

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

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Joint Application of)	
)	
DELTA AIR LINES, INC.)	
SOCIÉTÉ AIR FRANCE)	OST-01-10429
ALITALIA-LINEE AEREE ITALIANE-S.P.A.))	
CZECH AIRLINES)	
)	
Under 49 U.S.C. §§ 41308 and 41309)	
for approval of and antitrust immunity)	
for alliance agreements)	
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**CONSOLIDATED JOINT REPLY OF
DELTA AIR LINES, INC.,
SOCIÉTÉ AIR FRANCE,
ALITALIA-LINEE AEREE ITALIANE-S.P.A.,
AND CZECH AIRLINES**

January 11, 2002

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By Order 2001-12-18 (the “Show Cause Order”) the Department tentatively decided to grant antitrust immunity to the Delta/Air France/Alitalia/CSA alliance because “the proposed alliance would provide important public benefits.” (Page 16). More specifically, the Department found that the alliance “would benefit consumers by increasing international service options and enhancing competition between airlines, particularly for traffic to or from cities beyond and behind major gateways.” *Id.* at 17.

Only ASTA and ACAA filed answers in response to the Show Cause Order. Neither of these answers disputed the thorough and well-reasoned factual, policy and legal findings set forth in the Department’s Order. Instead, the answers of these two associations focus

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on extraneous issues and seek to promote the agendas of their constituents, which are unrelated to the subject matter of this proceeding. Since no party has raised a substantive objection to the Show Cause Order, the Department should proceed immediately with the issuance of a Final Order, by no later than January 18, 2002. This will permit the rapid entry into force of the historic new U.S.-France open skies agreement, as well as securing the important consumer benefits that the Department has recognized the alliance will provide.

The Joint Applicants respond more particularly to the two commenters as follows:

1. ACAA's answer is nothing more than a misdirected motion for expedition with respect to various unrelated domestic aviation proceedings. ACAA made similar arguments in its initial answer which were rejected by the Department: "As to the domestic competition issues, we will not address them in this proceeding. The Department is currently dealing with these concerns in other proceedings, and we find that the issues raised by the ACAA are more appropriately considered in other fora." Show Cause Order at 17. ACAA's current answer adds nothing new.

2. ASTA does not object to the grant of antitrust immunity to the Joint Applicants, but urges that the Department also confer immunity on travel agents. Whatever the merits may be with respect to ASTA's novel request for travel agent immunity, there is no basis for the Department to consider such a request in this proceeding. There are now over a dozen antitrust immunized airline alliance partnerships, and travel agents have been dealing with antitrust immunized alliances for nearly a decade. If ASTA believes that travel

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agents require antitrust immunity to conduct business with immunized airlines alliances, then ASTA or its members are free to file their own application with the Department and make the required statutory showings.

WHEREFORE, Delta, Air France, Alitalia and CSA urge the Department to immediately issue a Final Order approving the Joint Application by not later than January 18, 2001. This will promote the rapid entry into force of the U.S.-France open skies agreement and will enable consumers to enjoy the undisputed benefits of enhanced alliance competition as soon as possible.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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