BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Joint Application of **DELTA AIR LINES, INC.,** **ATLANTIC SOUTHEAST AIRLINES, INC.,** **COMAIR, INC. and** **AEROVIAS de MEXICO, S.A. de C.V.** **for statements of authorization under** **14 C.F.R. Part 212 (U.S.-Mexico codesharing)**	)))))))))	**Docket OST-2000-7708**
Application of **AEROVIAS de MEXICO, S.A. de C.V.** **for an exemption under 49 U.S.C. § 40109** **(Atlanta-Leon/San Jose del Cabo;** **Dallas/Ft. Worth-Guadalajara/Monterrey/Puebla)**	)))))))	
Application of **AEROVIAS de MEXICO, S.A. de C.V.** **for renewal of an exemption under** **49 U.S.C. § 40109** **(Atlanta-Monterrey; Dallas/Ft. Worth-Mexico City)**	)))))))	**Docket 49623**
Application of **AEROVIAS de MEXICO, S.A. de C.V.** **for amendment of an exemption under** **49 U.S.C. § 40109 (blanket U.S.-Mexico behind and** **beyond gateways for codesharing services)**	)))))))	**Docket OST-97-3289**

JOINT APPLICATION OF DELTA AIR LINES, INC.,
ATLANTIC SOUTHEAST AIRLINES, INC., COMAIR, INC., and
AEROVIAS de MEXICO, S.A. de C.V., FOR STATEMENTS OF
AUTHORIZATION AND NEW, AMENDED AND RENEWED EXEMPTIONS

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July 27, 2000

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JOINT APPLICATION OF DELTA AIR LINES, INC.,
ATLANTIC SOUTHEAST AIRLINES, INC., COMAIR, INC., and

AEROVIAS de MEXICO, S.A. de C.V., FOR STATEMENTS OF AUTHORIZATION AND NEW, AMENDED AND RENEWED EXEMPTIONS

Delta Air Lines, Inc. ("Delta"), its wholly owned Delta Connection subsidiaries Atlantic Southeast Airlines, Inc. ("ASA"), and Comair, Inc. ("Comair"), and Aerovias de Mexico, S.A. de C.V. ("Aeromexico") (together, the "Joint Applicants"), hereby apply for authority to implement codeshare/blocked-space services on flights operated by Delta and the Delta Connection carriers between (1) Atlanta, Georgia, and Leon, Mexico, (2) Atlanta, Georgia, and San Jose del Cabo, Mexico, (3) Atlanta, Georgia, and Monterrey, Mexico, (4) Dallas/Ft. Worth, Texas, and Monterrey, Mexico, (5) Dallas/Ft. Worth, Texas, and Mexico City, Mexico, (6) Dallas/Ft. Worth, Texas, and Puebla, Mexico, and (7) Dallas/Ft. Worth, Mexico, and Guadalajara, Mexico.

In addition, subject to the Department's standard 30-day notice provision applicable to U.S.-Mexico behind-gateway codeshare services, ASA and Comair request blanket statements of authorization to carry Aeromexico's code between Aeromexico's authorized U.S. gateways and points in the United States served by ASA and Comair.[1]

[1] Aeromexico is requesting a conforming amendment to its blanket behind-gateway exemption authority to include Comair and ASA operated services in addition to the currently authorized Delta mainline services.

Specifically, the Joint Applicants request the issuance of the following authorities:

a) a statement of authorization to Delta, pursuant to 14 C.F.R. Part 212, to permit Delta to display Aeromexico's "AM" designator code on flights operated by Delta between (i) Atlanta, Georgia, and Leon, Mexico (beginning on or about October 1, 2000), and (ii) Atlanta, Georgia, and San Jose del Cabo, Mexico (beginning on or about November 1, 2000);[2]

b) a statement of authorization to ASA, pursuant to 14 C.F.R. Part 212, to permit ASA to display Aeromexico's "AM" designator code on flights operated by ASA between (i) Atlanta, Georgia, and Monterrey, Mexico, (ii) Dallas/Ft. Worth, Texas, and Monterrey, Mexico (both beginning on or about September 1, 2000), and (iii) Aeromexico's authorized United States gateways and points within the United States on a blanket basis, for the carriage of Aeromexico's authorized Mexico-United States traffic;[3]

c) a statement of authorization to Comair, pursuant to 14 C.F.R. Part 212, to permit Comair to display Aeromexico's "AM" designator code on flights

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[2] Delta hereby states that this application will have no impact on Delta's CRAF commitments. ASA and Comair are not CRAF participants.

[3] To the extent necessary, ASA requests a waiver of the 45-day advance filing requirement applicable to statements of authorization under 14 C.F.R. Part 212.

operated by Comair between (i) Dallas/Ft. Worth, Texas, and Mexico City, Mexico (beginning on or about September 1, 2000), (ii) Dallas/Ft. Worth, Texas, and Puebla, Mexico (beginning on or about September 1, 2000), (iii) Dallas/Ft. Worth, Texas, and Guadalajara, Mexico (beginning on or about January 1, 2001), and (iv) Aeromexico's authorized United States gateways and points within the United States on a blanket basis, for the carriage of Aeromexico's authorized Mexico-United States traffic;[4]

d) an exemption to Aeromexico, pursuant to 49 U.S.C. § 40109, to permit Aeromexico to provide scheduled foreign air transportation of persons, property, and mail between (i) Atlanta, Georgia, and Leon, Mexico, (ii) Atlanta, Georgia, and San Jose del Cabo, Mexico, (iii) Dallas/Ft. Worth, Texas, and Monterrey, Mexico, (iv) Dallas/Ft. Worth, Texas, and Puebla, Mexico, and (v) Dallas/Ft. Worth, Texas, and Guadalajara, Mexico;

e) renewal of an exemption to Aeromexico, pursuant to 49 U.S.C. § 40109, to permit Aeromexico to continue to engage in scheduled foreign air transportation of persons, property, and mail between, (i) Atlanta, Georgia, and Monterrey, Mexico, and (ii) Dallas/Ft. Worth, Texas, and Mexico City, Mexico; and

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[4] To the extent necessary, Comair requests a waiver of the 45-day advance filing requirement applicable to statements of authorization under 14 C.F.R. Part 212.

f) amendment of the blanket exemption granted to Aeromexico by Order 99-6-6, pursuant to 49 U.S.C. § 40109, to the extent necessary, to permit Aeromexico to engage in scheduled foreign air transportation of persons, property, and mail between points in Mexico and points within the United States beyond Aeromexico's authorized U.S. gateway points for transborder services, for the purpose of blind-sector codesharing services operated between the U.S. gateway points and other points within the United States on services operated by either ASA or Comair.[5]

In light of the September 1, 2000, start-up date for several of the proposed codeshare services, the Joint Applicants request that the exemptions and statements of authorization be granted by no later than **August 3, 2000,** to provide Aeromexico with adequate time to effectively market and sell its new services.[6] Aeromexico requests that its new and renewed transborder exemption authority be effective for a period of at least one year, and that its amended behind/beyond gateway blanket exemption authority remain in effect through June 4, 2001, coextensive with its existing authority; the Joint Applicants request that the codesharing statements of

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[5] Ordering paragraph 6 of Order 99-6-6 authorizes such services, but only with respect to flights operated by either Aeromexico or Delta. The addition of Delta's wholly owned subsidiaries to Aeromexico's existing blanket authority is fully consistent with the public interest basis of the original exemption.

[6] The Joint Applicants will conduct a poll of all persons listed on the attached service list and will promptly notify the Department of the results.

authorization remain in effect indefinitely, consistent with the duration of the U.S.-Mexico codeshare authorities granted by Order 99-6-6.

In support of this Joint Application, Delta, ASA, Comair and Aeromexico state the following:

1. Aeromexico plans to begin transborder service on seven U.S.-Mexico routes by displaying its "AM" designator code on new nonstop flights operated by Delta, ASA and Comair.[7] Pursuant to the existing Delta/Aeromexico codesharing/blocked space agreement, which is being amended to include flights operated by the Delta Connection subsidiaries, Delta will provide Aeromexico with a certain number of seats on transborder U.S.-Mexico flights operated by Delta, ASA and Comair for independent marketing and sale by Aeromexico.

2. In the coming months, Aeromexico also plans to begin blind-sector codeshare service to points within the United States beyond its authorized U.S. gateways on Delta Connection flights operated by ASA and Comair. Such flights will also be operated pursuant to the existing Delta/Aeromexico codesharing/blocked space agreement, as amended. Aeromexico, ASA and Comair will comply with the

[7] Delta and the Delta Connection carriers hold the necessary designations and exemption authority for the U.S.-Mexico transborder routes that are the subject of this application.

Department's standard requirement that they notify the Department at least 30 days before they begin beyond-gateway service to any new U.S. point.

3. Aeromexico is a flag carrier of the United Mexican States and currently holds a foreign air carrier permit that authorizes service between Mexico and numerous U.S. points. Order 91-5-25. Pursuant to its permit and various exemption authorities, Aeromexico provides extensive service between Mexico and the United States. By Notice of Action Taken dated August 9, 1999 (Docket 49623), the Department renewed Aeromexico's exemption authority for the Atlanta-Monterrey and Dallas/Ft. Worth-Mexico City routes, with respect to which Aeromexico hereby requests renewal.[8] Aeromexico also hereby requests exemption authority for the other U.S.-Mexico codeshare routes that are the subject of this application and an amendment to its existing behind/beyond gateway exemption authority (granted by Order 99-6-6) to add flights operated by ASA and Comair. Aeromexico holds a designation for the Atlanta-Leon route (Note 468, dated April 28, 2000) and is in the process of obtaining designations from the Mexican government for Atlanta-San Jose del Cabo, Dallas/Ft. Worth-Monterrey, Dallas/Ft. Worth-Puebla, and Dallas/Ft. Worth-Guadalajara. Aeromexico will supplement this application as soon as the outstanding designations have been issued.

4. Approval of the requested exemption authority and statements of authorization is in the public interest and will provide important new service and competitive options to U.S.-Mexico travelers and shippers. Later this year, Delta and the Delta Connection carriers are introducing new nonstop services on seven U.S.-Mexico routes. Allowing Aeromexico to provide codeshare service on these routes will enhance competition and expand price and service options for consumers seeking to travel between the United States and Mexico. In addition, allowing Aeromexico to display its "AM" code on domestic flights operated by ASA and Comair will benefit U.S. communities by providing them with competitive new online service to Mexico.

5. Approval of both the exemptions and the statements of authorization is consistent with the amendment to the U.S.-Mexico Air Transport Services Agreement, signed on February 15, 1999. The Department has granted multiple similar U.S.-Mexico transborder and behind/beyond gateway codesharing requests, finding that the exercise of the codeshare rights available under the 1999 bilateral amendment "will benefit travelers, shippers, businesses, cities, airlines, and airports." Order 99-6-6 at 6.

Footnote continued from previous page

[8] In filing this renewal application, Aeromexico hereby invokes the automatic extension provisions of 5 U.S.C. § 558(c) and Part 377 of the Department's Special Regulations.

WHEREFORE, Delta, ASA, Comair and Aeromexico request that the Department promptly grant the statements of authorization and exemption authority described herein, to enable the Joint Applicants to engage in codeshare/blocked-space services on flights operated by Delta and the Delta Connection carriers between (1) Atlanta, Georgia, and Leon, Mexico, (2) Atlanta, Georgia, and San Jose del Cabo, Mexico, (3) Atlanta, Georgia, and Monterrey, Mexico, (4) Dallas/Ft. Worth, Texas, and Monterrey, Mexico, (5) Dallas/Ft. Worth, Texas, and Mexico City, Mexico, (6) Dallas/Ft. Worth, Texas, and Puebla, Mexico, (7) Dallas/Ft. Worth, Mexico, and Guadalajara, Mexico, and (8) Aeromexico's authorized United States gateways and points within the United States served by ASA and Comair, and that the Department grant such other and further relief as the Department deems to be in the public interest.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Joint Application of Delta Air Lines, Inc., Atlantic Southeast Airlines, Inc., Comair, Inc., and Aerovias de Mexico, S.A. de C.V., for Statements of Authorization and New and Renewed Exemptions has been served this 27th day of July, 2000, via facsimile or U.S. Mail, postage prepaid, upon all persons listed on the attached service list.

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