

Notice: All interested parties may file an answer to this application with the Department of Transportation on or before January 20, 2000.

Additionally, it should be noted that the Aer Lingus and Maryland Cities Program Applications are being submitted at the same time Aer Lingus and American Airlines, Inc. (“American Airlines”) are submitting applications for limited code-sharing authorization (the “Code-Share Applications). However, Aer Lingus will not operate Dublin/Shannon-Baltimore service as part of the proposed code-share

arrangement with American Airlines. Rather, Aer Lingus will provide Dublin/Shannon-Baltimore service using Aer Lingus crews and aircraft, and such flights will carry Aer Lingus' code only. Additionally, Aer Lingus intends to operate Dublin/Shannon-Baltimore service only if its proposed code-sharing arrangement with American Airlines is also approved by the Department.

In support of this Cities Program Application, Aer Lingus respectfully states as follows:

1. Baltimore qualifies as an underserved U.S. community with regard to transatlantic air service. In fact, Baltimore/Washington International ("BWI") Airport's transatlantic service is currently limited to London, England and Reykjavik, Iceland. Consequently, approval of this Cities Program Application would permit the addition of direct service between Dublin/Shannon and Baltimore, and thus, substantially improve BWI's transatlantic service.

2. At the present time, there is no direct, same-plane service between Dublin/Shannon and Baltimore. Instead, with regard to the greater Baltimore-Washington area, there is only one service per week between Dulles and Dublin/Shannon with Aeroflot. Otherwise, passengers must fly between Dublin/Shannon and other cities, such as London, Boston and New York, and arrange for connecting flights to and from Baltimore. Accordingly, apart from the service offered once per week by Aeroflot to Dulles, there is no direct, single-plane service between Dublin/Shannon and the Baltimore-Washington metropolitan area. Therefore, granting this application would benefit the Baltimore community as well as the entire Washington-Baltimore area by adding direct, single-plane service between Dublin/Shannon and Baltimore.

3. Moreover, granting authority for service between Dublin/Shannon and Baltimore will serve the public interest. As previously discussed, such a route would significantly improve currently limited transatlantic service at BWI by adding two European destinations: Dublin and Shannon. In addition, such

new service will be provided on a direct, non-stop basis, which will benefit both passengers and shippers in terms of convenience. Furthermore, it is anticipated that the new Dublin/Shannon-Baltimore service will not interfere with any U.S. carrier's plans to operate between Dublin/Shannon and Baltimore as neither Aer Lingus nor Maryland is aware of any concrete plans to commence such service. Moreover, it is likely that Dublin/Shannon-Baltimore service will lead to an expansion in tourism and an increase in international trade and business activities in the Baltimore area. In turn, the number of employment opportunities in Maryland will also increase.

4. Furthermore, the authorization sought in this application meets the criteria specified in the Department's Cities Program as set forth in Orders 90-1-62 (January 30, 1990) and 91-11-26 (November 20, 1991). The criteria are addressed below.

a. Currently, neither U.S. nor foreign air carriers provide non-stop or one-stop, single-plane international service between Ireland and Baltimore. Moreover, neither Aer Lingus nor Maryland is aware of any concrete plans among U.S. air carriers for providing the proposed direct, non-stop service at issue herein within a reasonable time period. *See* Order 89-10-19 (October 13, 1989). Additionally, the Department has found that, even if a U.S. carrier currently provided service between Dublin/Shannon and Baltimore, such service would not prevent a foreign air carrier such as Aer Lingus from obtaining authorization to provide direct, non-stop service for the same city pair. Rather, a foreign air carrier would only be prevented from providing one-stop service. *See* Order 91-11-26 at 6. In addition, the Department has previously approved an application under the Cities Program even where a U.S. carrier would also provide similar non-stop service in the same city pair market. *See, e.g.,* Order 93-4-35 (April 14, 1993).

b. Additionally, it should be noted that Ireland grants extra-bilateral authority to U.S. carriers. For example, although the 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 approvals of code-share/blocked-space arrangements with Aer Lingus. Indeed, the Department has recognized 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." Order 96-4-19 (April 10, 1996). Moreover, the Irish Government has approved a code-share application by Continental with regard to World Airways service. The Irish Government is flexible with regard to reviewing extra-bilateral authorization requests submitted by U.S. carriers.

c. In providing direct service between Dublin/Shannon and Baltimore, Aer Lingus does not intend to include service beyond Ireland to or from any third countries. However, as expressly stated in the Cities Program, Aer Lingus is authorized to carry traffic to and from third countries, intermediate and/or beyond Ireland. *See* Order 90-1-62. Moreover, in accordance with the Cities Program's restrictions, Aer Lingus will not rely unduly on third-country traffic, nor will it operate or offer single-plane services or any service with single-flight numbers beyond Ireland. *See* Order 91-11-26 at 2, n.3. *See also* Order 90-1-62 at 9.

5. As mentioned above, Aer Lingus intends to operate the service proposed in this Cities Program Application provided its application for approval of a code-sharing arrangement with American Airlines is granted in full by the Department. In addition, Aer Lingus intends to commence the proposed Dublin/Shannon-Baltimore service if approval by the Department authorizes service for the Summer 2000

season. Aer Lingus also understands that it may obtain an extension of the start-up period if it can show good cause for such an extension. *See* Order 91-11-26 at 11.

6. Aer Lingus will coordinate its activities with the U.S. inspection services and understands that Maryland will do the same, as expected by the Department. *See* Order 90-1-62 at 13. In fact, Aer Lingus has been informed by Maryland that there is a fully functioning FIS facility in BWI's new International Terminal. Aer Lingus thus expects that there will be no problems with such matters.

WHEREFORE, Aer Lingus respectfully requests that the Department approve this Application for extra-bilateral authority under the Cities Program for a one-year, renewable term, and grant Aer Lingus such further and additional relief as the Department may deem appropriate under the circumstances.

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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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