



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

Issued by the Department of Transportation on April 18, 2001

**NOTICE OF ACTION TAKEN -- DOCKET OST 01-8873 - 4**

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This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Applicant: AIR CANADA

Date Filed: February 6, 2001

Relief requested: Air Canada requests a Statement of Authorization, under 14 CFR Part 212, to display United Airlines' designator code, for an indefinite period, on Air Canada flights between Canada and Australia, operated via the United States. (Air Canada initially plans to display United's code on its Canada-Honolulu-Sydney flights.)

If renewal, date and citation of last action: New authority.

Applicant representative: Anita M. Mosner, 703-294-5880, ext. 201

Responsive pleadings: On February 15, 2001, American Airlines filed a pleading, stating that it does not object to Air Canada's codeshare request, provided that the Department also grants the application filed by Qantas on August 10, 2000, in Docket OST 00-7785, to display its code on flights operated by Qantas between Honolulu and points in Canada, and between points in Australia and Honolulu. On February 22, 2001, the Department granted Qantas' application in Docket OST 00-7785, and on February 27, 2001, Air Canada and United filed a joint reply to American's pleading (in Docket OST 01-8873).

**DISPOSITION**

Approved: April 18, 2001

Effective dates of authority granted: Air Canada's Statement of Authorization is of indefinite duration.

Remarks/Conditions: The code-share authority that we granted Air Canada is consistent with the U.S.-Canada Air Transport Agreement, and there was no extant opposition to our acting favorably on the application. The code-share authority is subject to the following conditions: 1) This Statement of Authorization (of indefinite duration) will remain in effect only as long as Air Canada and United continue to hold the necessary underlying authority to operate the code-share services at issue and their code-share agreement providing for these operations remains in effect; 2) Air Canada and/or United 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 service will begin. Such notices should be filed in Docket OST 01-8873; 3) The subject carriers must promptly notify the Department (Office of International Aviation) if the subject agreement providing for these operations is no longer effective or the carriers decide to cease operating any or all of the approved services. (We expect this notice to be received within ten days of such noneffectiveness or of such decision and filed in Docket 01-8873.); 4) The code-share operations conducted under this authority must comply with 14 CFR Part 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 subject 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 the service in computer reservation systems and elsewhere; that the carrier selling such transportation (that is, 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. The operating carrier shall not permit the code of its U.S. code-share 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. Moreover; 5) The code-share 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.

**Action taken by: Paul L. Gretch, Director  
Office of International Aviation**

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Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action was consistent with Department policy; (2) the joint applicants were qualified to perform their proposed operations; (3) grant of the authority was consistent with the public interest; and (4) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted/deferred/dismissed, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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