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June 11, 1998

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

RE: Joint Application of Delta and Air France for Statements of
Authorization Under 14 CFR Parts 207 and 212 (Blanket Code-Share
Authority), dated June 2, 1998

Dear Sir:

United Air Lines, Inc. ("United") submits the following comments regarding the above-referenced application pursuant to 14 CFR §§207.10(e) and 212.5(e):

1. By their Joint Application, Delta and Air France seek blanket code-share authority to serve any point in the U.S., France or third countries. The authority which they seek is comparable to that which the Department has granted to carriers operating code-share services that are authorized under open skies agreements. These include: Delta/Austrian, Delta/SABENA, Delta/Swissair, United/SAS and United/Lufthansa. These blanket statements of authorization are subject to various conditions, in some cases requiring notifications to the Department. Delta and Air France express their willingness to accept such conditions, citing those recently imposed on the United/Lufthansa code share by Order 98-4-8.

2. The previously approved blanket statements of authorization were premised to some extent on the existence of open skies agreements which guarantee liberal code-share access for all authorized carriers to all markets. The recently signed U.S./France bilateral agreement is not comparable to such open skies agreements. This is true with respect to code sharing as well as other issues. Indeed, the U.S./France agreement strictly limits U.S. carrier code shares to points in France via intermediate third countries. In these circumstances, the precedents

on which Delta and Air France rely where the Department approved blanket statements of authorization involving carriers from countries where open skies agreements with the U.S. had been concluded are not applicable to the joint Delta/Air France application.

3. United urges the Department to consider this matter carefully. The grant of a blanket statement of authorization to Delta and Air France would require the grant of similar authority to code-share partnerships involving foreign carriers from virtually every country with which the U.S. has an agreement allowing code sharing, no matter how restrictive. There would be little to distinguish foreign carriers from countries with relatively restrictive bilateral code-share agreements once Air France was granted such blanket authority.

4. United for its part has joined in an application with All Nippon Airways Co. Ltd. ("ANA") seeking code-share authority under the new U.S./Japan bilateral agreement. (Joint Application dated May 1, 1998). The scope of code-share authority requested there is consistent with the terms of the U.S./Japan agreement. No party opposed that application which is still pending before the Department.

The U.S./Japan agreement is far less restrictive than that between the U.S. and France. Incumbent carriers of both sides (such as United and ANA) are granted unrestricted authority immediately, growth for non-incumbent carriers is far more expansive than under the U.S./France agreement, fifth-freedom beyond rights are guaranteed, and code sharing is generally available. The agreement with France, on the other hand, restricts all U.S. carriers while leaving French carriers virtually unrestricted, growth is severely limited, fifth-freedom beyond rights are practically non-existent, and third-country code sharing is strictly limited.

The code-share authorizations requested by United and ANA are unopposed, reflecting the satisfaction of U.S. carriers with the expansion available under the new U.S./Japan agreement.¹ If the Department is prepared to grant blanket code-share authority to Delta and Air France, notwithstanding the relatively restrictive nature of the U.S./France agreement as compared to that between the U.S. and Japan, then certainly United and ANA are entitled to blanket code-share authorizations of at least equal breadth.

¹ Under the U.S./Japan agreement, the Department was able to allocate frequencies for the growth of U.S. carrier capacity without the need to deny any carrier's application. Order 98-5-17. Under the U.S./France agreement, the Department already faces the need to adjudicate among U.S. carrier applicants for frequency growth in the second year of the transition period.

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5. In conclusion, United urges the Department to reflect carefully upon the policy implications of the joint Delta/Air France request for blanket statements of authorization. The authority which those carriers are requesting would represent a virtual elimination of the requirement for prior approval of code shares without regard to the nature of the bilateral agreement on codesharing that the U.S. has concluded with a foreign carrier partner's homeland. The Department should not grant approval for such blanket authority for Delta and Air France unless it is prepared to do so for other similarly situated carriers.

Respectfully submitted,

/s/ Joel Stephen Burton
Joel Stephen Burton
Counsel for
UNITED AIR LINES, INC.

cc: All Parties on Attached Service List

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