

20d.

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

DEPARTMENT OF TRANSPORTATION
99 JAN 25 PM 2:36
DOCKET SECTION

Joint Application of :
 UNITED AIR LINES, INC. :
 and : OST-97-3237
 COMPANIA MEXICANA DE AVIACION, :
 S.A. DE C.V. :
 :
 for an exemption under 49 USC 40109 :
 and a statement of authorization under :
 14 CFR 212 (U.S.-Mexico codesharing) :

ANSWER OF AMERICAN AIRLINES, INC.
TO MOTION FOR IMMEDIATE ACTION

Communications with respect to this document should be sent to:

GERARD J. ARPEY
Senior Vice President -
Finance and Planning and
Chief Financial Officer
American Airlines, Inc.
P.O. Box 619616, MD 5621
DFW Airport, Texas 75261

WILLIAM K. RIS, JR.
Vice President - Government
Affairs
American Airlines, Inc.
1101 17th Street, N.W.
Suite 600
Washington, D.C. 20036

ARNOLD J. GROSSMAN
Vice President - International
Affairs
American Airlines, Inc.
P.O. Box 619616, MD 5635
DFW Airport, Texas 75261

CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.
1101 17th Street, N.W.
Suite 600
Washington, D.C. 20036
(202) 496-5647
(202) 857-4246 (fax)
carl_nelson@amrcorp.com
(email)

January 25, 1999

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

Joint Application of :
 :
 UNITED AIR LINES, INC. :
 and : OST-97-3237
 COMPANIA MEXICANA DE AVIACION, :
 S.A. DE C.V. :
 :
 for an exemption under 49 USC 40109 :
 and a statement of authorization under :
 14 CFR 212 (U.S.-Mexico codesharing) :

ANSWER OF AMERICAN AIRLINES, INC.
TO MOTION FOR IMMEDIATE ACTION

American Airlines, Inc. hereby answers in opposition to the motion submitted on January 13, 1999 by United Air Lines, Inc. and Compania Mexicana de Aviacion, S.A. de C.V. seeking immediate action on their request to provide codesharing service between Los Angeles/Chicago and Huatulco, Mexico via Mexico City. The motion should be denied.

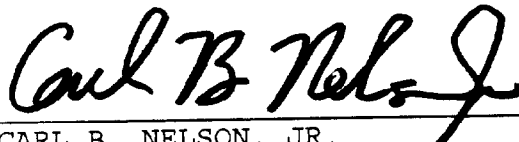
As United and Mexicana acknowledge, "[t]he Department has imposed an informal moratorium on the expansion of U.S.-Mexico transborder code shares involving U.S. and Mexicana carriers pending bilateral resolution of code-share issues between the two governments" (Motion, p. 3). However, they urge that their request should fall outside the moratorium because Mexicana is proposing to operate the Mexico City-

Huatulco segment in place of Transportes Aeromar, a commuter carrier with which United had a prior codeshare arrangement.

The Department should reject such an argument. Authorizing large jet operations by Mexicana in place of commuter service by Transportes Aeromar would be a material change that should only be authorized under a new codesharing provision in the U.S.-Mexico Air Transport Agreement. As the Department well knows, Mexicana and Aeromexico, as part of the Cintra Group, have been the principal impediment to the negotiation of such a bilateral provision. If the Department continues to grant extrabilateral authorizations to the benefit of Mexicana and Aeromexico, those carriers will have no incentive to urge the Government of Mexico to conclude a bilateral agreement with the United States.

Accordingly, the joint motion by United and Mexicana should be denied.

Respectfully submitted,



CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.

January 25, 1999