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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKET SECTION

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Joint Application of)
)
UNITED AIR LINES, INC.)
and)
SCANDINAVIAN AIRLINES SYSTEM)
)
for Approval of and Antitrust Immunity)
For an Alliance Expansion Agreement)
Under 49 U.S. §§ 41308 and 41309)
)

Docket OST 96-1411 -10

COMMENTS OF
THE INTERNATIONAL AIR TRANSPORT ASSOCIATION

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this document should be sent to:

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August 8, 1996

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Joint Application of)
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UNITED AIR LINES, INC.)
and)
SCANDINAVIAN AIRLINES SYSTEM) Docket OST 96-1411
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COMMENTS OF
THE INTERNATIONAL AIR TRANSPORT ASSOCIATION

The International Air Transport Association ("IATA"), a trade association representing the world's scheduled passenger and cargo air carriers, and an active party in Docket 46928, submits these comments in response to the above-captioned joint application. In its previous orders approving and granting antitrust immunity to the United/Lufthansa and Delta/Austrian/Sabena/Swissair alliances, the Department imposed certain conditions limiting the alliance partners' participation in IATA tariff coordination. See, Orders 96-5-27, at 17 and 96-6-33, at 23-24. To avoid such a condition here, the applicants have volunteered to withdraw from comparable tariff coordination:

Consistent with the Department's decisions in United/Lufthansa and Delta/Swissair/SABENA/Austrian, and with the understanding that this condition will be imposed on all similarly operated immunized alliance

carriers, United and SAS are prepared voluntarily to withdraw from participation in any IATA tariff coordination activities that discuss any proposed through fares, rates or charges applicable between the United States and Denmark, Norway and Sweden, and between the United States and any other countries designating a carrier granted antitrust immunity for participation in similar alliance activities with a U.S. carrier.

Application, at 41.

However, the applicants support IATA's position that all issues relating to restrictions on carrier participation in tariff coordination properly reside in pending Docket 46928:

Nevertheless, United and SAS note IATA's position that the issue of tariff coordination involving carriers in antitrust-immunized alliances be addressed instead in Docket 46923(sic) (IATA application for approval and antitrust immunity), and believe that IATA's position deserves the Department's serious consideration.

Id.

IATA has contested the lawfulness of DOT consideration of conditions on participation in IATA tariff coordination in other alliance proceedings and will not burden this record with a reiteration of those views. Rather, IATA incorporates by reference and makes a part hereof its submissions in OST-95-792 (February 6, 1996), OST-96-1116 (May 16, 1996), OST-95-618 (May 28, and May 31, 1996) and OST-96-1434 (August 2, 1996).

IATA recognizes that the Department's recent decisions conditioning alliance approvals and antitrust immunity provide the applicants here with no practical alternative but to

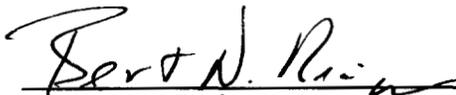
volunteer to withdraw from tariff coordination to the extent required in those decisions. IATA fully understands the applicants' decision in the circumstances, even in the face of their evident desire to continue in tariff coordination to the extent possible and their acknowledgement that Docket 46928 is the proper proceeding for resolution of all such participation issues.

The foregoing notwithstanding, IATA reiterates its basic position that it is legally inappropriate and unfair to the participants in Docket 46928 for the Department to consider alliance-based constraints on carrier participation in tariff coordination in this and other alliance application proceedings. As noted, the reasons for IATA's position have been fully set forth in pleadings incorporated by reference herein and will not be repeated here.

WHEREFORE, for the foregoing reasons, IATA respectfully requests that the Department refrain from considering in this docket the question whether approval of the application should affect the rights of the applicant carriers to participate in

IATA tariff coordination. That question should be addressed, if necessary, with the broader issues in Docket 46928.

Respectfully submitted,



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August 8, 1996

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of the International Air Transport Association has been served by first class mail, postage-prepaid, upon the persons listed below, this 8th day of August, 1996.

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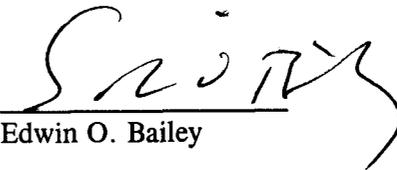
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