

ORIGINAL

DEPT. OF TRANSPORTATION  
DOCKET SECTION

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, D.C.

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In re:

High Density Airports;  
Allocation of Slots  
(Federal Register Notice No. 99-20) :

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Docket FAA-1999-4971-7

COMMENTS OF NORTHWEST AIRLINES, INC.

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February 11, 1999

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COMMENTS OF NORTHWEST AIRLINES, INC.

Northwest Airlines, Inc. ("Northwest") hereby submits the following comments in support of the above-captioned Notice of Proposed Rulemaking ("NPRM") published in the Federal Register on January 12, 1999, 64 Fed. Reg. 2086. In the NPRM, the FAA proposes to amend its regulations governing takeoff and landing slots and slot allocation procedures at certain High Density Traffic Airports to conform with certain provisions of the U.S.-Canada Open Transborder bilateral agreement that became fully effective on February 23, 1998. Among other things, the U.S.-Canada agreement provides that slots held by Canadian operators at O'Hare and LaGuardia, in effect, be converted to "domestic" slots, permitting them to be bought, sold, leased or transferred. The intent of this provision of the U.S.-Canada agreement was to treat carriers of both countries in the same manner for purposes of slot allocation at U.S. High Density Traffic Airports. The NPRM, inter alia, proposes to provide similar treatment for identified international slots held by U.S. carriers. Northwest strongly supports the proposed rule.

By classifying international slots held by Canadian carriers as domestic slots, and thereby permitting them to be bought, sold, leased or transferred, the U.S.-Canada bilateral introduces a potential unfair competitive advantage in favor of Canadian carriers vis-a-vis U.S. carriers. To permit such an advantage in favor of Canadian carriers would be contrary to the very intent behind the Department's "buy/sell" rule adopted in December 1985. The purpose of a number of provisions of the Department's 1985 "buy/sell" rule was the standing policy that it is desirable to treat U.S. carriers and foreign flag carriers similarly when conducting identical service. Pursuant to this policy, the Department concluded that the "buy/sell" provisions should apply only to domestic slots and that all international slots will be treated the same, irrespective of whether the holder is a U.S. or foreign flag carrier. The aforementioned provisions of the U.S.-Canada bilateral undermine this policy by according more favorable treatment to Canadian carriers. The proposed rule would remedy this imbalance.

The facts surrounding Northwest's usage of its two subject slots at O'Hare compelling support according Northwest the same flexibility as Canadian carriers. On May 27, 1998, the FAA granted Northwest an exemption from Section 93.217 of Title 14 of the Code of Federal Regulations to enable Northwest to utilize the two subject O'Hare international slots as domestic slots while the FAA was considering rulemaking action to address the U.S.-Canada agreement. In so granting Northwest such exemption,

the FAA noted that Northwest has been the holder of these two slots since prior to the buy/sell rule in 1985 and, in fact, prior to the adoption of the High Density Rule in 1969. The FAA noted further that Northwest has consistently utilized these two international slots "well over the minimum slots usage requirement of 80 percent that is required for domestic slots." Since the date of its exemption, Northwest has continued to meet, and indeed exceed, the 80 percent usage requirement for both slots by utilizing them to provide critical service between O'Hare and Northwest's hubs. It would be inequitable and contrary to the public interest to accord Canadian carriers the increased flexibility of "domestic" slots and at the same time deprive Northwest of such flexibility for slots it has fully utilized for over three decades.

The proposed "conversion" to domestic status of the subject U.S. carrier international slots will produce substantial public benefits by providing the affected slot holders with increased scheduling flexibility. As domestic slots, the slots may be used for U.S. -Canada transborder service, any other domestic service, or for international service. This increased flexibility will enable the U.S. carriers involved to utilize their slots in a manner that best responds to consumer demand at the affected airports, to the benefit of the traveling public.

For the foregoing reasons, Northwest strongly supports the rule proposed by the above-captioned NPRM and urges the FAA to finalize the proposed rule prior to expiration of Northwest's exemption on May 27, 1999.

Respectfully submitted,



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