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NEW



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

NOTICE OF ACTION TAKEN

June 25, 1997

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 Delta Air Lines, Inc. filed 5/20/97 in Docket OST-96-1672 for:

XX Allocation of additional 4.5 weekly combination frequencies for:

U.S.-Russian Federation services to increase Delta's overall total combination frequencies to 23.5 weekly frequencies. With the additional allocation, Delta stated that it would use the frequencies in the following manner: 7 weekly frequencies in the New York (JFK)-Moscow market using its own aircraft and the remaining 16.5 weekly frequencies in code-share arrangements with Austrian, Swissair, or Sabena. Those frequencies would be operated by Delta's code-share partners as follows: 3.5 weekly frequencies in the Vienna-Moscow market and 2 weekly frequencies in the Vienna-St. Petersburg market operated by Austrian; 5.5 weekly frequencies in the Zurich-Moscow market and 2 weekly frequencies in the Zurich-St. Petersburg market operated by Swissair; and 3.5 weekly frequencies in the Brussels-Moscow market operated by Sabena. Delta stated that it intends to implement the code-share services as soon as possible on a year-round basis, but requested a waiver of the Department's standard 90-day dormancy provision with respect to its code-share services to the extent that such operations are not approved by the Russian government, consistent with the relief granted United in Order 96-10-1.

Continental Air Lines, Inc. filed an answer stating that it did not object to Delta's application so long as Continental's request for seven frequencies to operate its own Newark-Moscow service was also granted.

Applicant rep.: Robert E. Cohn 202-663-8060 DOT analyst: Linda Senese, 202-366-2367

DISPOSITION

XX Granted (subject to conditions, see below)

The above action was effective when taken: June 25, 1997, through June 25, 1998

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.)

(See Reverse Side)

XX Authority granted is consistent with the air transport agreement between the United States and the Russian Federation. The Annexes to the Agreement expired May 31, 1997. The Annexes continue to be observed on the basis of comity and reciprocity.

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

XX Holder's certificate of public convenience and necessity

XX Standard exemption conditions (attached)

Special Remarks: By Notice served June 12, 1997, the Department informed all U.S. certificated air carriers that grant of this application and Continental's application (Docket OST-97-2493) would use all of the frequencies currently available for U.S.-Russia Federation combination services and invited all U.S. carriers interested in serving the market to apply for the available frequencies. The Notice stated that should no other applications be filed by June 19, 1997, we intended to act affirmatively on the Delta and Continental applications. No additional applications were received. By Notice issued contemporaneously, we granted Continental's application.

Conditions: Consistent with Department practice, the 4.5 frequencies allocated here are subject to the condition that they will expire automatically and the frequencies will revert back to the Department for reallocation if they are not used for a period of 90 days. The 90 day-dormancy period will begin on the date of issuance of this notice. However, should foreign government approval for these services be withheld, Delta should notify the Department immediately, and in such circumstances, we would entertain a request for a waiver.

To the extent Delta plans to provide the services through code-share arrangements, those services are also conditioned on the following: 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 the computer reservation systems and elsewhere, that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept all obligations established in the contract of carriage with the passenger, and that the operator shall not permit the code of its U.S. air carrier code-sharing partner to be carried on any flights that enters, departs, or transits the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.