

APPROVED

93-44 Bour

April 29, 1998

Paul L. Gretch
Director
Office of International Aviation
Department of Transportation
400 7th Street, S.W.
Room 6401
Washington, D.C. 20590

Re: Joint Application of American Airlines, Inc.
and Aero California, S.A. de C.V. for Renewal
of Statements of Authorization Under 14 CFR
Parts 207 and 212 (Codesharing)

Dear Mr. Gretch:

American Airlines, Inc. (and its regional American Eagle affiliates) and Aero California, S.A. de C.V. hereby jointly apply, under 14 CFR Parts 207 and 212, for renewal of their respective statements of authorization to engage in certain reciprocal codesharing services.

The subject authority was initially granted by Order 97-7-31, July 29, 1997; affirmed by Order 97-9-38, September 29, 1997; renewed under assigned authority, December 18, 1997; amended by Notice of Action Taken (undocketed), March 20, 1998; and clarified by Notice of Action Taken (undocketed), April 27, 1998.

The American/Aero California codesharing authority is set to expire on June 14, 1998. For the reasons stated in the joint answer of American and Aero California, submitted on April 24, 1998, to the codeshare renewal applications of Delta/Aeromexico and United/Mexicana (undocketed), the Department should renew the respective authorizations for a limited term; should press the Mexican aeronautical authorities for prompt liberalization of the U.S.-Mexico Air Transport Agreement; and should closely tie any further renewals to progress in bilateral negotiations.

Respectfully submitted,

David H. Coburn COB

DAVID H. COBURN
Steptoe & Johnson LLP
1330 Connecticut Ave., N.W.
Washington, D.C. 20036
(202) 429-8063
(202) 429-3902 (fax)

Attorney for Aero
California, S.A. de
C.V.

/ab
Attachment

cc: Terri Bingham
George Wellington
Linda Lundell
Allen Brown
Service list

Carl B. Nelson, Jr.

CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.
1101 17th Street, N.W.
Suite 600
Washington, D.C. 20036
(202) 496-5647
(202) 857-4246 (fax)
carl_nelson@amrcorp.com
(email)

Issue Date June 12, 1998

Approved under assigned authority:

December 8, 1998 1/

John B. ...
Special Agent in Charge

*See DOT ATTACHMENT, next page.

1/ Excludes approval of Aero California's statement of authorization for services in the Miami-Monterrey market via Mexico City (originally granted by Order 97-7-31 and renewed 12/18/97). By letter dated June 2, 1998, American notified the Department that its authority in this market is dormant.

ATTACHMENT

The code-share operations conducted under this authority must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted, and are expressly conditioned upon the requirement that the subject foreign air transportation be sold in the name of the carrier holding out service in computer reservation systems and elsewhere, that the carrier selling such transportation (i.e., the carrier shown on the ticket), accept all obligations established in the contract of carrier with the passenger; that the passenger liability of the operating carrier be unaffected; and that the operating carrier shall not permit the code of its U.S. code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose air space the Federal Aviation Administration has issued a flight prohibition.

Authorization of the code-share services may be withdrawn in any U.S.-Mexico city-pair market where another U.S. carrier proposes to operate services with its own aircraft (direct carrier services) and (1) additional designations are not available to authorize the proposed direct carrier service; and (2) the Department determines that the proposed direct carrier services would provide benefits and service options superior to the code-share operations in the market.

REMARKS:

Approval is granted based on the expectation that the Mexican Government again will renew the authorization of Northwest Airlines and Alaska Airlines to conduct code-share services in the U.S.-Mexico market.