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June 22, 1998

Paul L. Gretch
Director, Office of International Aviation
Department of Transportation
400 Seventh Street, S.W., Room 6412
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:

Delta Air Lines, Inc. ("Delta") and Compagnie Nationale Air France ("Air France") (the "Joint Applicants") hereby request leave to file this reply to the comments of United Air Lines, Inc. ("United") regarding the Delta/Air France blanket Application. Delta and Air France urge prompt Department approval so that the code-share services to new third country destinations planned for the 1998 peak summer travel season will not be unnecessarily delayed.

United does not oppose the Joint Application or code-sharing to any of the specific third country points in Africa and Asia listed in Exhibit A of that application. Rather, United "urges the Department to reflect carefully upon the policy implications of the joint Delta/Air France request." United, however, mischaracterizes the "policy implications" of approving the Delta/Air France request in the context of a transitional agreement that provides for substantial immediate liberalization and will soon result in fully open and unrestricted U.S.-France service opportunities.

United does not dispute the fact that the proposed Delta/Air France code-share services are explicitly authorized under the Agreement. See Article 8(7). The Department has already issued blanket statements of authorization covering

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the U.S.-France code-share services of Delta and Air France. See Order 98-6-5. There is no reason why the Department should not authorize similar flexibility for Delta and Air France to implement services to third countries, which are also explicitly authorized by the Agreement. Approval will facilitate the rapid and effective use of bilateral opportunities, including Delta's proposed new third-country code-share service to Africa via France, as detailed in Delta's application in Docket OST-98-3846.

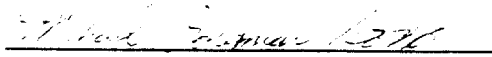
Contrary to United's assertions, the Delta/Air France application is fully consistent with the Department's prior grant of blanket statements of authorization. There is no question that both the underlying route rights as well as the right to provide services through cooperative service arrangements are available under the bilateral. Other U.S. carriers are free to code-share beyond France with third country carriers, and limits on the number of U.S. carriers authorized for intermediate point code-sharing to France are mostly optical. In these circumstances, requiring Delta and Air France to submit case-by-case approval requests for each new third-country destination would serve no legitimate regulatory purpose, would increase the administrative burden on the applicants and the Department, and would be inconsistent with the Department's efforts to streamline the approval and renewal (for indefinite duration) of non-controversial authority.

United's "comments" appear to be directed toward securing approval of its own unrelated blanket code-share application with All Nippon Airways. Delta has taken no position on the United/ANA application. However, unlike the U.S.-France Agreement, which leads directly to a U.S.-France open transatlantic regime, Japan will remain restricted indefinitely with no end in sight. As a completely unrestricted incumbent (along with its partner, ANA), it is easy for United to extol the virtues of the U.S.-Japan agreement. However, for the vast majority of U.S. carriers, the new U.S.-France agreement provides far more liberal opportunities now and at the end of the short transitional period.

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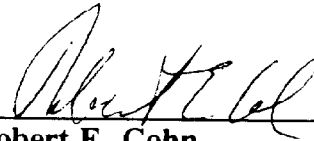
For the foregoing reasons, the bilaterally-authorized code-share requests of Delta and Air France should be granted immediately.

Respectfully submitted,



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cc: All persons listed on the attached service list