

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

Application of :
 :
 AMERICAN AIRLINES, INC. : OST-99-5286
 :
 for third-country codesharing designation :
 and frequency allocation (U.S.-Russia via :
 Helsinki; codesharing with Finnair Oyj) :

Application of :
 :
 AMERICAN AIRLINES, INC. : OST-98-4522
 :
 under 49 USC 40109 for exemption :
 (U.S.-St. Petersburg via Helsinki; :
 codesharing with Finnair Oyj) :

Application of :
 :
 AMERICAN AIRLINES, INC. : OST-98-4328
 :
 under 49 USC 40109 for exemption :
 (Chicago-Moscow) :

NEW U.S.-RUSSIA OPPORTUNITIES :
 :
 Amendment to Application of : OST-99-5286
 :
 CONTINENTAL AIRLINES, INC. :

NEW U.S.-RUSSIA OPPORTUNITIES :
 :
 Application of : OST-99-5286

DELTA AIR LINES, INC.

:
:

SUPPLEMENT TO REPLY OF AMERICAN AIRLINES, INC.
AND MOTION FOR LEAVE TO FILE

American Airlines, Inc. hereby moves for leave to file this supplement to its reply of April 12, 1999 concerning the U.S.-Russia third-country codesharing applications of American (with Finnair), Continental Airlines, Inc. (with Air France), and Delta Air Lines, Inc. (also with Air France). American's supplement should be accepted in the interest of a complete record for the Department's consideration.

On April 14, 1999, Bloomberg News Service reported that "AOA Aeroflot, Russia's national airline, and Delta Air Lines, Inc., the third-largest U.S. carrier, said they plan to sign a codesharing agreement, a move that would for the first time give the U.S. and Russian air carriers access to hundreds of destinations to each other's home countries, the Moscow Times reported. The agreement, which may be implemented as early as this fall, would allow passengers to take advantage of the routes and frequent flyer programs of both airlines."

This is yet another reason for the Department to deny Delta's application to engage in U.S.-Russia codesharing service with Air France. Delta already operates its own service between New York (JFK) and Moscow, and already holds one of the limited-entry codesharing designations for U.S.-Russia codesharing (with Swissair via Zurich). If Delta and Aeroflot now enter into a codesharing agreement, Delta will have three opportunities to access

the U.S.-Russia market. The Department should not award Delta a fourth opportunity -- to codeshare with Air France via Paris -- to the exclusion of American's request to codeshare with Finnair via Helsinki, which will represent American's only on-line access to Russia. In these circumstances, to grant Delta's application would be contrary to the public interest in maximizing competitive options for passengers and shippers in the U.S.-Russia market.

Respectfully submitted,

CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.

April 15, 1999