



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

Issued by the Department of Transportation
on the 22nd day of February, 2005

Served: February 22, 2005

Joint Complaint of

AMERICAN AIRLINES, INC.

and

UNITED AIR LINES, INC.

against

ALITALIA-LINEE AEREE ITALIANE-S.p.A.

and

THE GOVERNMENT OF ITALY

under Section 2(b) of the International Air
Transportation Fair Competitive Practices Act, as
amended

Docket OST-2004-19790

ORDER

On November 24, 2004, American Airlines, Inc. and United Air Lines, Inc. (Joint Complainants) filed a complaint under Section 2 (b) of the International Air Transportation Fair Competitive Practices Act, as amended, 49 U.S.C. 41310, against Alitalia-Linee Aeree Italiane-S.p.A. (Alitalia) and the Government of Italy. The Joint Complainants allege that the Government of Italy is in violation of its clear obligations under Article 9 of the Air Transport Agreement between the United States and Italy, because it has failed to authorize the Joint Complainants to engage in third-country codesharing with their respective European airline partners, via European intermediate points, between the United States and Milan's Linate airport.¹

Section 41310(d)(1) provides that the Department shall approve, deny, dismiss, or set a complaint for hearing, or institute other procedures proposing remedial action, within 60 days

¹ We summarized the complaint more fully in Order 2004-11-18.

after receipt of the complaint. We may extend the period for taking action up to 90 days from the date of the complaint if we conclude that it is likely that the complaint can be resolved satisfactorily through negotiations. We may further extend the action deadline up to 180 days from receipt of the complaint, in 30-day increments, if we find that intergovernmental negotiations have progressed to a point that a satisfactory resolution of the complaint appears imminent.

By Order 2004-11-18, we invited interested persons to file answers and replies to the joint complaint. Alitalia, the Embassy of Italy, and US Airways, Inc. (US Airways) filed answers to the Joint Complaint. American and United filed a joint reply. Société Air France (Air France) filed a reply to which American and United filed a contingent joint response.² By Order 2005-1-16 we extended the action deadline through February 22, 2005, pending consultations between the United States and Italy.

Since the filing by the Joint Complainants, there have been intergovernmental contacts concerning the issues raised, including consultations on February 17, 2005, in Washington, D.C., between representatives of the governments of the United States and Italy. As a consequence of these consultations, both sides are considering next steps toward achieving a satisfactory resolution of the matters raised. In these circumstances, we believe that the public interest is best served by extending for 30 days the deadline for action on the joint complaint.

ACCORDINGLY,

1. We extend through March 24, 2005, the period for taking action on the Joint Complaint of American Airlines, Inc. and United Air Lines, Inc.; and
2. We will serve this order on the Joint Complainants, all parties served with the Joint Complaint; the Ambassador of Italy in Washington, D.C.; the U.S. Department of State (Office of Aviation Negotiations); the Assistant U. S. Trade Representative (Office of the United States Trade Representative); the U.S. Department of Commerce (Office of Service Industries); and the Air Transport Association.

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this order is available on the World Wide Web at
http://dms.dot.gov/reports/reports_aviation.asp.*

² The reply of Air France and the contingent joint response of American and United were accompanied by motions for leave to file. In the interest of having a complete record we will grant the motions.