

ORIGINAL

DEPT. OF TRANSPORTATION

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BEFORE THE

DEPARTMENT OF TRANSPORTATION 0011 - PA 3:58

WASHINGTON, D. C.

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Joint Application of

AMERICAN AIRLINES, INC.,  
SWISSAIR, SWISS AIR TRANSPORT  
COMPANY, LTD., and  
N.V. SABENA S.A.

OST-99-6528-9

under 49 USC 41308 and 41309 for approval  
of and antitrust immunity for agreements  
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JOINT REPLY OF AMERICAN AIRLINES, INC.,  
SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD.,  
AND N.V. SABENA S.A.

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February 4, 2000

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D. C.

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Joint Application of

AMERICAN AIRLINES, INC.,  
SWISSAIR, SWISS AIR TRANSPORT  
COMPANY, LTD., and  
N.V. SABENA S.A.

OST-99-6528

under 49 USC 41308 and 41309 for approval  
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JOINT REPLY OF AMERICAN AIRLINES, INC.,  
SWISSAIR, SWISS AIR TRANSPORT COMPANY, LTD.,  
AND N.V. SABENA S.A.

American Airlines, Inc., Swissair, Swissair Transport Company, Ltd., and N.V. Sabena S.A. hereby submit this joint reply pursuant to the Department's scheduling notice issued in this docket on January 7, 2000.

No answers were submitted on the January 28, 2000 response date established by the Departments notice. Before that notice was issued, ASTA submitted a letter (on November 23, 1999) expressing across-the-board opposition to antitrust immunity for any airline marketing alliance, including the one at issue here and that of Northwest/KLM/Alitalia, for example? Legend Airlines (on December 29, 1999) submitted a

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<sup>1</sup>The Department granted immunity to Northwest/KLM/Alitalia by Order 99-12-5, December 3, 1999. In show-cause Order 99-11-20, November 30, 1999, the Department explicitly rejected

letter asking that action on our application be deferred until the Love Field controversy is resolved in Legend's favor. Both of these letters are basically public relations exercises intended to promote their authors' views on unrelated matters, and simply do not rise to the level of substantive opposition.

In addition, American wishes to inform the Department that, effective June 1, 2000, American will shift its Chicago-Zurich nonstop service to Dallas/Ft. Worth, as announced in the attached press release of February 1, 2000. As a result, American will no longer operate overlapping nonstop service with Swissair in the Chicago-Zurich city-pair. The only overlapping nonstop city-pair discussed in the "City-Pair Overlaps" section of the joint application (pp. 20-22) will be Chicago-Brussels, in which nonstop service will continue to be operated by American and Sabena.

Except as noted above, the American/Swissair/Sabena application is unopposed. We urge that the Department promptly conclude this proceeding by approving the applicants' agreements and granting antitrust immunity under 49 USC 41308 and 41309 as fully consistent with the public interest.

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ASTA's opposition (which ASTA had also expressed in a previous letter submitted on May 24, 1999), finding that "ASTA's position could deny the public the substantial benefits that are likely to flow from granting the proposed alliance antitrust immunity. ASTA has not presented any factors that would offset this important consideration" (p. 15).

Respectfully submitted,

*William Karas can*

WILLIAM KARAS

Attorney for Swissair and  
Sabena

*Carl B. Nelson Jr.*

CARL B. NELSON, JR.  
Associate General Counsel  
American Airlines, Inc.

February 4, 2000

Tuesday February 1, 4:00 am Eastern Time

## Company Press Release

*SOURCE: American Airlines*

# American Airlines Expands Service to Europe; New Nonstop Service From Chicago to Rome, Dallas/Fort Worth to Zurich, Second New York to Paris Flight

FORT WORTH, Texas, Feb. 1 /PRNewswire/ -- American Airlines announced today that it will start daily nonstop flights between Chicago O'Hare International Airport and Rome's **Fiumicino** Airport; shift the Chicago-Zurich service to Dallas/Fort Worth, both beginning June 1, 2000; and introduce a second nonstop daily flight between New York **JFK** and Paris Charles De Gaulle Airport commencing May 1, 2000.

"All of these services will give our customers greater flexibility and more reasons to fly American to Europe," said Mike **Gunn**, executive vice president-marketing and planning.

"In Italy, where the U.S.-Italy aviation market is now liberalized, it has become important that American maximizes the opportunities this liberalization presents," **Gunn** observed. "The Chicago-Rome market represents a unique opportunity, since it is the most heavily traveled route between the U.S. and Italy without nonstop or direct service. We believe the Rome route will be the perfect complement to our existing Chicago to Milan service, which we started back in 1991."

With American's new Rome flight the airline will serve 13 European airports in eight countries.

**Gunn** noted that in response to customer demand for more frequent service, the additional New York-Paris flight will give business travelers the opportunity to spend a full working day at either end of their journey before catching their return flights. American received one of only two additional frequencies granted this year to U.S. carriers flying between the U.S. and France. American will offer seven flights a day to Paris **from** Boston, Chicago, Dallas/Fort Worth, Los Angeles, Miami and twice from New York.

"It makes good business sense to take advantage of opportunities such as this one, where the market is restricted," **Gunn** noted.

American's Zurich flight brings to four the number of European destinations served from American's home and hub at Dallas/Fort Worth.

"Our new service from Dallas/Fort Worth to Zurich complements our existing codeshare schedule and will give business travelers more choice and availability," **Gunn** said.

The two new services to Rome and Zurich will be operated featuring a Boeing **767-300ER aircraft** configured in three classes, with **14** seats in first class, **30** in business class and **163** in the main cabin. The second New York- Paris service will be operated featuring a Boeing **767-200ER aircraft** configured in three classes, with nine seats in first class, **30** in business class and **126** in the main cabin.

American Airlines employs more than **100,000** people and operates the world's largest commercial airline fleet -- almost **700** jet aircraft.

Together with its regional airline **affiliate** American Eagle, the carrier operates more than **4,000** flights a day. American currently operates **23** 1 flights a week from eight U.S. gateway cities to Europe. American also offers convenient air-to-rail connections from Charles De Gaulle to the French cities of **Lille**, Lyon and **Nantes**, through its marketing agreement with **SNCF**, France's national railway company.

Here are the new schedules for the three markets:

CHICAGO-ROME  
AA110 DEPARTS: 4:40 p.m. ARRIVES: 9:10 a.m.\*

ROME-CHICAGO  
AA111 DEPARTS: 1:40 p.m. ARRIVES: 5:00 p.m.

DALLAS/FORT WORTH-ZURICH  
AA38 DEPARTS: 2:25 p.m. ARRIVES: 7:35 a.m.\*

ZURICH-DALLAS/FORT WORTH  
AA37 DEPARTS: 10:10 a.m. ARRIVES: 2:25 p.m.

NEW YORK JFK-PARIS CHARLES DE GAULLE  
AA44 DEPARTS: 6:35 p.m. ARRIVES: 7.55 a.m.\*  
AA120 DEPARTS: 9:50 p.m. ARRIVES: 11:00 a.m.\*

PARIS CHARLES DE GAULLE-NEW YORK JFK  
AA45 DEPARTS: 12:00 p.m. ARRIVES: 2:05 p.m.  
AA121 DEPARTS: 5:55 p.m. ARRIVES: 8:05 p.m.

\* Following day arrival.

Current **AMR Corp.** (**NYSE: AMR - news**) news releases can be accessed via the Internet. The address is <http://www.amrcorp.com/corpcomm.htm>.

*SOURCE: American Airlines*

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by first-class mail on all persons named on the attached service list.

  
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February 4, 2000

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