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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION
98 DEC 14 AM 11:15
DOCKET SECTION

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Application of :
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 AIR FRANCE :
 : Docket OST-98-4824
 for exemption from the slot :
 limitation regulations :
 (FAR Part 93, Subparts K and :
 S) at O'Hare International :
 Airport :
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REPLY OF AIR FRANCE TO AMERICAN'S ANSWER

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Washington, DC
December 14, 1998

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REPLY OF AIR FRANCE TO AMERICAN'S ANSWER

Société Air France ("Air France") hereby replies to the answer of American Airlines, Inc. ("American") in this docket. American's answer seeks to block application of the Department's established policy under the law and its own regulations. American, as well, is seeking to resolve a separate alleged problem of its own, by attempting to have the Department hold Air France's application hostage. The Air France application is based on settled Department policy with regard to slots at controlled airports, for foreign air carriers. American's request that Air France's application should be denied, should, therefore, be refused.

American bases its opposition on its allegation that the French Government should ensure, through Cordonnateur des Aéroports Parisiens ("COHOR"), that slots be granted to American, at Paris Orly Airport. Otherwise, American argues, the Department should deny the Air France application. American seeks to legitimize its opposition to established Department policy^{1/} by attempting to distinguish Air France's application by alleging that it is a first-time application,

^{1/} See, e.g., Orders 98-10-12 (Iberia); 98-8-25 (SAS); 98-4-28 (Lufthansa); 97-3-31 (Turkish).

made at a time that the carrier's homeland is not granting a similar request of American.^{2/}

American's attempt is, of course, inappropriate in relation to Air France's request. As the Department knows, the slot allocation procedure at the Paris airports, Orly and Charles de Gaulle, is handled, consistently with European Community regulation 95/93, by COHOR, which is an independent body open to all carriers serving the Paris airports. Therefore, Air France is neither involved in, nor does it have any control over, the slot allocation procedure at Orly Airport.

If the Department were to grant American's request to deny Air France's application, it would put Air France at a considerable competitive disadvantage in the Paris-Chicago market. American and United both operate from their strong Chicago hubs, with American operating one daily flight and United (starting with Summer 1999) operating 2 daily flights. Those combined services offer a significant level of service to Air France's Paris hub, while from Paris Air France operates one-third as much Chicago service as U.S. flag carriers will offer, starting with the Summer of 1999.

In conclusion, Air France's legitimate request to the Department for exemption relief is consistent with that which has been granted to other foreign air carriers^{3/}, at an airport which has the available physical capacity. American's opposition is, therefore, misplaced and the department should not refuse to grant the Air France exemption application.

WHEREFORE, Société Air France respectfully requests the Department to grant the Air France application expeditiously.

Respectfully submitted,

/s/ V. Michael Straus

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^{2/} American answer, page 4.

^{3/} As stated in footnote 8 of its application, only two carriers have been denied similar requests, each of which involved circumstances completely different from those present here.