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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590
January 22, 2002

S10050117-007
OST-2001-11029
Correspondence
Part 300 File

The Honorable Gregory W. Meeks
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Meeks: OST-2001-11029-126

Thank you for your letter of December 20, 2001, cosigned by Congressman Charles Rangel, concerning the efforts of the U.S. Department of Transportation to conclude an open-skies aviation agreement between the United States and the United Kingdom (U.K.), the proposed American Airlines/British Airways and United Airlines/British Midland alliances, and their potential impact on John F. Kennedy International Airport.

The goal of the Department is to increase liberalization of international markets. Consequently, we are committed to establishing open skies with the U.K.; because we believe that an open-skies agreement would provide substantial benefits to U.S. consumers, communities, and airlines in contrast to the current restrictive agreement. Securing access for additional airlines and cities to Heathrow Airport is a priority of the Department, and we will continue to work closely with all sectors of the U.S. aviation community.

We have consolidated the American/British Airways and the United/British Midland antitrust cases. The requests for immunity will be decided on the record developed in the case, which includes a significant amount of information concerning access to Heathrow Airport. Since the requests are pending before the Department, I am sure that you understand that I cannot comment on the merits of the applications. I assure you, however, that we will consider all relevant factors in making our decision.

As is our normal practice, I am placing a copy of your letter and my response in Docket OST-2001-11029 and in the file for contacts outside the record of the case. I appreciate you sharing your views with me. If I can provide further information or assistance, please feel free to call me.

I am sending an identical response to Congressman Rangel.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Norman X. Mineta', written over a horizontal line.

Norman X. Mineta



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WASHINGTON, D.C. 20590

January 22, 2002

The Honorable Charles B. Rangel
U.S. House of Representatives
Washington, DC 20515

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Norman Y. Mineta

Congress of the United States
Washington, DC 20515

December 20, 2001

The Honorable Norman Y. Mineta
Secretary
U.S. Department of Transportation
400 7th Street, S.W., Room 10200
Washington, D.C 20590

Dear Secretary Mineta:

The United **Kingdom**, **now more** than **ever**, **is** this country's **staunchest** ally **and** closest Friend. Consistent with this enduring bond, virtually every **aspect** of **commerce** between the two countries is generally open **and** **unrestricted**. Every **aspcct**, that is, except commercial air [ravel].

As you are aware, **the** United States **and** **United** Kingdom have been negotiating to replace the three decades old, highly restrictive bilateral air service accord, **known as** Bermuda II, with an "open **skies**" accord. Bermuda II limits direct air service **from** the United States to the premier overseas airport, London Heathrow, to only two **U.S.** airlines **and** a **dozen** U.S. communities. **As** has been the track **record** with open **skies** accords **that our** country has signed **with** many other nations, the removal of such restrictions produces **more** service, increased competition, **and** lower airfares. Indeed, in this case, the benefits of an open **skies** accord will **be** **overwhelming**, **as** four additional **U.S.** airlines und **many** U.S. communities will be allowed direct access to **Heathrow** for the first time.

Among other avenues **to** secure **take off and landing slots**, **U.S.** carriers as "new **entrants**" will receive priority in obtaining new slots at Heathrow thereby bringing about these benefits. In addition, some **U.S.** carriers **with existing partners** are likely to be able to immediately redistribute **slots** in **their** European partner's **hands**, this being clearly advantageous **to** those partnerships. Accordingly, we respectfully **urge** you to press forward **with** this **effort**.

The window of opportunity for securing an open **skies** accord with **the** British **is** clear but narrow. The United **Kingdom's** largest airline, British Airways, would like **to** secure **U.S.** approval **for** its proposed alliance with American Airlines. Similarly, Britain's second largest carrier, **British Midland**, would like **to** start **flying to** the United **States From** Heathrow for the first time ever **as** well **as** gain **U.S.** approval of its proposed alliance with United Airlines. Overarching **these** commercial desires is the fact that the European Union **is** actively seeking to, and most likely will, wrest the right to negotiate such accords away from the British **and** other European nations **by** the end of **this year**. Once this occurs, the opportunity to **open** the **skies**

between the United States and the United Kingdom will be gone for many years to come, as the EU will surely develop and pursue its own aviation agenda.

As such, the time is truly ripe for these two great nations to come together to achieve what has been the goal of the previous three U.S. Administrations. Without question, the proposed American Airlines/British Airways alliance is the catalyst that has enabled this historic opportunity to arise. American Airlines and British Airways seek only what their main transatlantic competitors were granted years ago. In conjunction with the signing of open skies accords, the United States in 1993 granted antitrust immunity to the alliance of Northwest Airlines and the Dutch carrier KLM and in 1997 to the alliance of United and the German carrier Lufthansa. Moreover, all indications are that Delta Airlines and Air France will be granted immunity for their proposed alliance by the end of this year in concert with a U.S.-France open skies agreement.

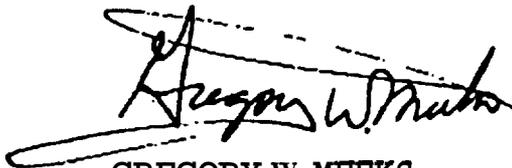
Indeed, over the past decade, the U.S. government has actively encouraged the formation of such international airline alliances as it has sought to deregulate the international marketplace. The resulting positive benefits for consumers in terms of more service and lower fares have been well documented by the Department of Transportation. Going forward, adding more immunized alliances to the mix will increase alliance-versus-alliance competition and further the success of U.S. policy.

Meanwhile, New York's John F. Kennedy International (JFK) Airport will benefit greatly if the American Airlines/British Airways proposed alliance is approved as proposed. First, this alliance will link the world's two largest financial centers with the possibility of providing a shuttle service for the business community, and tourism, between the world's greatest commercial centers. Secondly, the proposed alliance complements American Airlines' \$1.4 billion capital investment at JFK, the largest capital project in the airport's history, and the only capital project in American Airlines' network the company is committed to completing. Third, this alliance will help American recover from the most turbulent period in the company's history. As the largest carrier and employer at JFK, American Airlines has suffered greatly because of the terrorist attacks of September 11th and the unfortunate crash of flight #587 last month. Finally, this alliance will help to restore Kennedy International, and New York City, as the world's premier international gateway/destination.

Accordingly, approving the proposed American/British Airways and United/British Midland alliances in conjunction with concluding a U.S.-U.K. open skies accord will be good for air travelers on both sides of the Atlantic and will serve to bring two strong allies even closer together in these most trying of times.

Thank you for considering our views.

Sincerely,



GREGORY W. MEEKS
Member of Congress



CHARLES B. RANGEL
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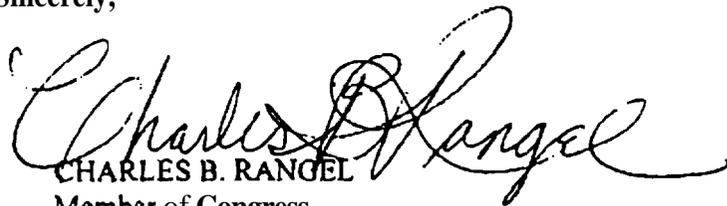
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GREGORY W. MEEKS
Member of Congress



CHARLES B. RANGEL
Member of Congress

Document S10-CORR NO: 66453		CONTROL #: S10020117-007	Dated 12/20/2001	01/28/2002
Action Office: X-1		Multi: Y Writer: Gregory W. Meeks D-NY U.S. House of Representatives Washington, DC 20515		
ACTION: PLEASE TAKE ACTION AS INDICATED BELOW				
ASSIGNED	DATE	REASON	DUE DATE	RETURNED
X-1	01/17/2002	FOR SECRETARY'S SIGNATURE	01/28/2002	

Comments:
ABATTLE

- 01/17/2002

Dist: S10, I
Coord: S3, I, C

IF YOU ARE UNABLE TO PROVIDE THE REQUIRED INFORMATION, PLEASE ADVISE YOUR ANALYST NO LATER THAN **24 HOURS** AFTER THE RECEIPT OF THIS DOCUMENT. THIS SHEET MUST REMAIN WITH THE INCOMING DOCUMENT AND BE RETURNED WITH YOUR RESPONSE YOUR PROMPT ACTION IS APPRECIATED. FOR MORE INFORMATION, PLEASE CONTACT, **ARCHY BATTLE, 366-9763**

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