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June 19, 1997

**BY HAND**

Mr. Paul Gretch  
Director  
Office of International Aviation  
U.S. Department of Transportation  
Room 6412  
400 Seventh Street, S.W.  
Washington, D.C. 20590

RECEIVED  
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U.S. DEPARTMENT OF TRANSPORTATION  
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**Re: Application to Renew Code-Sharing Authority**

Dear Mr. Gretch:

By Order 95-6-29, the Department granted Air Canada and its commuter affiliates, Air Alliance, AirBC Limited, Air Nova, Air Ontario, and Northwest Territorial Airways, authority to conduct code-sharing services with Continental Airlines and its affiliates in the U.S.-Canada market. That authority was most recently renewed on July 25, 1996, and expires on June 23, 1997. Air Canada and its affiliates hereby request that the Department renew this authority until April 30, 1998.

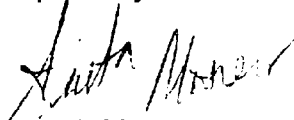
Air Canada and Continental have been providing code-sharing services in the Canada-U.S. market since 1995, and the same public interest considerations which led the Department to approve the Air Canada-Continental code-share services in the first instance continue to be present here. Accordingly, Air Canada requests that the Department continue to authorize this code-share service until April 30, 1998 -- the date on which the code-sharing contract between Air Canada and Continental expires.

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Air Canada and its commuter affiliates invoke the automatic extension provisions of 5 U.S.C. § 558(c), as implemented by Part 377 of the Department's special regulations, to continue their code-share authority in effect pending action on this renewal application.

Respectfully submitted,



Anita M. Mosner  
**Counsel for Air Canada**

Attachment

cc: Attached Service List