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NEW



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

NOTICE OF ACTION TAKEN

January 6, 1998

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.

Application of American Airlines, Inc. filed 11/14/97 in Undocketed for:

XX *Statement of Authorization under 14 CFR Part 207 to:*¹

Display TAM's "JJ" designator code on a blind-sector basis on flights operated by American or American Eagle between TAM's U.S. gateway points Miami, New York (JFK), Dallas/Ft. Worth, and Chicago, on the one hand, and Austin, Nashville, Raleigh/Durham, St. Louis, and Tampa, on the other, carrying TAM's Brazil-U.S. traffic.

American states that no local traffic will be carried under the "JJ" code between points in the United States; that it plans to begin marketing and sales of the proposed new services as soon as necessary regulatory approvals are granted; and that TAM will ask the Government of Brazil to notify the Government of the United States of its choice of the additional U.S. points of Austin, Nashville, Raleigh/Durham, St. Louis and Tampa.

United submitted an answer, stating that it has no objection to American's application so long as the Department grants the pending joint application of United and Varig in Docket OST-97-2358, as amended, in circumstances where the United/Varig application is fully consistent with the U.S. code-share-only points selected by the Government of Brazil.

Applicant rep.: Carl B. Nelson, Jr. 202-496-5647 DOT analyst: Linda Senese, 202-366-2367

DISPOSITION

XX *Granted, in Part, subject to conditions (See below)*

XX *Balance Deferred.*

The above action was effective when taken: January 6, 1998, through July 1, 1998 (coextensive with earlier code-share approval for U.S.-Brazil market)

XX *Under assigned authority (14 CFR 385) by:*

Paul L. Gretch, Director

Office of International Aviation

(Petitions for review may be filed from now until 10 days after the confirming order/letter issues.

Filing of a petition shall not stay the effectiveness of this action.)

XX *Authority granted is consistent with the aviation agreement between the United States and Brazil, as amended, and the November 18, 1997 Memorandum of Consultations.*

(See Reverse Side)

¹ American's Statement of Authorization application includes its regional affiliates: Executive Airlines, Inc., Flagship Airlines, Inc., Simmons Airlines, Inc., and Wings West Airlines, Inc.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity

Special Remarks: The authority granted is coextensive with the duration of the exemption granted TAM on January 6, 1998.

Deferral: As provided under the November 18, 1997, Memorandum of Consultations, each country may select 25 points for services by its carriers operated on a code-share-only basis. To date, the Government of Brazil has selected 20 U.S. cities, including St. Louis and Tampa for code-share-only services. However, we have not received notification from Brazil of its selection of Austin, Raleigh/Durham or Nashville. Therefore, we have deferred action on the application to the extent it seeks authority to code-share in these markets.

Conditions: The code-sharing operations authorized herein 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, and 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.