

ORIGINAL

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Joint Application of

AMERICAN AIRLINES, INC.

and

LINEA AEREA NACIONAL CHILE,
S.A. (LAN CHILE)

OST-97-3285

under 49 U.S.C. §§ 41308 and 41309 for :
approval of and antitrust immunity :
for alliance agreement :

Dated: January 23, 1998

RESPONSE OF LINEA AEREA NACIONAL CHILE, S.A. (LAN CHILE)
TO ORDER 98-1-21 AND
SUPPLEMENTAL SUBMISSION UNDER PENDING RULE 39 MOTION

Linea Aerea Nacional Chile, S.A. (Lan Chile) hereby responds to the Department's Order 98-1-21. Lan Chile also is submitting herewith, under seal, certain additional confidential documents; those documents are submitted under the pending Joint Motion for Confidential Treatment under 14 C.F.R. § 302.39, filed in this docket on December 23, 1997. These additional documents will be available for inspection by affiants under the terms of the Department's Notice dated January 9, 1998.

A. Responses to items in Order 98-1-21 that relate to Lan Chile, by item number:

Response of Lan Chile

1. An index relating each confidential document, by Bates numbers, to the Additional Information Requirements listed at pages 44-64 of the Joint Application is submitted herewith.

2. Complete copies of redacted documents will be submitted to Regis Milan, as directed.

5. Translation templates for the headings and titles contained in various Spanish-language tables and charts, including the Lan Chile timetable (Exhibit JA-3) and various confidential documents, are submitted herewith. As to the templates relating to confidential documents, which are submitted under seal, the Bates numbers to which each template relates are indicated on the template; copies of the templates will be placed with the confidential documents and will be available for inspection by affiants.

6. Order 98-1-21 inquires why Exhibit JA-8 contains O&D data from Lan Chile's top 25 markets instead of 100 markets. Santiago is the sole gateway in Chile for flights from U.S. points, and O&D data are available only for Santiago. For this reason, the applicants had no actual data for other markets. They were only able to develop estimates for other markets, based on the Santiago O&D data, and were able to develop statistically useful estimates only for the markets shown in Exhibit JA-8. At the time of the submission, the applicants were not able to develop such estimates for years other than

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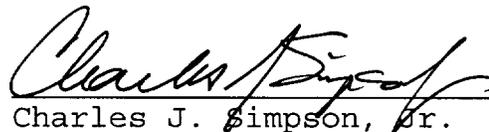
1996. At this item, however, the applicants believe they will be able to prepare data and estimates for 1995, and they will attempt to submit those in the very near future.

B. In addition to the above, Lan Chile is submitting herewith, under seal, copies of two documents: a joint operation agreement with Air New Zealand and a codeshare agreement with TAM of Paraguay. These agreements are referred to at pages 55, 56 and 59 of the Joint Application, but usable copies were not available for submission at the time the Joint Application was filed. These documents are submitted subject to the pending Joint Motion for Confidential Treatment and will be available for inspection by affiants. Certain sensitive commercial information has been redacted from these copies, but complete copies will be submitted to Regis Milan, in accordance with Order 98-1-21. These documents are listed in the enclosed index.

Respectfully submitted,

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

By:



Charles J. Simpson, Jr.
Lonnie Anne Pera
David Heffernan
Attorneys for Lan Chile