BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Joint Application of

DELTA AIR LINES, INC.

and

ITALIA TRASPORTO AEREO, S.P.A.

for blanket statements of authorization under 14 CFR Part 212 (codesharing) and an amended exemption under 49 U.S.C. § 40109

Docket DOT-OST-2021-

JOINT APPLICATION OF DELTA AIR LINES, INC. AND ITALIA TRASPORTO AEREO, S.P.A.

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NOTICE: The Joint Applicants request expedited treatment of this application and are polling all parties served with a copy of this application. The Joint Applicants will notify the Department of the polling results as soon as possible.

November 19, 2021

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Delta Air Lines, Inc. ("Delta") and Italia Trasporto Aereo, S.p.A. ("ITA") (collectively, the "Joint Applicants") hereby jointly apply for blanket statements of authorization pursuant to Part 212 of the Department's Regulations, 14 C.F.R. Part 212, to enable them to engage in worldwide reciprocal codesharing services as more fully described below. For its part, Delta also requests an amendment of its blanket worldwide third-country codeshare exemption authority to permit it to provide codeshare services on flights operated by ITA to points neither in open-skies countries nor listed in Delta's certificate or exemption authorities upon 30 days' notification to the Department. Finally, the Joint Applicants also request waiver of the 45-day advance filing requirement in 14 C.F.R. § 212.10(d)(2). The Joint Applicants respectfully request expedited treatment of this application to facilitate marketing and advance sale of these new codeshare services.

In support of this application, the Joint Applicants state as follows:

- 1. Prior to Alitalia's cessation of operations, Delta and Alitalia enjoyed a longstanding partnership, including a codesharing agreement, pursuant to which Delta and Alitalia had displayed each other's DL* and AZ* designator codes, respectively. See, e.g., Department Action dated Oct. 26, 2001 (granting statement of authorization to, inter alia, Delta and Alitalia Linee Aeree Italiane-S.p.A.) in Docket DOT-OST-2001-10417 and Order 2014-12-16 (Dec. 29, 2014) (transferring, inter alia, statement of authorization to display DL* from Alitalia Compagnia Aerea Italiana S.p.A. to Alitalia Società Aerea Italiana S.p.A.). After Alitalia ceased operations in October 2021, ITA, a new Italian air carrier, secured Alitalia's brand name and other assets. ITA also obtained the rights to Alitalia's former designator code, AZ*. ITA, a separate and independent carrier from Alitalia, began operations on October 15, 2021, and began service to the United States on November 4, 2021.
- 2. ITA holds exemption authority authorizing it to engage in, inter alia, foreign scheduled and charter air transportation of persons, property, and mail from any point or points behind any Member State of the European Union, via any point or points in any Member State and via intermediate points, to any point or points in the United States and beyond. Order 2021-9-19 (Sept. 17, 2021).
- 3. Delta holds a Certificate of Public Convenience and Necessity for Route 840, which authorizes Delta, <u>inter alia</u>, to engage in scheduled foreign air transportation

¹ Among the assets obtained from Alitalia was the Alitalia codesharing agreement with Delta, which ITA has assumed pursuant to a tripartite assignment agreement among ITA, Delta, and Alitalia.

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of persons, property and mail between points in the United States, on the one hand, and points in open skies partner countries, on the other hand, either nonstop or via intermediate points, and beyond. Order 2007-4-27 (April 30, 2007).

4. With the commencement of ITA's flight operations, ITA and Delta now seek to reintroduce to the travelling public a broad range of high-quality flight options on routes between the United States and Italy and beyond to third countries.

5. Accordingly:

- ITA requests a blanket statement of authorization to display Delta's DL*
 designator code on flights operated by ITA between any point or points
 behind the European Union, via points in the European Union and
 intermediate points, to any point or points in the United States and beyond,
 for the purpose of transporting persons, property, and mail;
- Delta requests a blanket statement of authorization (to the extent deemed necessary)² to display ITA's AZ* designator code in conjunction with air transportation of persons, property, and mail on flights operated by Delta between any point or points behind the United States, via points in the

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² The Department's standard statement of authorization conditions are set forth in Appendix B to Order 2014-12-16. Delta believes its statement of authorization remains in force consistent with these conditions because the underlying codesharing agreement has remained in effect and because ITA has assumed Alitalia's responsibilities in the codesharing agreement. Nevertheless, out of an abundance of caution, Delta hereby seeks a statement of authorization to the extent deemed necessary.

United States and intermediate points to any point or points in the European Union and beyond;

- Delta requests, to the extent necessary, that its blanket statement of authorization to display the AZ* code as described above extend to its Delta Connection regional affiliates which operate service for Delta within North America;³ and,
- Delta requests an amendment of its exemption authority in Docket OST-2005-20145 to display its DL* code in conjunction with foreign air transportation of persons, property, and mail between points in the United States and points worldwide on a third-country codeshare basis, and,
- 6. The blanket codeshare authorization requested herein is consistent with the authority available under Article 10.7 of the 2007 U.S.–European Union (Iceland, Norway) Air Transport Agreement, which provides in relevant part as follows:

In operating or holding out services under this Agreement, any airline of a Party may enter into cooperative marketing arrangements, such as blocked-space, code-sharing arrangements with:

a) any airline or airlines of the Parties[.]

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³ The Delta Connection Carriers also hold the requisite underlying authority to engage in the services described herein. <u>See</u> Endeavor: Order 2013-7-2 (interstate authority and foreign air transportation between a point or points in the United States and a point or points in Canada); Republic: Orders 2009-9-13 (interstate authority) and 2008-4-26 (open skies route authority); and SkyWest: Orders 1998-7-6 (interstate authority) and 2008-4-26 (open skies route authority).

- 7. The codeshare services contemplated herein will benefit the travelling public by providing enhanced connectivity, continuity of service in key trans-Atlantic markets, and additional travel options to third countries. The U.S. has consistently recognized that the inclusion of a service in a bilateral agreement to which the U.S. is a party satisfies all relevant public interest requirements.⁴ Approval of this application is consistent with the public interest and Department precedent.
- 8. Consistent with the Department's Notice in the Matter of Blanket Notification of Code-Share Service to Open-Skies Partners and Points, dated February 9, 2009, the Joint Applicants hereby provide blanket notice of their intent to engage in codeshare services to open skies points. To that end, and to the extent necessary, the Joint Applicants ask the Department to officially take note of their plans to display ITA's "AZ*" code on Delta's flights to Cancun, Mexico (CUN); Mexico City, Mexico (MEX); and Monterrey, Mexico (MTY).⁵
- 9. Delta and ITA will notify the Department no later than 30 days before commencing any codeshare services to non-open skies points. As such, Delta and ITA

⁴ See, S.REP. No. 96-329, at 4 (1979), reprinted in 1980 U.S.C.C.A.N. 54, 57 ("The negotiation of a bilateral agreement itself represents a determination by the Government of the United States that the grant of route authority provided for under the bilateral is in the 'public interest.'").

⁵ The Department concluded in 2016 that the "modernized U.S.-Mexico air service agreement, recently brought into force, contains all of the elements of an Open Skies agreement, as defined by the Department in Order 92-8-13." Order 2016-11-2 at 8.

ask that the Department officially take note of their plans to display Delta's "DL*" code on ITA's flights to Cairo, Egypt (CAI), and Tunis, Tunisia (TUN).

- 10. Because the services for which authority is sought will be conducted on a codeshare basis, approval of this application will not result in a near-term increase in fuel consumption of ten million gallons or more and will not constitute a "major regulatory action" for purposes of 14 C.F.R. Part 313.
- 11. The Joint Applicants will comply with the standard conditions attached by the Department to codeshare authorizations and will conduct their codesharing activities in compliance with Part 257 of the Department's regulations and any other applicable conditions, rules and regulations. The Joint Applicants also ask that the requested statements of authorization be effective for an indefinite period, as long as the codeshare agreement continues in effect.
- 12. Delta and ITA also request waiver of the 45-day advance filing requirement of 14 C.F.R. § 212.10(d)(2), which will enable the carriers to promptly begin marketing and selling these services following receipt of Department approval. Expedited processing is requested and the Joint Applicants intend to begin operations as soon as all regulatory approvals are received.

WHEREFORE, for the foregoing reasons, Delta Air Lines, Inc. and Italia Trasporto Aereo, S.p.A. respectfully request that the Department grant the requested blanket statements of authorization, exemption, and waiver, and such other relief as the Department may deem appropriate.

Respectfully submitted,

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November 19, 2021

CERTIFICATE OF SERVICE

I hereby certify that on this, the 19th day of November, 2021, a copy of the foregoing application was served via electronic mail on the parties indicated below:

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