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

Issued by the Department of Transportation  
on the 29<sup>th</sup> day of July, 1997

Applications of

**AMERICAN AIRLINES, INC.  
AERO CALIFORNIA S.A. de C.V.**

under 49 U.S.C. 40109 for exemption (U.S.-  
Mexico and route integration; code-sharing)

**Dockets OST-97-2477  
OST-97-2481**

Joint Application of

**AMERICAN AIRLINES, INC.  
and  
AERO CALIFORNIA S.A. de C.V.**

for statements of authorization under 14 CFR Parts  
207 and 212 (reciprocal code-sharing services)

**Undocketed**

Joint Application of

**UNITED AIR LINES, INC.  
and  
COMPANIA MEXICANA de AVIACION,  
S.A. de C.V.**

under 49 U.S.C. 40109 for exemptions (U.S.-  
Mexico) and route integration; and for statements  
of authorization under 14 CFR Parts 207 and 212  
(reciprocal code-sharing services)

**Docket OST-96-1988**

Applications of

**DELTA AIR LINES, INC.**  
**DELTA AIR LINES, INC.**  
**and**  
**AEROVIAS de MEXICO, S.A. de C.V.**

**Docket OST-97-2161**  
**Undocketed**

under 49 U.S.C. 40109 for exemptions (U.S.-Mexico) and route integration; and for statements of authorization under 14 CFR Parts 207 and 212 (reciprocal code-sharing services)

Requests for Designations

**UNITED AIR LINES, INC.**

**Undocketed**

for scheduled air transportation services (U.S.-Mexico) with small aircraft, pursuant to Part 298 of the Department's regulations (code-sharing services)

## **ORDER GRANTING (IN PART) EXEMPTION AND STATEMENTS OF AUTHORIZATION AND ORDER TO SHOW CAUSE**

### **Summary**

By this order we grant, in part, the captioned applications of American Airlines, Inc. (American), and Aero California S.A. de C.V. (Aero California), for exemption authority and statements of authorization to permit the carriers to engage in certain code-share services in various U.S.-Mexico markets. Additionally, this order proposes certain conditions to be imposed on all U.S.-Mexico code-share arrangements to permit, in certain instances, direct air carrier services to replace code-share services in a given city-pair market.

### **Background**

Currently there are no specific provisions in the U.S.-Mexico aviation agreement providing for code-sharing services. Thus, such services are considered on the basis of comity and reciprocity. In this regard, it has been the policy of the Mexican government to require code-share carriers to be designated in city-pair markets where they hold out services even though they are not operating their own aircraft in the market. The bilateral agreement provides that only one carrier from each country may be designated to serve a given city-pair market. While these restrictions can be lifted on an ad hoc basis, and while both the U.S. and Mexican Government have been forthcoming in doing so in a number of instances, approval for additional designation requests is neither automatic nor guaranteed.

## **Applications**

On May 7, 1997, American and Aero California filed separate exemption applications, in Dockets OST-97-2477 and OST-97-2481, respectively, and American and Aero California filed a joint application (undocketed), for statements of authorization to permit the carriers to engage in code-share services in various U.S.-Mexico city-pair markets.<sup>1</sup>

### **Exemption Application**

American seeks exemption authority to engage in foreign air transportation of persons, property, and mail in the following U.S.-Mexico markets: between Los Angeles and Culiacan, Durango, Hermosillo, Ixtapa/Zihuatanejo, La Paz, Loreto, Manzanillo, Mazatlan, San Jose del Cabo, and Torreon; between San Francisco and Mazatlan and Puerto Vallarta; between Dallas/Ft. Worth and Chihuahua and Aguascalientes; and between Tucson and Hermosillo. American also seeks exemption authority to provide foreign air transportation of persons, property and mail between its authorized U.S. gateways for Mexico service (Dallas/Ft. Worth, Chicago, Miami, Los Angeles, San Francisco, and Tucson), on the one hand, via American's Mexico gateway cities,<sup>2</sup> and the coterminal points Aguascalientes, Chihuahua, Ciudad Obregon, Ciudad Victoria, Colima, Culiacan, Durango, Guadalajara, Guaymas, Hermosillo, Ixtapa/Zihuatanejo, La Paz, Manzanillo, Mazatlan, Mexico City, Monterrey, Morelia, Puebla, Puerto Vallarta, San Jose del Cabo, San Luis Potosi, Tepic, Tijuana, and Torreon, on the other hand. American further seeks to integrate the authority requested above with its existing U.S.-Mexico certificate and exemption authority.<sup>3</sup>

American states that the requested exemption authorities will be used to implement a proposed code-share arrangement between American and Aero California, on flights operated by Aero California.

### **Requests for Statements of Authorization**

American (and its regional affiliates Executive Airlines, Inc., Flagship Airlines, Inc., Simmons Airlines, Inc., and Wings West Airlines, Inc.), and Aero California seek statements of authorization under 14 CFR Parts 207 and 212 to engage in the following described code-share services. The carriers seek to place Aero California's "JR" designator code on American's

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<sup>1</sup> We have handled Aero California's exemption application, in Docket OST-97-2481, for underlying authority in certain U.S.-Mexico markets by oral actions. (See Notices of Action Taken dated June 27, 1997, and July 10, 1997.) We have captioned Aero California's application here for purposes of confirming oral actions in this matter and for disposing of consolidated motions in the subject dockets.

<sup>2</sup> American's Mexico gateway cities are: Acapulco, Mexico City, Monterrey, Cancun, Puerto Vallarta, Guadalajara, Leon, and San Jose del Cabo.

<sup>3</sup> American holds the following U.S.-Mexico authority: Route 560 (Dallas/Ft. Worth-Cancun/Puerto Vallarta/Guadalajara, Miami-Mexico City, and Miami-Cancun); Route 628 (Dallas/Ft. Worth-Acapulco/Mexico City/Monterrey and Chicago-Mexico City); exemption authority to serve Chicago-Acapulco and Dallas/Ft. Worth-Leon (See Order 95-7-1); Los Angeles-Guadalajara (See Order 95-8-3); and Dallas/Ft. Worth-San Jose del Cabo (See Order 96-9-28).

flights (1) between Dallas/Ft. Worth, on the one hand, and Acapulco, Cancun, Guadalajara, Leon, Mexico City, Monterrey, Puerto Vallarta, and San Jose del Cabo, on the other; between Chicago, on the one hand, and Acapulco and Mexico City, on the other; between Miami, on the one hand, and Cancun and Mexico City, on the other; and between Los Angeles and Guadalajara; and (2) between Aero California's U.S. gateway cities (Los Angeles, San Francisco, Dallas/Ft. Worth, Phoenix, Tucson, and Albuquerque), and 70 named U.S. cities served by American or American Eagle (see Appendix A) for the carriage of Aero California's Mexico-U.S. traffic via its authorized U.S. gateway cities.

Further, the carriers seek to place American's "AA" designator code on Aero California's flights (1) between Los Angeles, on the one hand, and Culiacan, Durango, Hermosillo, Ixtapa/Zihuatanejo, La Paz, Loreto, Manzanillo, Mazatlan, San Jose del Cabo, and Torreon, on the other; between San Francisco, on the one hand, and Mazatlan and Puerto Vallarta, on the other; between Dallas/Ft. Worth, on the one hand, and Chihuahua and Aguascalientes, on the other; and between Tucson and Hermosillo; and (2) between American's Mexico gateway cities (Acapulco, Mexico City, Monterrey, Cancun, Puerto Vallarta, Guadalajara, Leon, and San Jose del Cabo), and 24 named Mexico cities served by Aero California (see Appendix B) for the carriage of American's U.S.-Mexico traffic via its authorized Mexico gateway cities.

American and Aero California state that they seek to begin implementing the code-sharing services as promptly as possible, but no later than August 1, 1997.

### **Responsive Pleadings**

United Air Lines, Inc. (United) and Compania Mexicana de Aviacion, S.A. de C.V. (Mexicana) filed a joint consolidated answer, and Alaska Airlines, Inc. (Alaska), filed a consolidated answer to the captioned applications. American and Aero California filed a joint consolidated reply to the answers filed by United/Mexicana and Alaska. Continental Airlines, Inc. (Continental), filed a consolidated surreply to the American/Aero California reply.<sup>4</sup> American and Aero California (jointly) and United filed consolidated responses to Continental's surreply.<sup>5</sup> Delta Air Lines, Inc., filed a consolidated response in the captioned dockets, and American and Aero California jointly filed a response to Delta's pleading.<sup>6</sup>

United and Mexicana state that they have no objection to the American/Aero California application, but do not want their own code-share application to be delayed because of bilateral

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<sup>4</sup> Continental accompanied its surreply with a motion for leave to file an otherwise unauthorized document. We will grant the motion.

<sup>5</sup> American/Aero California and United accompanied the pleadings with motions for leave to file otherwise unauthorized documents. We will grant the motions.

<sup>6</sup> Delta accompanied its pleading with a motion for leave to file an otherwise unauthorized document, and American and Aero California accompanied their joint pleading with a joint motion for leave to file an otherwise unauthorized document. We will grant the motions.

questions that might be raised by the broad scope of the code-share application filed by American and Aero California.<sup>7</sup>

Alaska expresses concern over the potential consequences of the broad-based code-share arrangement proposed by American/Aero California. Alaska states that, because the current code-share policy of the Mexican Government requires code-share carriers to be designated as though they were direct air carriers, such authority would absorb hundreds of limited designations to be used for code-share rather than direct carrier services. As a remedy, Alaska suggests that the Department condition approval of code-share services to permit a U.S. carrier subsequently willing to serve the market with its own aircraft to replace the code-share carrier and obtain the limited designation. Last, Alaska states that it opposes American/Aero California's request to provide code-share services in the Los Angeles-Mexico City market, given its own interest in serving the market.

In its reply, American and Aero California state that they do not object to the condition suggested by Alaska provided that it is applied equally to all U.S.-Mexico code-sharing arrangements. With respect to Alaska's objection to Los Angeles-Mexico City code-share service, American and Aero California argue that Alaska already has been prohibited from serving the market because of designation limitations.<sup>8</sup> Finally, American and Aero California urge that the Mexican-flag carriers persuade their Government to liberalize their code-share policy, and urge that the Department continue to work with the Government of Mexico to achieve a liberalized code-share policy.

Continental argues that before any further U.S.-Mexico code-shares are permitted the Department should negotiate "appropriate" code-share provisions with Mexico to assure that code-share services do not preclude the introduction of direct carrier services. Continental states, further, that additional U.S.-flag designations in the Los Angeles-Mexico City market should be part of that agreement. In support, Continental maintains that, like Alaska, it has had a longstanding interest in serving the Los Angeles-Mexico City market, but has been precluded from doing so because of designation limitations. Continental argues that, with the Delta/Aeromexico and the United/Mexicana code-share services in the Los Angeles-Mexico City market, effective competition demands additional entry in the market now more than when Delta and United were offering their services in the market independently. Continental states that, in instances where Mexican carriers seek to code-share with the U.S. carriers in a given market, the U.S. should insist upon open designations or, at a minimum, two additional designations for U.S. carriers.

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<sup>7</sup> At the time United/Mexicana filed their pleadings in this matter, the United/Mexicana code-share application in Docket OST-96-1988 was pending. Subsequently, the Department acted on the application. See Notice of Action Taken dated June 24, 1997.

<sup>8</sup> Currently United and Delta are designated to serve the Los Angeles-Mexico City market and both operate their own services in the market, as well as code sharing on flights operated by their code-share partners. Thus, at this time, there are no designations available for service on this route.

In its reply to Continental's arguments, American states that Continental fails to demonstrate how approval of the American/Aero California applications would limit competition or reduce options for providing independent services in any specific market.<sup>9</sup>

In its response, United states that it takes no position with respect to whether the American/Aero California issues must be resolved through negotiations.<sup>10</sup> United states, however, that there is no cause, nor has Continental offered one, for considering a general moratorium on U.S.-Mexico code shares as suggested by Continental.

In its response, Delta states that, should the Department decide to grant the broad American/Aero California code-share applications, other U.S. carriers should have the right to seek comparable blanket authority to provide competing code-share services on a systemwide basis (using the Ashbacker doctrine where applicable). Delta opposes Alaska's proposed "bumping provision," providing for direct carrier services to replace code-share services. Delta argues that the proposed bumping provision implicitly assumes that carriers providing service with their own aircraft will always provide service and competitive benefits superior to code-share service, and that this presumption is invalid. Delta suggests, instead, that the Department should first seek to establish the broadest possible code-share regime with Mexico and, in the absence of such a regime, deal with the designation issues on a city-pair, case-by-case basis.

In their response to Delta's pleading, American and Aero California argue that the American/Aero California applications should not be treated differently from other U.S.-Mexico code-sharing requests because they are broader, and that they should not give rise to Ashbacker rights with respect to "hypothetical" applications of other carriers for code sharing that could overlap with the American/Aero California application.

### **Decision**

We have decided to grant, in part, the applications of American and Aero California to permit the carriers to engage in certain code-share services in various U.S.-Mexico markets. In addition, we have tentatively decided to adopt, in principle, Alaska's proposal to condition all U.S.-Mexico code-share authority so that there would be a presumption in favor of a carrier offering to serve a given city-pair market with its own aircraft.

We have carefully examined the carriers' requests, along with the issues raised by the American/Aero California applications, and find that the public interest will best be served by granting the applications to the extent possible. The proposed code-share services will enable the carriers to expand services under their own codes, increasing service options available to the public and promoting competition with other carriers serving the U.S.-Mexico market. In addition, given Mexico's approval of other U.S./Mexican carrier code-share services, we find

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<sup>9</sup> American urges the Department to reject Continental's surreply as improper and in violation of the Department's rules of practice in this matter. In the interest of a complete record in this case, we will accept the pleading.

<sup>10</sup> United also argues that Continental's surreply is unauthorized under the Department's rules. See Footnote 9, above.

that comity and reciprocity with Mexico supports approval of the code-share services as described here. Specifically, in order to implement the proposed code-share services, we have decided to grant American authority for markets where Aero California holds the requisite underlying authority, and U.S. carrier designations are available and not mutually exclusive with other pending applications (see Appendix C for city-pair listings of the authority granted), and to grant American and Aero California statements of authorization where requisite underlying authority is in place (see Appendices D and E for city-pair listings of authority granted.) With respect to markets where Aero California holds the requisite underlying authority, but U.S. carrier designations are currently not available, we have decided to defer action on those requests while we attempt to obtain additional designations for the proposed code-share services. We have also decided to defer action on the remaining exemption/statement of authorization requests of American and Aero California until Aero California provides evidence of its underlying authority and designation from Mexico to serve the subject markets.

We are unpersuaded by Continental's arguments that we should discontinue approval of code-share services in the U.S.-Mexico market until the Mexican Government expands U.S. carrier access to U.S.-Mexico markets. While there is no current bilateral agreement with respect to code-sharing services, Mexico has approved code-share operations by U.S. and Mexican carriers. In addition, the United States and Mexico have been engaged in ongoing discussions toward bilateral provisions regarding code-sharing services in the U.S.-Mexico market. We intend to continue those discussions. In the meantime, however, given the existing code-share services in the U.S.-Mexico market, we do not find that it is in the public interest to withhold approval of competing code-share services while these negotiations proceed. That said, we fully appreciate the interests of all U.S. carriers in seeking to serve U.S.-Mexico markets with their own aircraft, as well as on a code-share basis. Those interests will be considered as we proceed with our negotiations with Mexico regarding code-share services. Furthermore, as discussed below, we share the competitive concerns of U.S. carriers not code-sharing in the U.S.-Mexico market, and are proposing conditions on these services that will address the award of designations for code-share operations.

#### Term of Authority

American's exemption authority in the subject markets will be granted for a one-year term. The statements of authorizations for American and Aero California will be granted through December 20, 1997, coextensive with the United/Mexicana code-share services.<sup>11</sup> As noted in our award to United/Mexicana, the Mexican Government recently extended approval of a code-share service involving Northwest Airlines and Alaska Airlines. That approval, however, was limited to a period of six months, *i.e.*, through December 16, 1997. Given the limited term of that authorization, we decided to limit the term of the United/Mexicana award consistent with Mexico's approval of the Northwest/Alaska code-share service. We find that it is in the public interest to make the awards here for a comparable period, and to dismiss the balance of the American/Aero California request for longer-term authority. This dismissal is without prejudice to the carriers filing for extension of the authorizations at the appropriate time. Should the

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<sup>11</sup> See Notice of Action taken dated June 24, 1997 (United/Mexicana code-share services). We confirm this oral action by this order.

carriers file for extension, we will consider such request in the context of the Mexican Government's position with respect to the continued approval of the Northwest/Alaska code-share arrangement.

### Conditions

As is our normal practice in these matters, we will impose our standard conditions on the code-share authorities granted by this order, and our standard dormancy notice conditions on the new exemption authority granted American by this order. In addition, we have decided to condition the Statement of Authorization to require a change in the Codeshare Agreement Between Aero California, S.A. de C.V. and American Airlines, Inc. (Agreement). Section 7.2.2 of the Agreement gives the Codeshare Coordination Committee power to "revise the terms of the cooperative relationship, as necessary, in response to changes in competitive conditions," while section 7.2.3 gives it the equally broad authority to "take decisions regarding operational issues, such as changes in routes and scheduling impacting the codeshare arrangement." We are not prepared to accept a code-share relationship that gives such unfettered discretion to a coordination committee to make final decisions regarding the scope and nature of the relationship itself. We will give the joint applicants ten days to delete the two sections or to revise them in a manner consistent with coordinating committee provisions in agreements previously reviewed by us.

### Los Angeles-Mexico City

Both Alaska and Continental have opposed the American/Aero California application with respect to service in the Los Angeles-Mexico City market. As noted, above, we have deferred action on American's exemption application with respect to service in the Los Angeles-Mexico City market. The United States and Mexico have agreed that two carriers from each country may be designated to serve that market. Currently, United and Delta are authorized and operate their own services, as well as code share in the market with their respective partners--Mexicana and Aeromexico. Thus, no designations are available at this time.

We recognize the interest of other U.S. carriers in serving the market with their own aircraft and under code-share arrangements with Mexican carriers. We are exploring with the Mexican Government expansion of designations in markets (including Los Angeles-Mexico City), where requests of U.S. carriers exceed the limitations under the bilateral aviation agreement.

### **Tentative Decision**

Alaska and Continental have expressed concern that approval of code-share services will preempt limited designations in the U.S.-Mexico market, precluding services by U.S. carriers that seek to serve the market with their own aircraft. Alaska has suggested that designations that involve code-share services be conditioned such that the designation would be replaced if another carrier proposed to serve the market with its own aircraft. We appreciate those concerns and agree, in principle, with Alaska's suggestion that code-share designations should be conditioned. U.S. carrier rights in the U.S.-Mexico market are limited to one carrier per city-

pair market unless otherwise agreed between the United States and Mexico. While we continue to support the expansion of services in the U.S.-Mexico market under code-sharing arrangements, we tentatively conclude, given the designation limitation, that a preference should be accorded services by carriers operating their own aircraft. However, while the proposed condition would afford a presumption in favor of the carrier proposing operations with its own aircraft, the presumption would be rebuttable, and replacement would not be automatic. Rather, such replacement would be determined on a case-by-case basis, and only if the Department has been unable to obtain additional U.S.-carrier designations for the proposed services. In making this determination, the Department would consider, among other things, any proposal from the incumbent U.S. code-share partner to convert its code-share service to direct-carrier service in the subject market. Based on the above, we propose to make the code-share service authorized here, as well as all existing code-share services authorized (Delta/Aeromexico, United/Mexicana, and United/Aeromar), subject to the following condition:

**Authorization of the code-share services may be withdrawn in any city-pair market where another U.S. carrier proposes to operate direct carrier service and (1) additional designations are not available to authorize the proposed direct carrier service; and (2) the Department determines that the proposed direct-carrier services would provide benefits and service options superior to the code-share operations in the market.**

We will afford all interested parties an opportunity to comment on the proposed condition.

**ACCORDINGLY,**

1. We grant the exemption application of American Airlines, Inc., in Docket OST-97-2477, to provide foreign scheduled air transportation services of persons, property, and mail in the U.S.-Mexico city-pair markets listed in Appendix C;
2. We grant American Airlines, Inc., a statement of authorization under Part 207 of the Department's regulations and Aero California S.A. de C.V. a statement of authorization under Part 212 of the Department's regulations to engage in code-sharing services in the U.S.-Mexico city-pair markets listed in Appendices D and E;
3. The authority granted in ordering paragraph 1, above, is effective immediately for a period of one year;
4. The authorities granted in ordering paragraph 2, above, are effective immediately and shall remain in effect through December 20, 1997;
5. We dismiss, without prejudice, the balance of the American/Aero California request for longer-term duration of the requested statements of authorization;

6. The effectiveness of the authorities granted in ordering paragraph 2, above, is conditioned on the retention of the respective carriers' underlying economic authority to serve the markets involved;

7. In the conduct of the services authorized by this order we expect American Airlines, Inc., and Aero California S.A. de C.V. to comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted;

8. The code-share operations authorized by this order are subject to the condition that the foreign air transportation be sold in the name of the carrier holding out service in computer reservation systems and elsewhere, that the carrier selling such transportation accept all obligations established in the contract of carriage with the passenger (*i.e.*, the ticket), and that where applicable the operator shall not permit the code of its U.S. code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose air space the Federal Aviation Administration has issued a flight prohibition;

9. The code-share authorities granted to American Airlines and Aero California by this order is subject to the condition that American and Aero California delete or submit acceptable modifications to Sections 7.2.2 and 7.2.3 of the Codeshare Agreement Between Aero California, S.A. de C.V. and American Airlines, Inc. within ten days of the date of service of this order;

10. The U.S.-Mexico exemption authority granted to American Airlines, Inc., in paragraph 1, above, is subject to the dormancy notice requirements set forth in condition 7 of Appendix A of Order 88-10-2;

11. We may amend, modify, or revoke the authorities granted by this order at any time at our discretion without notice or hearing;

12. We tentatively condition all U.S.-Mexico code-share authority as discussed in this order;

13. We direct any interested parties having objections to our tentative decision set forth in this order to file objections with the Department, Dockets, Docket OST-97-2477, U.S. Department of Transportation, 400 Seventh Street, SW, Room PL-401, Washington, D.C., 20590, no later than 10 calendar days from the date of service of this order; answers thereto shall be filed no later than 5 calendar days thereafter;<sup>12</sup>

14. If timely and properly supported objections are filed, we will afford full consideration to the matters or issues raised by the objections before we take further action;

15. If no objections are filed, we will deem all further procedural steps to have been waived, and proceed to enter a final order in this matter;

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<sup>12</sup> The original submission is to be unbound and without tabs on 8½" x 11" white paper using dark ink (not green) to facilitate use of the Department's docket imaging system.

16. We grant the motions of Continental Airlines, Inc.; American Airlines, Inc.; Aero California S.A. de C.V.; United Air Lines, Inc.; and Delta Air Lines, Inc., for leave to file otherwise unauthorized documents in the captioned applications;

17. We confirm the oral action of June 24, 1997, taken by the Director, Office of International Aviation, granting United Air Lines, Inc., exemption authority to provide air transportation services of persons, property, and mail in various U.S.-Mexico markets, and granting United Air Lines, Inc., and Compania Mexicana de Aviacion, S.A. de C.V., statements of authorization to provide certain U.S.-Mexico code-share services (See Notice of Action Taken dated June 24, 1997, in Docket OST-96-1988);

18. We confirm the oral actions of June 27, 1997, and July 10, 1997, taken by the Director, Office of International Aviation, granting Aero California S.A. de C.V., exemption authority to provide air transportation services of persons, property, and mail in various U.S.-Mexico markets (See Notices of Action Taken dated June 27, and July 10, 1997, in Docket OST-97-2481); and

19. We will serve this order on American Airlines, Inc.; Aero California S.A. de C.V.; Aerovias de Mexico, S.A. de C.V.; Alaska Airlines, Inc.; Continental Airlines, Inc.; Delta Air Lines, Inc.; Northwest Airlines, Inc.; United Air Lines, Inc.; Compania Mexicana de Aviacion S.A. de C.V.; the Ambassador of Mexico in Washington, D.C.; the Department of State (Office of Aviation Negotiations); and the Federal Aviation Administration (AFS-200).

By:

**CHARLES A. HUNNICUTT**  
**Assistant Secretary for Aviation**  
**and International Affairs**

(SEAL)

## APPENDIX A

**The Applicants Seek to Place Aero California’s “JR” designator code on the following American/American Eagle services between U.S. gateways and points in the United States:**

Albuquerque	Houston	Phoenix
Amarillo	Indianapolis	Pittsburgh
Atlanta	Kansas City	Portland
Austin	Las Vegas	Raleigh/Durham
Bakersfield	Los Angeles	Reno
Baltimore	Lubbock	Sacramento
Boston	Maui	Salt Lake City
Burbank	Memphis	San Antonio
Carlsbad	Miami	San Diego
Charlotte	Milwaukee	San Francisco
Chicago	Minneapolis/St. Paul	San Jose
Cincinnati	Monterey	San Juan
Cleveland	Nashville	San Luis Obispo
Columbus	New Orleans	Santa Barbara
Corpus Christi	New York	Seattle
Dallas/Ft. Worth	Oakland	St. Louis
Denver	Oklahoma City	Tampa
Des Moines	Omaha	Tucson
Detroit	Ontario	Tulsa
Fort Lauderdale	Orange County	Vail
Fresno	Orlando	Washington, D.C.
Greensboro	Palm Springs	West Palm Beach
Hartford/Springfield	Philadelphia	Wichita
Honolulu		

## APPENDIX B

**The Applicants Seek to Place American’s “AA” designator code on the following Aero California services between Mexico gateways and the following points in Mexico:**

Aguascalientes  
Chihuahua  
Ciudad Obregon  
Ciudad Victoria  
Colima  
Culiacan  
Durango  
Guadalajara

Guaymas  
Hermosillo  
Ixtapa/Zihuatanejo  
La Paz  
Manzanillo  
Mazatlan  
Mexico City  
Monterrey

Morelia  
Puebla  
Puerto Vallarta  
San Jose del Cabo  
San Luis Potosi  
Tepic  
Tijuana  
Torreon

**APPENDIX C**

**U.S.-MEXICO EXEMPTION AUTHORITY GRANTED TO  
AMERICAN AIRLINES, INC., BY THIS ORDER**

**Dallas/Ft. Worth-Aguascalientes  
Dallas/Ft. Worth-Ciudad Obregon  
Dallas/Ft. Worth-Colima  
Dallas/Ft. Worth-Hermosillo  
Dallas/Ft. Worth-Mazatlan  
Dallas/Ft. Worth-Tepic  
Dallas/Ft. Worth-Puebla**

**Chicago-Aguascalientes  
Chicago-Ciudad Obregon  
Chicago-Culiacan  
Chicago-Hermosillo  
Chicago-Mazatlan  
Chicago-Tepic**

**Miami-Aguascalientes  
Miami-Ciudad Obregon  
Miami-Colima  
Miami-La Paz  
Miami-Monterrey  
Miami-Tepic**

**Los Angeles-Culiacan  
Los Angeles-Hermosillo  
Los Angeles-Loreto  
Los Angeles-Puebla  
Los Angeles-Torreon  
Los Angeles-Monterrey**

**Tucson-Hermosillo  
Tucson-Monterrey**

**San Francisco-Mazatlan  
San Francisco-Mexico City**

**Dallas/Ft. Worth-Chihuahua  
Dallas/Ft. Worth-Ciudad Victoria  
Dallas/Ft. Worth-Culiacan  
Dallas/Ft. Worth-La Paz  
Dallas/Ft. Worth-San Luis Potosi  
Dallas/Ft. Worth-Durango  
Dallas/Ft. Worth-Tijuana**

**Chicago-Chihuahua  
Chicago-Colima  
Chicago-Guadalajara  
Chicago-La Paz  
Chicago-Monterrey**

**Miami-Chihuahua  
Miami-Ciudad Victoria  
Miami-Culiacan  
Miami-Hermosillo  
Miami-Mazatlan  
Miami-San Luis Potosi**

**Los Angeles-Durango  
Los Angeles-La Paz  
Los Angeles-Manzanillo  
Los Angeles-Tijuana  
Los Angeles-San Jose del Cabo**

**Tucson-Mexico City  
Tucson-Guadalajara**

**San Francisco-Guadalajara**

**STATEMENT OF AUTHORIZATION GRANTED TO AMERICAN TO PLACE  
AERO CALIFORNIA'S "JR" DESIGNATOR CODE ON AMERICAN'S  
TRANSBORDER FLIGHTS IN THE FOLLOWING MARKETS**

**Dallas/Ft. Worth-Puerto Vallarta**

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**STATEMENT OF AUTHORIZATION GRANTED TO AMERICAN TO PLACE  
AERO CALIFORNIA'S "JR" DESIGNATOR CODE ON AMERICAN'S  
INTRA-U.S. FLIGHTS IN THE FOLLOWING MARKETS**

**Dallas/Ft. Worth-San Francisco**  
**Dallas/Ft. Worth-Phoenix**

For service from Mazatlan and Puerto Vallarta.

**San Francisco-Phoenix**

For service from the Mexican gateways Mazatlan, Puerto Vallarta,  
and San Jose del Cabo

**Los Angeles-San Francisco**  
**Los Angeles-Phoenix**

For service from Mazatlan and San Jose del Cabo.

**Los Angeles-Tucson** (For service from Hermosillo)

**Los Angeles-Albuquerque** (For service from Loreto)

**Los Angeles-Dallas/Ft. Worth** (For service from Mazatlan)

**STATEMENT OF AUTHORIZATION GRANTED TO AERO CALIFORNIA TO  
PLACE AMERICAN'S "AA" DESIGNATOR CODE ON AERO CALIFORNIA'S  
TRANSBORDER FLIGHTS IN THE FOLLOWING MARKETS**

**Los Angeles-Culiacan**  
**Los Angeles-Durango**  
**Los Angeles-Hermosillo**  
**Los Angeles-La Paz**  
**Los Angeles-Loreto**  
**Los Angeles-Manzanillo**  
**Los Angeles-San Jose del Cabo**  
**Los Angeles-Torreon**

**Dallas/Ft. Worth-Chihuahua**  
**Dallas/Ft. Worth-Aguascalientes**

**Tucson-Hermosillo**

**San Francisco-Mazatlan**

**STATEMENT OF AUTHORIZATION GRANTED TO AERO CALIFORNIA  
S.A. de C.V. BY THIS ORDER FOR THE FOLLOWING MARKETS**

**Mexico City -Aguascalientes  
Mexico City-Ciudad Obregon  
Mexico City-Colima  
Mexico City-Hermosillo  
Mexico City-Mazatlan  
Mexico City-Tepic  
Mexico City-Monterrey**

**Mexico City-Chihuahua  
Mexico City-Ciudad Victoria  
Mexico City-Culiacan  
Mexico City-La Paz  
Mexico City-San Luis Potosi  
Mexico City-Guadalajara**

**These points will be served from the U.S. gateways Dallas/Ft. Worth,  
Chicago, and Miami--excluding the Chicago-Ciudad Victoria,  
Chicago-San Luis Potosi, and Miami-Guadalajara (via Mexico City) markets.**

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**Guadalajara-Culiacan  
Guadalajara-Hermosillo  
Guadalajara-Puebla  
Guadalajara-Mexico City  
Guadalajara-Mazatlan**

**Guadalajara-Durango  
Guadalajara-La Paz  
Guadalajara-Tijuana  
Guadalajara-San Jose del Cabo**

**These points will be served from the U.S. gateways Dallas/Ft. Worth  
and Los Angeles--excluding the Los Angeles-Mexico City and Los Angeles-  
Mazatlan (via Guadalajara) markets.**

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**San Jose del Cabo-Guadalajara**

**Monterrey-Hermosillo**

**Monterrey-Mexico City**

**These points will be served from the U.S. gateway - Dallas/Ft. Worth.**

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**Hermosillo-Mexico City  
Hermosillo-Guadalajara**

**Hermosillo-Monterrey**

**These points will be served from the U.S. gateways Tucson and Los Angeles-  
excluding the Los Angeles-Mexico City market.**

**STATEMENT OF AUTHORIZATION GRANTED TO AERO CALIFORNIA  
S.A. de C.V. BY THIS ORDER FOR THE FOLLOWING MARKETS**

**Mazatlan-Guadalajara**

**Mazatlan-Mexico City**

**These points will be served from the U.S. gateway San Francisco**