

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.
October 16, 1998**

Application of)	
)	
AMERICAN AIRLINES, INC.)	Docket OST-98-4522
)	
under 49 U.S.C. §§ 40109 for exemption (U.S. -)	
Riga, Latvia; Tallinn, Estonia, and St. Petersburg)	
Russia via Helsinki (code-sharing with Finnair Oy))	
)	
<hr/>		
Joint Application of)	
)	
AMERICAN AIRLINES, INC.)	Undocketed
and)	
FINNAIR OY)	
)	
for statements of authorization.)	

CONSOLIDATED ANSWER OF DELTA AIR LINES, INC.

On September 30, 1998, American Airlines, Inc. (“American”) and Finnair Oy (“Finnair”) filed applications for authority to implement a proposed code-share arrangement pursuant to which American would list its code on flights operated by Finnair to various points, including St. Petersburg, Russia. Delta Air Lines, Inc., (“Delta”) hereby files this Answer to the above-captioned applications.¹

¹ Delta contingently requests leave to file one-day late. The Notice on the cover page of American’s application stated that October 16, 1998, is the due date for filing answers. Delta relied on American’s notice.

The applications of American and Finnair are silent as to how American intends to obtain the necessary U.S.-Russia frequencies to operate the proposed Helsinki-St. Petersburg service. At the present time, all 54 U. S .-Russia frequencies are allocated to **U.S.** carriers. If the Joint Applicants propose to replace American's direct U.S.-Russia service with code share service and utilize American's existing U.S.-Russia frequencies, Delta has no objection to the application. However, if American requires additional U . S .-Russia frequencies, over and above those it currently holds, Delta objects to the applications to the extent that they contemplate any reallocation of U.S.-Russia frequencies from Delta to fund the American-Finnair service. In light of the failure of the applicants to discuss whether and to what extent it needs additional U. S .-Russia frequencies, the Department should defer or dismiss the applications pending receipt of additional information concerning the Joint Applicants' plan.

As Delta pointed out in its Answer filed on August 31, 1998 to American's Chicago-Moscow exemption application, Delta has been allocated U.S.-Russia frequencies to implement code share service, but has been unable to do so due to the actions of the Russian Ministry of Transport ("RMOT"). The Department is well aware of the circumstances surrounding Delta's inability to use its frequencies and granted Delta a waiver from the dormancy provisions due to the RMOT's refusal to permit Delta to operate bilaterally-authorized third-

country code-share service to Russia. Under these circumstances, there is no basis in law or policy for the Department to consider reallocating any of the frequencies held by Delta.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert E. Cohn". The signature is fluid and cursive, with the first name being the most prominent.

Robert E. Cohn
SHAW PITTMAN POTTS &
TROWBRIDGE
2300 N Street, N.W.
Washington, D . C . 20037
(202) 663-8060

Counsel for
DELTA AIR LINES, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consolidated Answer of Delta Air Lines, Inc., has been served this 16th day of October, 1998, via U. S. Mail, postage prepaid, on all persons listed below.

Gerard J. Arpey
Senior Vice President - Finance and
Planning and
Chief Financial Officer
American Airlines, Inc.
P.O. Box 619616, MD5621
DFW Airport, Texas 75261

William K. Ris, Jr.
Vice President - Government Affairs
American Airlines, Inc.
1101 17th Street, N.W.
Suite 600
Washington, D . C . 20036

Arnold J. Grossman
Vice President - International Affairs
American Airlines, Inc.
P.O. Box 619616, MD 5635
DFW Airport, Texas 75261

Carl B. Nelson, Jr.
Associate General Counsel
American Airlines, Inc.
1101 17th Street, N.W.
Suite 600
Washington, D. C . 20036

Jeffrey A. Manley
Kirkland & Ellis
655 15th Street, N.W.
Washington, D. C. 20005

R. Bruce Keiner
Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Vance Fort
Worldcorp, Inc.
13873 Park Center Road
Suite 490
Herndon, Virginia 2207 1

David G. Bassett, President
Amerij et International, Inc.
498 S. W. 34th Street
Ft. Lauderdale, FL 33315

Eileen Gleimer
Boros & Garofalo, P. C .
120 1 Connecticut Avenue, N. W .
Suite 700
Washington, D .C. 20036

Megan Rae Poldy
Associate General Counsel
Northwest Airlines, Inc.
901 15th Street, N.W.
Suite 3 10
Washington, D . C . 20005

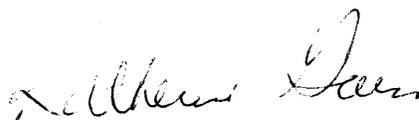
David L. Vaughan
Kelley Drye & Warren
1200 19th Street, N.W.
Suite 500
Washington, D . C . 20036

U . S . Transcom/TCJ5
Attn: Air Mobility Analysis
608 Scott Drive
Scott AFB, IL 62225

John L. Richardson
Seeger Potter Richardson
Luxton Joselow & Brooks
2121 K Street, N.W.
Suite 700
Washington, D. C . 20037

Alfred J. Eichenlaub
Senior Vice President
Polar Air Cargo, Inc.
100 Oceangate, 15th Floor
Long Beach, CA 90802

Roger Fones
Antitrust Division
Department of Justice
325 7th Street, N.W.
Suite 500
Washington, D. C. 20530



Katherine E. Gaines