



U.S. Department of
Transportation

General Counsel

400 Seventh St., S.W.
Washington, D.C. 20590

DEC 18 1987

Mr. George Aste
Vice President, Federal Affairs
United Air Lines
1707 L Street, N.W.
Suite 300
Washington, D.C. 20036

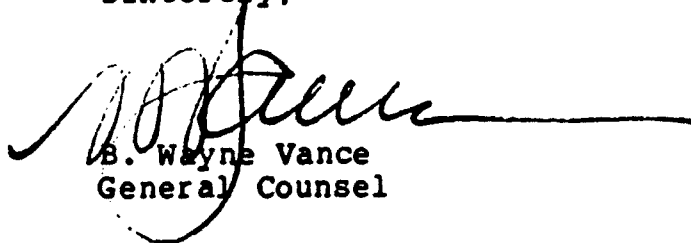
Dear Mr. Aste:

We understand that United and British Airways (BA) have entered into a code-sharing arrangement whereby certain United flights between Seattle and Chicago will operate using both carrier's codes. This joint service will meet a BA plane operating between Chicago and London under the same BA flight number. The BA operation would be conducted pursuant to its foreign air carrier permit authority between the coterminal points Seattle and Chicago, on the one hand, and the coterminal point London on the other.

As you are aware, the Department's rules, regulations and policies with regard to code-sharing have been the subject of much scrutiny of late. It is well-established that both carriers to a code-sharing arrangement require economic operating authority to serve the points which are held out under their respective codes. In your case, BA has Seattle-Chicago-London permit authority and United has domestic certificate authority for its Seattle-Chicago flights.

What has not been clearly established is whether a code-sharing arrangement between two carriers, both of which have the underlying economic authority, also requires a statement of authorization under Part 207, 208, or 212, as appropriate. Your announced transaction has required us to examine this issue and, after careful consideration, we have concluded that United will need a statement of authorization under 14 CFR 207.10 for the proposed operation. We would also request that you include a copy of your agreement with BA with your application.

Sincerely,



B. Wayne Vance
General Counsel