

checked for reciprocity and comity

APPROVED-See

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CKC
Signature

11/25/98
Date

October 21, 1998

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 American Airlines, Inc.
and Aero California, S.A. de C.V. for Renewal
of Statements of Authorization Under 14 CFR
Part 212

Dear Mr. Gretch:

American Airlines, Inc. and Aero California, S.A. de C.V. hereby jointly apply, under 14 CFR Part 212 (formerly 14 CFR Parts 207 and 212), for renewal of their respective statements of authorization to engage in certain reciprocal code-sharing 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; clarified by Notice of Action Taken (undocketed), April 27, 1998; and renewed under assigned authority, June 12, 1998. The authority is presently set to expire on December 8, 1998.

The Department is well aware of the continuing intransigence of the Mexican Government in reaching a satisfactory bilateral agreement with the United States with respect to Third and Fourth Freedom codesharing services. For the reasons stated in the joint answer of American and Aero California, submitted on April 24, 1998 and incorporated herein by reference, to the last round of codeshare renewal applications submitted by Delta/Aeromexico and United/Mexicana (undocketed), the Department should renew the three authorizations for a limited term (not to exceed 179 days); should continue to press the Mexican Government for prompt resolution of the codeshare issue; and should closely tie any further renewals to progress in bilateral negotiations.

Respectfully submitted,

David H. Coburn

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Issue Date DEC - 4 1998

Approved under assigned authority

Authority expires June 1, 1999
The filing of this petition
shall not preclude the
effectiveness of this action

Carl B. Nelson, Jr.
Director, Office of International Aviation

dw * 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.