

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

<u>Application of</u>)	
)	
AER LINGUS LIMITED)	Docket OST-00-
)	
for a Statement of Authorization under)	
14 C.F.R. Part 212 for code-share services)	
with American Airlines, Inc. (Boston, Chicago,)	
Los Angeles, New York-Shannon/Dublin))	

**APPLICATION OF AER LINGUS LIMITED
FOR A STATEMENT OF AUTHORIZATION**

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January 4, 2000

NOTICE: All interested parties may file an answer to this application with the Department of Transportation on or before January 14, 2000.

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Aer Lingus Limited (“Aer Lingus”) hereby applies for a Statement of Authorization under 14 C.F.R. Part 212, to allow American Airlines, Inc. (“American”) and Aer Lingus to engage in a code-share arrangement between various points in the United States and Ireland as more fully described below.

In filing this application, Aer Lingus seeks authorization to implement a code-share arrangement with American¹ under which they shall mutually designate certain flights serving the following city-pairs: New York and Shannon/Dublin; Boston and Shannon/Dublin; Chicago and Shannon/Dublin; and, Los Angeles and Shannon/Dublin.

¹The American/Aer Lingus code-share agreement, with code-share commission terms redacted, will be provided to all interested persons upon request to the undersigned.

Beginning on or about April 1, 2000, American and Aer Lingus plan to implement a code-share arrangement for these flights to be operated by Aer Lingus on which they shall place their respective two letter designator code (“AA” for American and “EI” for Aer Lingus).²

In support of this application, Aer Lingus states the following:

1. Approval of this application will be consistent with the standards applicable to grants of Statements of Authorization under 14 C.F.R. Part 212. Approval will also be consistent with Department of Transportation policy as established in the U.S. International Air Transportation Policy Statement. The Department stated in this policy that: “Code sharing and other cooperative marketing arrangements can provide a cost-efficient way for carriers to enter new markets, expand their systems and obtain additional flow traffic to support their operations by using existing facilities and scheduled operations.” 60 *Federal Register* 21841 (May 3, 1995). The proposed arrangement will permit American on a cost-efficient basis to offer nonstop U.S.-Ireland service.

2. The provision of nonstop service between the United States and Ireland by American is authorized by the U.S.-Ireland Air Transport Services Agreement which allows U.S. carriers to provide service between the United States and Ireland. Although this bilateral agreement does not expressly provide for code-share services between the two countries, reciprocity and comity have been demonstrated by the government of Ireland’s prior approvals of code-share/blocked-space arrangements with Aer Lingus. Indeed, under Order 96-4-19, April 10, 1996, the Department of

²American Airlines does not currently operate between the United States and Ireland, and thus, is not requesting authority to put Aer Lingus’ code on any American Airlines flights.

Transportation stated that “aviation arrangements with Ireland include many of the features of an open-skies regime, and the record shows no indication of Irish failure to adhere to the terms of those arrangements.” In addition, the Irish Government approved a code share application by Continental with regard to World Airways service in 1996.

3. Grant of this application will enhance international competitive air service for U.S. travelers between the United States and Ireland, and provide direct and significant economic benefit to U.S. aviation interests, including U.S. communities and American Airlines. Specifically, approval of this application shall continue to afford customers a wider choice of air transportation at competitive prices, allow for the optimal use of aircraft capacity and ground facilities, and provide coordinated scheduling and seamless coordinated services for international travelers. In fact, in granting prior authority to conduct code-share operations between the United States and Shannon/Dublin, Ireland, the Department has stated that it “would represent a major improvement in U.S.-Ireland services, substantially enhancing the quality of service available to travelers and shippers in this market,” and would also provide “consumers with meaningful competitive alternatives.” (*See* Order 96-4-19, granting Statement of Authorization to conduct code-share/blocked-space operations between Delta Air Lines, Inc. and Aer Lingus plc.)

4. The grant of this application will be in the public interest as the code-share agreement between Aer Lingus and American will inject new nonstop U.S.-flag competition between the United States and Shannon/Dublin, Ireland. Under this agreement, American and Aer Lingus shall independently market, sell and price their respective services. This manner of competitive pricing and marketing directly benefits the traveling public by providing added competitive service options and will

thereby benefit international aviation from an economic and passenger service standpoint by providing increased opportunities for economic growth and international commerce. Moreover, Department precedent establishes that other U.S. carriers have proposed and been granted authority to provide service between the United States and Ireland. (*See* Order 96-4-19; *See also* Order 96-3-17, granting World Airways, Inc.'s application to engage in scheduled foreign air transportation of persons, property and mail between New York and Shannon/Dublin, Ireland; and, Order 99-3-27, granting similar exemption to American Trans Air, Inc.). Furthermore, granting of this application will restart such benefits due to the expiration of the Delta/Aer Lingus arrangement. In addition, there is direct service by Continental Airlines, Inc. from Newark to Shannon/Dublin, and by Delta Air Lines, Inc. from New York and Atlanta to Shannon/Dublin.

5. American holds underlying authority to serve Ireland from Boston, Chicago, and Los Angeles in its certificate for Route 602, issued by Order 91-4-47, April 28, 1991. American is this day filing an application for New York-Shannon/Dublin exemption authority. Aer Lingus holds underlying authority to serve Ireland from Boston, Chicago, Los Angeles, and New York in its foreign air carrier permit issued by Order 91-5-28, May 30, 1991.

6. Aer Lingus hereby states that it will continue to comply with all applicable Department of Transportation rules relating to code-share service and with each of the other conditions normally imposed by the Department on code-share arrangements.

7. Aer Lingus is this day filing with the State of Maryland separate applications for approval of direct service between Shannon/Dublin-Baltimore to be provided by Aer Lingus. Aer Lingus intends to serve Baltimore in the context of an Ireland-United States service pattern that includes

the code-sharing requested in this application. However, Aer Lingus is not requesting code-share authority for Shannon/Dublin-Baltimore. Only Aer Lingus' crews, aircraft and code will be used for the Shannon/Dublin-Baltimore route. Additionally, Aer Lingus intends to operate Shannon/Dublin-Baltimore service only if the code-share arrangement with American is approved by the Department.

Aer Lingus respectfully requests expeditious consideration of this application and the issuance of a Statement of Authorization by no later than February 4, 2000, in order to provide sufficient time for successful implementation of the planned code-share agreement.

WHEREFORE, Aer Lingus respectfully requests that the Department of Transportation grant this application for a Statement of Authorization and such other and further relief as deemed to be in the public interest.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by overnight delivery on all persons named on the attached service list.

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January 4, 2000

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