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1:30 p.m.

ORDER 2000-11-2



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 2nd day of November, 2000

Served: November 7, 2000

**U.S.-EGYPT THIRD-COUNTRY CODE-
SHARE OPPORTUNITIES**

Docket OST-2000-6982

FINAL ORDER

SUMMARY

By this order, we make final our tentative decision in Order 2000-10-14 to select Delta Air Lines, Inc., to serve Egypt via Paris under its code-share arrangement with Air France.

BACKGROUND

Under the Air Transport Agreement between the United States and Egypt, as amended June 24, 1997, three U.S. carriers may serve the U.S.-Egypt market under code-share arrangements with third-country carriers. The United States has designated the following three U.S. carriers and their partners: Delta /Swissair via Zurich; Northwest/KLM via Amsterdam; and United/Lufthansa via Frankfurt and Munich.

By Order 2000-10-14, we tentatively decided that Delta's authorization was available for allocation since Delta proposed to change its code-share partner for service in the market. We also tentatively decided to select Delta to use this authorization with its new third-country code-share partner, Air France, rather than select American Airlines, which had proposed service with its partner, Swissair. Objections to the Department's tentative decision were due October 30 and answers to the objections were due November 6.

RESPONSIVE PLEADINGS

On October 25, 2000, Delta submitted a letter to the Department stating that American had authorized Delta to state that American would not object to the Department's tentative decision. In light of American's position, Delta urges the Department to promptly issue the final order in the case. No other responses to our show-cause order were filed.

DECISION

We have decided to make final our tentative decision to authorize Delta to serve Egypt via Paris under its code-share arrangement with Air France. As we stated in our show-cause order, the code-share opportunities under the U.S.-Egypt agreement represent a valuable benefit for travelers in this market, providing the public with a variety of service options and the benefits that derive from competitive opportunities. We find that the public interest requires our acting to maximize the use of these code-share rights by selecting a carrier to take advantage of a currently unused code-share opportunity, and we further find that of the two proposals before us, Delta's offers the greater overall benefits. In these circumstances and taking into account the record before us, we conclude that the public interest calls for making final our tentative result.

ECONOMIC AUTHORITY

As we stated in the show-cause order, Delta already holds the necessary underlying authority to conduct its proposed services and, thus, additional underlying authority is not necessary.¹ With respect to the statement of authorization for the proposed code-share services, Delta has a blanket statement of authorization for its code-share service with Air France, and has filed the necessary notice pursuant to this authorization to serve the Egypt market.²

ACCORDINGLY,

1. We make final our tentative findings and conclusions in Order 2000-10-14;
2. We select Delta Air Lines, Inc., for authorization to provide scheduled foreign air transportation of persons, property, and mail in the U.S.-Egypt market under its code-share arrangement with Air France (via Paris);
3. The selection of Delta Air Lines, Inc., in ordering paragraph 2, above, is effective immediately.
4. We may amend, modify, or revoke the authority granted by this order at any time at our discretion without hearing;
5. To the extent not granted, we deny all requests in the captioned docket; and

¹ See Route 616, issued by Order 91-10-33 and Notice of Action Taken dated March 29, 2000, Docket OST-98-3740.

² The blanket authorization requires the carriers to file advance notice of their intent to serve limited-entry markets, and precludes them from commencing the proposed operations unless and until the Department completes any necessary carrier selection procedures. Our final order here completes those procedures.

6. We will serve this order on American Airlines, Inc.; Delta Air Lines, Inc.; the Ambassador of Egypt in Washington, D.C.; the U.S. Department of State (Office of Aviation Negotiations); and the Federal Aviation Administration (AFS-220).

By:

SUSAN MCDERMOTT
Deputy Assistant Secretary for
Aviation and International Affairs

(SEAL)

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