

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

In the matter of)	
)	
AIR CANADA)	
THE AUSTRIAN GROUP)	
BRITISH MIDLAND AIRWAYS LIMITED)	
DEUTSCHE LUFTHANSA AG)	Docket OST-2005-22922
POLSKIE LINIE LOTNICZE LOT S.A.)	
SCANDANAVIAN AIRLINES SYSTEM)	
SWISS INTERNATIONAL AIR LINES LTD)	
TAP AIR PORTUGAL and)	
UNITED AIRLINES, INC.)	
)	
for approval of antitrust immunity)	
for alliance agreement under 49 U.S.C.)	
41308 and 41309)	

**ANSWER OF DELTA AIR LINES, INC.
TO MOTION OF AMERICAN AIRLINES, INC..**

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February 17, 2006

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**ANSWER OF DELTA AIR LINES, INC.
TO MOTION OF AMERICAN AIRLINES, INC..**

Delta Air Lines, Inc. ("Delta") hereby answers in support of the Motion of American Airlines, Inc. ("American") to require the Star antitrust immunity applicants to submit additional documents and data before this application is deemed complete. Star is already the world's largest immunized alliance. Nothing has been presented in the existing record to demonstrate that the modest online service benefits claimed by the Star ATI applicants are sufficient to offset the reduction in competition through the elimination of transatlantic competitors.

Taking the Joint Applicant's exhibits and representations at face value, they would create 4,864 new immunized online city-pairs. This is only slightly

more than *half* the 8,700 new immunized online city-pairs that would have been created by the proposed expanded SkyTeam ATI alliance -- where the Department tentatively decided to deny antitrust immunity. *See* Order 2005-12-12 at 34. The Department stated that “we require applicants for antitrust immunity to identify and demonstrate public benefits that will flow from the transaction, and our orders . . . make detailed findings regarding the existence of those benefits and the likelihood that they will be realized.” *Id.* The Department further stated that “[w]here applicants seek extraordinary relief from the antitrust laws for purposes of network linkage and integration . . . we believe that the public interest requires a strong showing that immunity is justified to achieve specific, demonstrable public benefits at the time the immunity is requested.” *Id.*

The Star applicants have not demonstrated that “substantial and proximate public benefits, beyond those made possible by arm-length codeshare or other lawful forms of collaboration[] will be produced” *Id.*

Furthermore, as noted by American, it appears that numerous of Star’s claimed new online ATI city-pairs are already served by existing Star ATI members, and that other claimed city-pairs create no new connectivity for U.S. passengers.

(AA Motion at 2-4). In light of the rigorous benefits analysis articulated by the Department in Order 2005-12-12, a more detailed evidentiary showing is required by Star to support the Department’s public interest analysis.

The Department also needs more data and evidence to understand the impact of the expanded Star ATI alliance on transpacific and Latin America overlap routes served by United and other Star members. The proposed new alliance affects not only the transatlantic, but also competition in other geographic areas as well.

Finally, as noted by the Department in the SkyTeam Order, the U.S.-EU aviation regime is in a state of “flux” given the uncertain future of the draft U.S.-EU agreement, and the Department’s policy initiative concerning foreign ownership and control. Given these uncertainties, a significant expansion of the world’s largest global immunized alliance requires careful scrutiny by the Department that can only be conducted with a more thorough and complete evidentiary record.

Respectfully submitted,



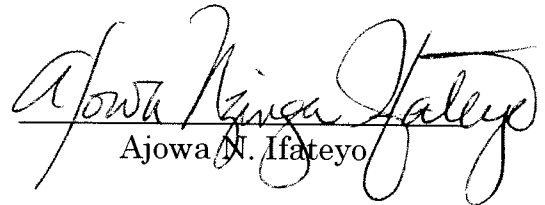
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Delta Air Lines, Inc. has been served this 17th day of February, 2006, upon the following addressees:

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