



**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

DEPARTMENT ACTION ON APPLICATION IN DOCKET OST-2006-24167
filed March 10, 2006

Joint application of United Air Lines, Inc. (United) and Shanghai Airlines Co., Ltd. (Shanghai Airlines) for a blanket statement of authorization to permit United to display Shanghai Airlines' "FM" designator code on flights operated by United (1) between any point or points in the United States and a point or points in the People's Republic of China; and (2) between Shanghai Airlines' U.S. gateways and points in the U.S.; and to permit Shanghai Airlines to display United's "UA" designator code on flights operated by Shanghai Airlines between United's Chinese gateways and points within the People's Republic of China.

Approved under assigned authority (14 CFR § 385.13).

Date of Action: May 4, 2006

Director, Office of International Aviation

This action is subject to the conditions attached. Persons entitled to petition the Department for review of this action under the Department's regulations, 14 CFR § 385.30, should file their petitions within seven days of the date of this action. This action is effective immediately, and the filing of a petition for review will not alter its effectiveness.

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The code-share operations authorized here are subject to the following conditions:

- (a) The statement of authorization will remain in effect only as long as (i) United and Shanghai Airlines continue to hold the necessary underlying authority to operate the code-share services at issue, and (ii) the code-share agreement providing for the code-share operations remains in effect.
- (b) United and/or Shanghai Airlines must promptly notify the Department (Office of International Aviation) if the code-share agreement providing for the code-share operations is no longer effective or the carriers decide to cease operating any or all of the approved code-share services.¹ Such notice should be filed in Docket OST-2006-24167.
- (c) United and/or Shanghai Airlines must notify the Department no later than 30 days before they begin any new code-share service under the code-share services authorized here. Such notice shall identify the market(s) to be served and the date on which the services will begin. Such notices shall be filed in Docket OST-2006-24167.
- (d) The code-sharing operations conducted under this authority must comply with 14 CFR 257 and with any amendments to the Department's regulations concerning code-share arrangements that may be adopted. Notwithstanding any provisions in the contract between the carriers, our approval here is expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservation systems and elsewhere; that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept responsibility for the entirety of the code-share journey for all obligations established in its contract of carriage with the passenger; and that the passenger liability of the operating carrier be unaffected.
- (e) The authority granted here is specifically conditioned so that neither carrier shall give any force or effect to any contractual provisions between themselves that are contrary to these conditions.
- (f) We may amend, modify, or revoke the authority granted at any time without hearing at our discretion.