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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

DEPT. OF TRANSPORTATION

1999-08-09 14:30

Joint Application of :

ALITALIA-LINEE AEREE ITALIANE- :

S.p.A. :

and :

KLM ROYAL DUTCH AIRLINES : OST-99-5674

and :

NORTHWEST AIRLINES, INC. :

for approval of and antitrust immunity :

for agreements pursuant to 49 USC 41308 :

and 41309 :

ANSWER OF AMERICAN AIRLINES, INC.

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August 9, 1999

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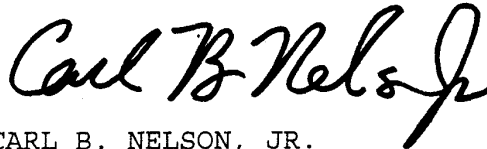
ANSWER OF AMERICAN AIRLINES, INC.

American Airlines, Inc., in response to the Department's scheduling notice of July 19, 1999, hereby answers the captioned joint application of Alitalia, KLM, and Northwest Airlines, submitted on May 11, 1999, for approval of and antitrust immunity for agreements.

American is this day applying for a certificate of public convenience and necessity to engage in foreign air transportation of persons, property, and mail between a point or points in the United States, directly and via intermediate points, and a point or points in Italy, and beyond, subject to a standard condition governing such open-skies rights.

In the event that the Department determines to grant antitrust immunity to Alitalia/KLM/Northwest, it should contemporaneously grant American's application for unrestricted U.S.-Italy authority. The open-skies agreement between the United States and Italy, initialed on November 11, 1998, will be signed when Alitalia is granted antitrust immunity with its chosen U.S. carrier partner. In order to maximize competitive opportunities under the new agreement, U.S. carriers should have full freedom of entry coincident with any grant of immunity to Alitalia/KLM/Northwest.

Respectfully submitted,



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

August 9, 1999