

Attachment to Joint Application of Delta Air Lines, Inc., and Korean Air Lines Co., Ltd., for Statements of Authorization (#98-394)

\* The authority granted is subject to the following conditions:

(a) Korean Air Lines and Delta must notify the Department (Director, Office of International Aviation, Room 6412) by letter, no later than 30 days before they begin any new code-share service under the code-share services authorized here. Such notice shall identify the market(s) to be served, which carrier will be operating the aircraft in the code-share market added, and the date on which the service will begin.

(b) The statement of authorization will remain in effect only as long as (i) Korean Air Lines and Delta Air Lines continue to hold the necessary underlying authority to operate the code-share services at issue, and (ii) the code-share agreement providing for the code-share operations remains in effect.

(c) Korean Air Lines and/or Delta Air Lines must promptly notify the Department (Office of International Aviation) if the code-share agreement providing for the code-share operations is no longer effective or the carriers decide to cease operating any or all of the approved code-share services.<sup>1</sup>

(d) The code-sharing 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 requirements that the subject foreign air transportation be sold in the name of the carrier holding out such 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 its contract of carriage 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 airspace the Federal Aviation Administration has issued a flight prohibition.

(e) Any service provided under the statement of authorization shall be consistent with all applicable agreements between the United States and Korea and between the United States and the other foreign countries involved. Furthermore, (i) nothing in the award of this blanket statement of authorization should be construed as conferring upon Delta rights (including code-share, fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier rights are limited unless Delta notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedures to determine which carrier(s) should be authorized to exercise such rights;<sup>2</sup> and (ii) should there be a request by any carrier to use the limited-entry route rights that are included in Delta's authority by virtue of the blanket statements of authorization granted here, but that are not being used by Delta, the holding of such authority will not be considered as providing any preference for Delta in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

(f) We may amend, modify, or revoke the authority granted at any time and without hearing at our discretion.

(g) The filing of a petition for review shall not preclude the effectiveness of this action.

<sup>1</sup> We expect that this notification be received within 10 days of such noneffectiveness or of such decision.

<sup>2</sup> The notice referenced in condition (a) above may be used for this notification, *provided that*, any such operations cannot be operated without further Department action, and any such operations must be identified in the notices filed by Delta. (See Order 98-4-8.)