



U.S. Department of
Transportation
Office of the Secretary
of Transportation

NOTICE OF ACTION TAKEN

UNDOCKETED

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Applicant: **Air Canada & Scandinavian Airlines System (SAS)** Date Filed: July 3, 1997

Relief requested: Statement of authorization under 14 CFR 212 to permit SAS's airline designator code to be displayed on certain Air Canada transborder flights that would connect with SAS transatlantic flights at SAS's Newark and Seattle gateways; and to permit the Air Canada code to be displayed on certain SAS U.S.-Scandinavia flights that connect with Air Canada's transborder services at Newark and Seattle. (All Air Canada-SAS code-share passengers will have a Canada-Scandinavia or Scandinavia-Canada routing, and none will originate in or be destined for the United States.)

Applicant representatives: Air Canada - Anita Mosner 202-342-5200
SAS - Michael Goldman 202-944-3305

DISPOSITION

Action: **APPROVED**

Action date: **NOVEMBER 19, 1997**

Effective dates of authority granted: **NOVEMBER 19, 1997, thru NOVEMBER 19, 1999**

Remarks: Delta Air Lines, Inc., and Northwest Airlines, Inc., filed answers urging the Department to obtain written assurances that the Government of Canada will grant U.S. carriers similar operating rights between the United States and third countries via Canada before granting the requested authority. By Order 97-9-6, September 5, 1997, we deferred action on the applicants' request, while we pursued further discussions with the Government of Canada on the subject of the operation of third-country code shares. During U.S.-Canada bilateral consultations held on November 18, 1997, the two delegations reached *ad referendum* agreement, memorialized in an Agreed Minute, that their Governments would allow cooperative marketing arrangements between each other's airlines and third-country airlines. This understanding provides, among other things, for the third-country code share operations at issue on the record of this proceeding.

Except to the extent exempted/waived, this authority is subject to the terms, conditions, and limitations indicated: foreign air carrier permit conditions (Orders 74-11-79 and 96-6-45), and the requirement that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservation systems and elsewhere, and that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (that is, the ticket), and that all of the carriers comply with the rules for airline designator code-sharing set forth in section 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted.

Action taken by: Paul L. Gretch, Director
Office of International Aviation
under assigned authority (14 CFR 385)

(Petitions for review may be filed from now until 10 days after the service date of the confirming order/letter. Filing of a petition shall not stay the effectiveness of this action.)