK authority (together with a motion for leave to file¹), by deleting from their original application the requests for codeshare authority to display British Midland's code on United's

¹ To the extent necessary, Delta requests leave to file this Consolidated Answer. In accordance with standard DOT practice, Delta is filing a concurrent consolidated answer to both the applications for exemption and statements of authorization.

Consolidated Answer of Delta Air Lines, Inc.
Page 2

flights between London Heathrow and U.S. points, and by limiting British Midland's beyond U.S. gateway codeshare service to points served beyond Chicago and Washington D.C. (i.e. points beyond the two U.S. gateways British Midland would serve on its flights operated from Manchester, England).

Delta Air Lines, Inc. ("Delta") opposes the applications, except to the extent that British Midland requests authority to provide service with its own aircraft between Manchester and Chicago/Washington D.C. The decision by British Midland and United to amend their application by deleting the request for codeshare authority on United's services between the United States and London Heathrow Airport and by limiting the scope of British Midland's beyond-U.S. gateway codeshare authority does not change the substantial public interest considerations warranting rejection of the British Midland-United application for codeshare authority. These considerations were discussed in detail in Delta's February 16, 2000 Consolidated Answer. In the absence of an agreement with the United Kingdom providing for access for Delta and other U.S. carriers at London Heathrow, the Department should not grant United and British Midland discretionary codeshare authority.

In further support of this Answer Delta states the following:

Consolidated Answer of Delta Air Lines, Inc.
Page 3

1. The Applicants acknowledge that the authority they seek is discretionary and extra-bilateral. All of the reasons stated by Delta in its February 16, 2000 Answer in opposition to the initial application apply with equal force to the applicants' amended application for code-share authority between the United States and 20 additional European cities, as well as British Midland's request for renewal of its authority to provide codeshare service between Heathrow and 10 European cities.

2. United's position here is ironic since, only a few days ago, United answered in opposition to the American-British Airways applications for code-share authority observing that the Department's decision to grant such authority is discretionary, and that "the joint applicants had failed to show that granting the application on routes to, from, or via London's Heathrow or Gatwick Airports would be consistent with the public interest." Answer of United dated February 22, 2000 in Docket OST-99-6507. United correctly pointed out that "the U.S. is under no obligation to approve the joint application to code-share on Heathrow and Gatwick services." United's conclusion that "granting American and British Airlines authority to code-share on U.S.-Heathrow/Gatwick services would reduce, rather than promote, competition, and would not be in the public interest" also applies to the United-British Midland amended application.

Consolidated Answer of Delta Air Lines, Inc.
Page 4

3. As Delta previously noted in its February 16 Consolidated Answer, this application (including the amended application) stands on entirely different footing than the previous approved U.S.-U.K. codeshare arrangements that provided for new non-incumbent U.S. carrier access to Heathrow in exchange for increased access to the U.S. marketplace for the U.K. carrier. Here, there is no such balanced exchange because there is no new U.S. carrier access to Heathrow. Indeed, British Midland is one of the largest slot holders and largest operators of service at London Heathrow Airport. United, is one of only two U.S. flag carriers currently authorized to serve London Heathrow. Allowing code-sharing on beyond-London routes will enhance British Midland's network access for U.S.-Europe traffic and further strengthen both United's and British Midland's presence at Heathrow. It makes no sense for the Department to strengthen two entrenched Heathrow carriers, while Delta and other U.S. carriers remain excluded from the critical Heathrow marketplace.

4. Secretary of Transportation Slater has correctly observed in recent Congressional testimony "in deciding on code-sharing applications, it is consistent Department practice to consider the existing competitive environment and the effects of the proposed cooperative arrangements on that environment." Nothing

Consolidated Answer of Delta Air Lines, Inc.
Page 5

has changed concerning either the competitive environment or the bilateral situation between the United States and the United Kingdom that would justify the grant to United and British Midland of any discretionary codeshare authority. Such authority should be considered only after a new agreement is reached between the United States and the United Kingdom providing for access for Delta and other U.S. airlines between the United States and London Heathrow.

For the reasons set forth above, the Department should deny the amended application of United and British Midland, except with respect to British Midland's request for authority to provide service with its own aircraft between Manchester and Chicago/Washington D.C.

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing Consolidated Answer of Delta Air Lines, Inc., on those persons listed on the attached service list, by U.S. mail, postage prepaid, this 3rd day of March, 2000.

Helena Richardson

Consolidated Answer of Delta Air Lines, Inc.

Page 7

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Consolidated Answer of Delta Air Lines, Inc.

Page 8

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