

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

_____)
Joint Application of)
)
)
 AIR CANADA)
 AND)
 UNITED AIR LINES, INC.) Docket OST-99-_____
)
 for a statement of authorization pursuant to)
 14 C.F.R. Part 212)
_____)

**JOINT APPLICATION OF AIR CANADA
AND UNITED AIR LINES, INC. FOR A STATEMENT OF AUTHORIZATION**

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Representatives of
AIR CANADA

Dated: June 29, 1999

Notice: Answers supporting or opposing this joint application are due on or before July 9, 1999.

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**JOINT APPLICATION OF AIR CANADA
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Air Canada and United Air Lines, Inc. ("United") hereby jointly apply for a statement of authorization pursuant to 14 C.F.R. Part 212 to allow Air Canada to display the designator code of United on Air Canada's scheduled service between Vancouver, Canada and Taipei, Taiwan, so that United might hold out through service to Taipei from points in the United States via Vancouver. In support of its application, the parties submit the following:

1. Both Air Canada and United hold the necessary economic authority. United is authorized to hold out the proposed service under certificates of public convenience and necessity authorizing it to operate Route 57 (Order 83-3-77), Route 664 (Order 95-6-26), and Route Integration Exemption (Notice of Action Taken dated April 8, 1999 in Docket OST-97-2126). Under the new U.S.-Taiwan Open Skies Agreement, U.S. carriers may offer service to Taiwan either on a nonstop basis or via any point(s). See Air Transport

Agreement Between the American Institute in Taiwan and the Taipei Economic & Cultural Representative Office dated March 18, 1998, Section 1 of Annex I (hereinafter referred to as the "Taiwan-U.S. Air Transport Agreement"). Air Canada holds a foreign air carrier permit authorizing it to operate scheduled service between any points in the United States and any points in Canada, and to offer blind-sector service beyond any point or points in the U.S. See Order 98-5-11. Air Canada is authorized by the Governments of Canada and Taiwan to offer services between points in these countries.

2. Under the proposed arrangement, United Airlines would hold out service to and from the United States and Taipei by placing its code on Vancouver-Taipei services operated by Air Canada that connect with Air Canada's and/or United's U.S.-Vancouver services. The 1995 Canada-U.S. Open Skies Agreement provides that designated U.S. and Canadian carriers may operate to any other point or points in third countries, without traffic rights between points in the territory of the other party and such other points in third countries. See Air Transport Agreement between the Government of the United States and the Government of Canada dated February 24, 1995, Annex I, Section 4 (hereinafter referred to as "U.S.-Canada Air Transport Agreement"). United will not hold out Fifth Freedom services between Canada and Taiwan.

3. The U.S.-Canada Open Skies Agreement authorizes U.S. and Canadian carriers to hold out service to points in third countries by code-sharing on services operated by airlines of either Party. See U.S.-Canada Air Transport Agreement, paragraph 6 of Article 10 and Section 4 of Annex I. Third-country code-sharing is provided for under the Taiwan-U.S. Open Skies Agreement. See Taiwan-U.S. Air Transport

Agreement, Article 8, paragraph 7. Thus, the proposed service is clearly in the public interest, and is fully consistent with all applicable bilateral agreements.

4. Air Canada and United request approval of this Statement of Authorization for an indefinite period of time. Granting authority for an indefinite period will avoid unnecessary submission and review of pro forma renewal applications. Air Canada and United plan to begin to market this cooperative service on July 29, 1999. Accordingly, Air Canada and United request that DOT take favorable action on or before July 9, 1999.

5. Air Canada and United will continue to comply with the provisions of Section 14 C.F.R. Part 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted.

WHEREFORE, Air Canada and United request the Department to grant their request for a statement of authorization to permit Air Canada to place United's designator code on its Vancouver-Taipei service.

Respectfully submitted,

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Dated: June 29, 1999

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CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of June, 1999, the foregoing Joint Application of Air Canada and United Air Lines for a Statement of Authorization was served by first-class mail, postage prepaid, upon the persons listed in the attached service list.

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