

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

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Application of :  
: GLOBESPAN AIRWAYS LIMITED d/b/a : OST-2006-23542  
FLYGLOBESPAN :  
: under 49 USC 40109 for an exemption :  
(U.S.-U.K.) :

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Application of :  
: GLOBESPAN AIRWAYS LIMITED d/b/a : OST-2006-23543  
FLYLGLOBESPAN :  
: under 49 USC 41302 for a foreign air :  
carrier permit (U.S.-U.K.) :

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**JOINT ANSWER OF AMERICAN AIRLINES, INC.  
AND UNITED AIR LINES, INC.**

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January 11, 2006

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**JOINT ANSWER OF AMERICAN AIRLINES, INC.  
AND UNITED AIR LINES, INC.**

American Airlines, Inc. and United Air Lines, Inc. hereby jointly answer in opposition to the captioned applications submitted on January 4, 2006 by Globespan Airways Limited d/b/a Flyglobespan for exemption and permit authority to serve between the United States and the United Kingdom (except London Heathrow and London Gatwick). Action on Flyglobespan's applications should be deferred until the Government of the United Kingdom ends the discriminatory fuel rationing scheme imposed by BAA plc at Heathrow Airport following the Buncefield oil depot fire on December 11, 2005.

American and United do not dispute the temporary need for fuel rationing at Heathrow as a result of the Buncfield fire and the ensuing fuel shortage while pipeline repairs are made and alternative delivery methods are arranged. However, the action taken by BAA is blatantly discriminatory against American and United - the two U.S. carriers serving Heathrow - in direct violation of Article 11, paragraph 1 of the United States-United Kingdom Air Transport Agreement (Bermuda 2):

"The designated airline or airlines of one Contracting Party shall have a fair and equal opportunity to compete with the designated airline or airlines of the other Contracting Party."

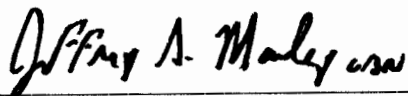
Under BAA's rationing scheme, so-called "base" carriers at Heathrow, including British Airways and Virgin Atlantic, are provided 82% of their fuel requirements for long-haul services, while so-called "visiting" carriers at Heathrow, including American and United, are provided only 70% of their fuel requirements for long-haul services. This disparity has required American and United to tanker in extra fuel to Heathrow on their transatlantic flights from the United States, resulting in additional fuel expenses of approximately \$20,000 per day for American and approximately \$15,000 per day for United. That is because each gallon of fuel tankered across the Atlantic by aircraft requires approximately one-third of a gallon in extra fuel burn.

Such an on-going disparity in costs, imposed by BAA, between American/United and British Airways/Virgin Atlantic, clearly violates Bermuda 2's guarantee of "a fair and equal opportunity to compete," and should be immediately remedied by the Government of the United Kingdom.

To date, efforts undertaken by American and United, the Air Transport Association, DOT, and the Department of State have been unsuccessful in ending BAA's discriminatory rationing scheme.

In these circumstances, where the Government of the United Kingdom is in violation of its bilateral obligations under Article 11 of Bermuda 2, the Department should defer action on the applications by Flyglobespan for authority to serve the U.S.-U.K. market.

Respectfully submitted,



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Wilmer Cutler Pickering  
Hale and Dorr LLP



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January 11, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by email on the following persons:

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January 11, 2006