

NEW



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

NOTICE OF ACTION TAKEN

March 30, 1998

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Joint Application of United Air Lines, Inc. and Lufthansa German Airlines filed 2/12/97 in Docket OST-98-3476 for:

XX *Exemption for United for two years from 49 U.S.C. section 41109 to provide the following service:*

Scheduled foreign air transportation of persons, property, and mail between points in the United States, on the one hand, and Sarajevo, Bosnia; and Zagreb, Croatia, on the other, via points in Germany, and to integrate these services with United's existing certificate and exemption authority.

XX *Statement of Authorization for Lufthansa under Part 212:*

To display United's "UA" airline designator code on flights operated by Lufthansa between points in Germany and Sarajevo and Zagreb.

Applicant reps: Joel Burton (202) 637-9130 (United) DOT Analyst: Sylvia Moore (202) 366-6519
J. Edward Cox (202) 663-6000 (Lufthansa)

DISPOSITION

XX *Granted (Subject to conditions, see below)*

*The above action with respect to United's exemption authority was effective when taken: March 27, 1998,
through March 20, 2000;*

The above action with respect to Lufthansa's statement of authorization was effective when taken: March 27, 1998

XX *Under assigned authority (14 CFR 385) by: Paul L. Gretch, Director
Office of International Aviation
(Petitions for review may be filed from now
until 10 days after the confirming order/letter
issues. Filing of a petition shall not stay the
effectiveness of this action.)*

XX **Authority granted is consistent with the aviation agreement between the United States and the Federal Republic of Germany, and the overall state of aviation relations between the United States, on the one hand, and Bosnia and Croatia, on the other.**

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX **Holder's certificate of public convenience and necessity (United)**

XX **Holder's foreign air carrier permit (Lufthansa)**

(See Reverse Side)

-2-

Conditions: The exemption authority granted is subject to the following condition:

(1) The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award of the route integration authority requested should be construed as conferring upon United rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless United notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedures to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in United's authority by virtue of the route integration exemption granted here, but that are not then being used by United, the holding of such authority by route integration will not be considered as providing any preference for United in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

The statement of authorization granted is subject to the following conditions:

- (1) The statement of authorization will remain in effect only as long as (a) United Air Lines and Lufthansa German Airlines continue to hold the necessary underlying authority to operate the code-share services at issue and, (b) the alliance agreement providing for the code-share operations remains in effect and approved by the Department.
- (2) United Air Lines and/or Lufthansa German Airlines must promptly notify the Department (Office of International Aviation) if the alliance agreement providing for the code-share operations is no longer effective or the carriers cease operating the approved code-share services.
- (3) All operations must comply with the limitations and conditions governing antitrust immunity in Order 96-5-27.
- (4) The code-sharing operations conducted under this authority must 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 and are 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, and that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept all obligations established in its contract of carriage with the passenger, and that 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 airspace the Federal Aviation Administration has issued a flight prohibition.
- (5) We may amend, modify, or revoke the authority granted at any time without hearing at our discretion.