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June 11, 1998

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(DL/AF)

Mr. 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 Delta and Air France for Statements of  
Authorization Under 14 C.F.R. Parts 207 and 212  
(Blanket Code-Share Authority)

Dear Mr. Gretch:

Continental<sup>1</sup> does not oppose the Delta/Air France application for blanket code-share authority as long as (1) the Department is prepared to grant similar authority to Continental and Air France<sup>2</sup> and (2) Delta's proposed U.S.-India code-share services do not prevent the Department from granting Continental's request for a U.S.-India third-country code-share designation.

In support of its position, Continental states as follows:

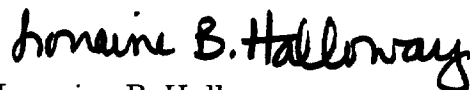
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- <sup>1</sup> Common names of carriers are used.
- <sup>2</sup> Continental and Air France are preparing a request for blanket code-share authority and expect to file it shortly.

1. Continental and Air France will apply shortly for blanket code-share authority which will permit them to implement fully their code-share alliance and enjoy the maximum code-share benefits available to U.S. and French carriers under the new U.S.-France Memorandum of Consultations. Continental has no objection to the Department's approving the Delta/Air France request for blanket code-share authority as long as the Department is prepared to award the same blanket authority to Continental/Air France without delay.

2. The U.S.-India bilateral agreement permits the U.S. to designate four carriers for third-country code-share services, and Delta holds one of the three designations which have already been awarded. (See Order 97-2-26) Continental has today applied for the remaining U.S.-India third-country code-share designation. Since Delta already has a designation, Delta's proposal to conduct U.S.-India code-share services with Air France should not interfere with Continental's request for a designation. If the Department disagrees, however, Continental should receive the fourth designation because Delta is already code-sharing with both Swissair (between Zurich and Delhi) and Austrian (between Vienna and Delhi).

For the foregoing reasons, Continental does not oppose the Delta/Air France request for blanket code-share authority as long as Continental and Air France receive similar authority and Delta's U.S.-India code-sharing with Air France does not prevent the Department from granting Continental's request for a U.S.-India third-country code-share designation.

Respectfully submitted,



Lorraine B. Holloway  
Counsel for  
Continental Airlines, Inc.

cc: Robert Cohn (for Delta)  
Michael Goldman (for Air France)  
Parties on the Service List