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**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

**DEPARTMENT ACTION ON APPLICATION IN DOCKET OST-1999-5161-17
(filed March 28, 2002)**

*Approved under assigned authority (14 CFR §385.13)

Date of Action: **July 25, 2002**

for Sylvia Moore

Director, Office of International Aviation

Persons entitled to petition the Department for review of this action under the Department's regulations, 14 CFR §385.30, should file their petitions within seven days of the date of this action. This action is effectively immediately, and the filing of a petition for review will not alter its effectiveness.

We may amend, modify, or revoke the authority granted at any time without hearing at our discretion.

*The authority granted is subject to the conditions attached to the previously granted Statements of Authorization in the above referenced docket.

Remarks: In its application American seeks to amend its statement of authorization for its code-share operations with Qantas to add Denver as a code-share only point, based on the principles of comity and reciprocity.

United Air Lines, Inc. filed an answer opposing American's application stating that the requested authority is extrabilateral and that it would be a mistake for the Department to authorize Qantas to serve additional U.S. points under extrabilateral authority since this would lessen U.S. negotiating leverage to achieve an open-skies agreement with Australia. United maintains that Australia could authorize Denver as a replacement for one of the existing U.S. one-stop points by giving notice at any time under the terms of the air services agreement.

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We have decided to grant American's application for an amended statement of authorization. By Notice of Action Taken dated July 25, 2002, in Docket OST-2002-11962, the Department granted Qantas exemption authority to serve Denver as a code-share only point on the basis of comity and reciprocity. For the reasons stated in Qantas' approval, we believe it is in the public interest to grant American's application for the limited extrabilateral authority.