

American Airlines®

93-10
Public Book

February 4, 1998

Paul L. Gretch
Director
Office of International Aviation
Department of Transportation
400 7th Street, S.W.
Room 6402
Washington, D.C. 20590

Re: Joint Application of United Air Lines, Inc. and Lufthansa German Airlines for (1) Blanket Statements of Authorization Under 14 CFR Parts 207 and 212 and (2) Renewal of Existing Statements of Authorization (Open Skies Code-Sharing Operations)

Dear Mr. Gretch:

American Airlines, Inc. hereby answers the captioned application insofar as United Air Lines, Inc. and Lufthansa German Airlines seek blanket statements of authorization to engage in codeshare services. American does not object to this request, provided that the Department accords equivalent treatment in similar codeshare proceedings, and that certain provisos are added with respect to third countries.

With respect to similar proceedings, we note that American and Canadian Airlines International hold blanket statements of authorization to engage in codesharing in trans-border markets (renewed under assigned authority on January 23, 1998), but not in third-country markets. If the Department grants the United/Lufthansa application for blanket codeshare authority to serve third countries, American and Canadian will seek equivalent treatment, consistent with the U.S.-Canada Open Skies agreement, as amended on November 18, 1997.

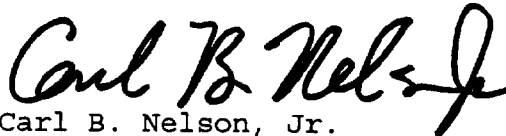
However, American submits that certain provisos on third-country codesharing should be included in any blanket statements of authorization. In this regard, American endorses the position taken by Northwest Airlines, Inc. in its answer of February 3, 1998 to American's petition for a policy statement to establish indefinite duration for certain authorities under 14 CFR Part 399 (OST-98-3375).

There, Northwest states that blanket statements of authorization to engage in codesharing should be granted, "so long as operations to countries with bilateral problems are excluded and the Department makes clear that it will grant blanket authorizations to other carriers in comparable circumstances. Future blanket statements of authorization should be subject to the conditions already imposed [in authorizations

granted to United/SAS, Delta/Swissair, Delta/Sabena, and Delta/Austrian], including the Department's advance notice condition, and should make clear that the authorization does not extend to code-share services to restrictive third countries" (p. 3). As Northwest notes, a model condition along these lines appears in the route integration authority granted to United by Order 97-6-16, June 10, 1997 (OST-97-2126).

Accordingly, American does not object to the United/Lufthansa application, so long as all similarly-situated carriers are treated the same way, and appropriate provisos with respect to third countries are included.

Respectfully submitted,



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cc: Terri Bingham
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Service list