



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Issued by the Department of Transportation on September 15, 2000  
**NOTICE OF ACTION TAKEN -- DOCKET OST 2000-6806**

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This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Joint Application of Northwest Airlines, Inc. and Air China International Corp., filed 1/19/2000 for:

**XX** Exemption for two years for Northwest Airlines under 49 U.S.C. §40109 to provide the following service:

**Scheduled foreign air transportation of persons, property, and mail between Chengdu, Nanjing, Qingdao, Shenyang, Xiamen and Xian, on the one hand, and points served in the United States, on the other hand, under a code-share arrangement with Air China, via Beijing and Shanghai.**

**XX** Statement of Authorization for an indefinite period for Air China International Corp. under 14 CFR Part 212 to:

**Display Northwest's "NW" designator code on flights operated by Air China between Chengdu, Nanjing, Qingdao, Shenyang, Xiamen, and Xian, on the one hand and Beijing and Shanghai, on the other hand, for the carriage of Northwest's U.S.-China traffic.**

Applicant rep: Megan Rae Rosia 202) 842-3193 DOT Analyst: Linda Senese (202) 366-2367

**DISPOSITION**

**XX** **Granted, subject to conditions, see below.**

The above action regarding Northwest's exemption application was effective when taken: **September 15, 2000**, through **September 15, 2002**.

The above action regarding Air China's statement of authorization was effective when taken: **September 15, 2000**, and will remain in effect indefinitely, subject to the conditions described below.

**Action taken by: Paul L. Gretch, Director  
Office of International Aviation**

**XX** Authority granted is consistent with the Air Transport Agreement between the United States and the Government of The People's Republic of China.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

**XX** **Holder's certificate of public convenience and necessity (Northwest)**

**XX** **Holder's Foreign Air Carrier Permit (Air China) (Order 92-11-7)**

**XX** **Standard Exemption Conditions (attached)**

(See next page)

**Conditions:**

The Statement of Authorization granted Air China is subject to the following conditions:

- (a) The statement of authorization will remain in effect only as long as Northwest and Air China International Corp. continue to hold the underlying authority authority to operate the code-share services at issue, and (ii) the code-share agreement providing for the code-share operations remains in effect.
- (b) Northwest and/or Air China International must promptly notify the Department (Office of International Aviation) if the code-share agreement is no longer effective or if the carriers decide to cease operating all of a portion of the approved code-share services.<sup>1</sup> (Such notice should be filed in Docket OST-2000-6806.)
- (c) The code-sharing operations conducted under this authority must comply with 14 CFR 257 and with any amendment to the Department's regulations concerning code-share arrangements that may be adopted. Notwithstanding any provisions in the contract between the carriers, our approval here is expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservation systems and elsewhere; that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept responsibility for the entirety of the code-share journey for all obligations established in its contract of carriage with the passenger; and that the passenger liability of the operating carrier be unaffected. Further, the operating carrier shall not permit the code of its U.S. air carrier code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.
- (d) The authority granted here is specifically conditioned so that neither Northwest nor Air China shall give any force or effect to any contractual provisions between themselves that are contrary to these conditions.<sup>2</sup>

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On the basis of data officially noticeable under Rule 24(g) of the Department's regulations, we found the applicant qualified to provide the services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) immediate action was required and was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

*An electronic version of this document is available on the World Wide Web at:  
[http://dms.dot.gov/reports/report\\_aviation.asp](http://dms.dot.gov/reports/report_aviation.asp)*

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<sup>1</sup> We expect this notification to be received within 10 days of such non-effectiveness or of such decision.

<sup>2</sup> The authority granted here is subject to the exclusivity condition imposed on the Northwest/Air China code-share relationship by Notice of Action Taken, dated October 16, 1998, as clarified and reaffirmed in Order 99-5-2.

**APPENDIX A**

**U.S. CARRIER**  
**Standard Exemption Conditions**

In the conduct of operations authorized by the attached notice, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations, including all FAA requirements concerning security; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.