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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION

96 SEP 13 PM 4:42

DOCKET SECTION

Joint Application of)
)
UNITED AIR LINES, INC.,)
DEUTSCHE LUFTHANSA, A.G.)
and)
SCANDINAVIAN AIRLINES SYSTEM)
)
for approval of and antitrust immunity)
for a Coordination Agreement)
under 49 U.S.C. §§ 41308 and 41309)
)

OST-96-1646 - 3

Joint Application of)
)
UNITED AIR LINES, INC.,)
and)
SCANDINAVIAN AIRLINES SYSTEM)
)
for approval of and antitrust immunity)
for an Alliance Expansion Agreement)
under 49 U.S.C. §§ 41308 and 41309)
)

OST-96-1411 -

JOINT REPLY OF UNITED AIR LINES, INC., DEUTSCHE LUFTHANSA, A.G.
AND SCANDINAVIAN AIRLINES SYSTEM

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DATED: September 13, 1996

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

Joint Application of)
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DATED: September 13, 1996

**JOINT REPLY OF UNITED AIR LINES, INC., DEUTSCHE LUFTHANSA, A.G.
AND SCANDINAVIAN AIRLINES SYSTEM**

United Air Lines, Inc. ("United"), Scandinavian Airlines System ("SAS") and Deutsche Lufthansa, A.G. ("Lufthansa") (collectively referred to as the "Joint Applicants") herewith file a Joint Reply to the Department's Notice, dated August 28, 1996, which consolidated the above-captioned proceedings for decision and established September 4, 1996, as the date for filing answers to the Joint Application of United, SAS and Lufthansa in docket OST-96-1646.

JOINT REPLY OF UNITED, LUFTHANSA, AND SAS

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No answers were filed in response to the Department's August 28 Notice. The Joint Applicants, therefore, urge the Department to proceed expeditiously to issue a Final Order approving and granting antitrust immunity to the United/SAS Alliance Expansion Agreement and the United/SAS/Lufthansa Coordination Agreement.

As detailed in the Joint Application filed by United and SAS in docket OST-96-1411 and in the Joint Application filed by United, Lufthansa, and SAS in docket OST-96-1646, the Department's approval of these agreements and its grant of antitrust immunity is essential to the parties' ability to create a global alliance that will enable passengers to travel between all of the world's major cities on a single ticket, experiencing a consistent, high quality product. With approval and immunity, the Joint Applicants will be able to operate more efficiently, compete more effectively with other global alliances, and expand service to the traveling and shipping public.

Interested parties have now had a full opportunity to file any comments they may have on the applications. No comments opposing either application have been filed.^{1/} Accordingly, the

^{1/} As noted in the text, there were no comments filed at all in docket OST-96-1646; only two comments were filed in docket OST-96-1411, neither of which opposed the Department's granting United

Joint Applicants believe that the Department can and should dispense with the issuance of an Order to Show Cause and instead should proceed expeditiously to issue a Final Order approving these unopposed applications. Because both applications are unopposed, no purpose is served by the Department's again providing for the filing of comments on the applications through the issuance of an Order to Show Cause.^{2/} On the contrary, all that is accomplished by issuing such an Order is that the administrative burden on the Department's staff is increased, and the relief requested by the Joint Applicants is further delayed.

and SAS the relief requested.

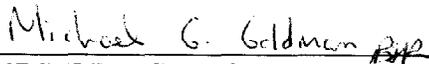
^{2/} Proceeding directly to a Final Order is fully consistent with the Department's Procedural Regulations. See 14 CFR §303.43.

JOINT REPLY OF UNITED, LUFTHANSA, AND SAS

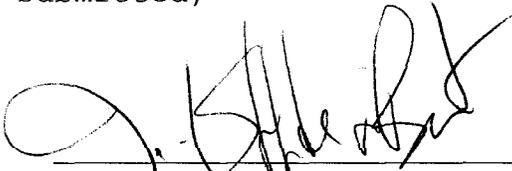
Page 4

Neither result is consistent with the public interest; both can be avoided by proceeding directly to a Final Order.

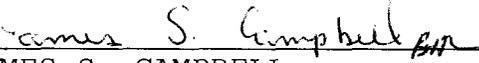
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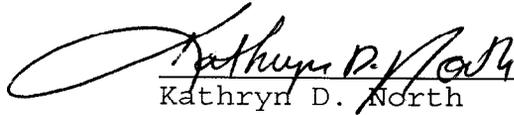

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DATED: September 13, 1996

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Joint Reply of United Air Lines, Inc., Deutsche Lufthansa, A.G. and Scandinavian Airlines System to the persons on the attached Service List by causing a copy to be sent via first class mail, postage prepaid.


Kathryn D. North

DATED: September 13, 1996

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