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**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

Application of)
)
DELTA AIR LINES, INC.)
)
under 49 U.S.C. §§ 41102 and 41108)
for a Certificate of Public Convenience)
and Necessity and for Allocation of)
Frequencies (United States – People’s)
Republic of China))

Docket OST-99-6323 - 5

**APPLICATION OF DELTA AIR LINES, INC.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY AND FREQUENCY ALLOCATION
(UNITED STATES – PEOPLE’S REPUBLIC OF CHINA)**

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November 2, 1999

Notice: Delta Air Lines, Inc. requests that this application be processed by non-hearing procedures pursuant to Subpart Q, 14 C.F.R. § 302.1750(a)(4). Any person who wishes to support or oppose this application must file an answer by November 16, 1999, and must serve that answer on Delta Air Lines, Inc., and on all persons on the attached service list.

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November 2, 1999

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**APPLICATION OF DELTA AIR LINES, INC.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY AND FREQUENCY ALLOCATION
(UNITED STATES – PEOPLE’S REPUBLIC OF CHINA)**

Delta Air Lines, Inc. (“Delta”), pursuant to 49 U.S.C. §§ 41102 and 41108, and Subpart Q of the Department’s Procedural Regulations, hereby applies for a Certificate of Public Convenience and Necessity authorizing Delta to provide scheduled foreign air transportation of persons, property and mail between the United States and the People’s Republic of China. Delta is seeking the fourth U.S. carrier designation to serve China, and requests an allocation of ten frequencies to operate its proposed services, commencing April 1, 2001.

Delta proposes daily service between New York (JFK) and Beijing with continuing single-plane service beyond Beijing to Shanghai and behind New York to Atlanta. In addition, Delta will offer nonstop service three times per

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week between its Pacific gateway at Portland and Beijing with continuing single-plane service to Shanghai. Delta will utilize MD- 11 aircraft for all of its U.S. - China services.

Opening Argument

For the first time in nearly two decades, the Department will be able to designate a new U.S. combination carrier for service to China. China is the most populous country in the world, and China's enormous economy forms the basis of one of the United States' most important trade relationships. Despite the size and importance of the U.S. -China marketplace, bilateral restrictions have limited services to just two U.S. combination carriers, United and Northwest. Delta will provide unsurpassed levels of new service and competition, and will open the first U.S. East Coast gateway to China.

New York is the largest city in the United States and the largest U.S.- China market without nonstop service. Indeed, New York-China is four times larger than the next-largest city that does not receive nonstop China service, Chicago. The selection of Delta to provide nonstop service at New York will promote improved service and competition for the greatest numbers of U.S.- China consumers. Delta's new nonstop service from New York will improve elapsed roundtrip travel time between New York and Beijing by a full ten hours.

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Delta's New York-China flight will originate from and terminate at Delta's primary hub at Atlanta. Atlanta-China is a large and important route in its own right, with substantial levels of local traffic. Moreover, the unsurpassed size and scope of Delta's Atlanta hub will enable Delta to offer single-connection U.S.-China service to vast numbers of travelers and shippers located throughout Atlanta's extensive catchment area.

Delta's Portland-Beijing/Shanghai service will open a new West Coast gateway for service to China. Portland is well-situated to provide convenient connections with minimal circuitry to cities across the United States. In addition to serving the needs of the Portland local market, Delta's service will provide enhanced intergateway competition with the incumbent services operated at Los Angeles and San Francisco. Delta currently serves ten cities nonstop from Portland, and Delta's Salt Lake City, Cincinnati and Atlanta hubs all feed into Portland, further enhancing network service options from scores of cities throughout the United States.

The selection of Delta will maximize competition in the U.S.-China marketplace. U.S. flag combination services to China are dominated by United and Northwest, which enjoy a considerable head-start in service to China. Moreover, among the applicants to date, Delta is uniquely disadvantaged in that it is the only applicant that is barred from serving China's two largest and most

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important cities, Beijing and Shanghai. American and UPS currently serve Beijing and Shanghai through their existing marketing and joint venture relationships.

Delta's proposal will maximize the utilization of the fourth U.S.-flag designation and the ten available frequencies by providing nonstop China service from two new gateways on both the East and West coasts. Delta will introduce nonstop service in the largest and most important unserved U.S.-China market, and will provide unsurpassed levels of new network competition.

In further support of this application, Delta states as follows:

1. Applicant. Delta is a corporation organized and existing under and pursuant to the laws of the State of Delaware. Delta's general offices are located at 1030 Delta Boulevard, Harts field Atlanta International Airport, Atlanta, Georgia 30320.

2. U.S. Citizen. Delta is a citizen of the United States, as defined by 49 U.S.C. § 40102(a)(15)(C). Delta has determined by reasonable investigation that its President and more than two-thirds of its directors and managing officers are citizens of the United States, and that at least seventy-five percent (75 %) of its voting interest is owned and controlled by persons who are citizens of the

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United States. Delta is prepared to furnish such evidence, by affidavit or otherwise, as the Department may require, to establish the facts set forth above.

3. Fitness. Delta holds various certificates of public convenience and necessity and exemption authority authorizing it to engage in domestic and international scheduled air transportation of persons, property and mail, including certificate authority allowing Delta to provide service between the United States and points in Asia. Delta is currently performing scheduled foreign air transportation of the same type, character and scope as proposed, and is fit, willing and able to perform all of its existing services as well as those applied for herein. Delta requests that the Department take official notice, pursuant to Rule 24 of the Department's Rules of Practice, of all data on file with the Department necessary to establish Delta's fitness.

4. Bilateral Authority. The authority requested by this application is fully consistent with the April 8, 1999 U.S. -China Protocol. Specifically, the Protocol provides for a new U.S. carrier designation and ten additional frequencies, effective April 1, 2001.

5. Service Proposal. Delta plans to begin operating daily Atlanta - New York (JFK) - Beijing - Shanghai service; and Portland - Beijing - Shanghai service three times per week on April 1, 2001, or within 90 days of receiving a final award of authority, whichever is later. All of Delta's China

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services will operate on a year-round basis. An illustrative service proposal including maps, schedules, and operating statistics are attached as exhibits to this application.

6. Route Integration. Delta requests route integration authority to combine U.S.-China services with all of Delta's existing certificate and exemption authority.

7. Aircraft. Delta plans to operate its China services using Boeing an MD-11 aircraft configured with 50 BusinessElite and 210 Coach seats (260 total seats).

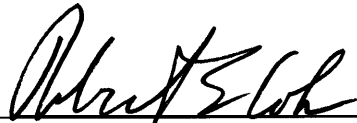
8. Environmental Impact and Fuel. The environmental impact of Delta's proposed services will be de minimus.' To the extent that any requirement to prepare an environmental analysis may exist under the Department's Procedural Regulations, Delta hereby requests a waiver from such requirements. Delta anticipates no difficulty in obtaining fuel to operate its proposed services.

¹ Although Delta's proposed U.S-China services will consume more than 10,000,000 gallons of fuel on an annual basis, Delta would otherwise fully utilize these aircraft on other routes, resulting in no significant change in terms of environmental impact.

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WHEREFORE, Delta Air Lines, Inc. respectfully requests that the Department grant this application for a Certificate of Public Convenience and Necessity and allocation of U.S. -China frequencies.

Respectfully submitted,



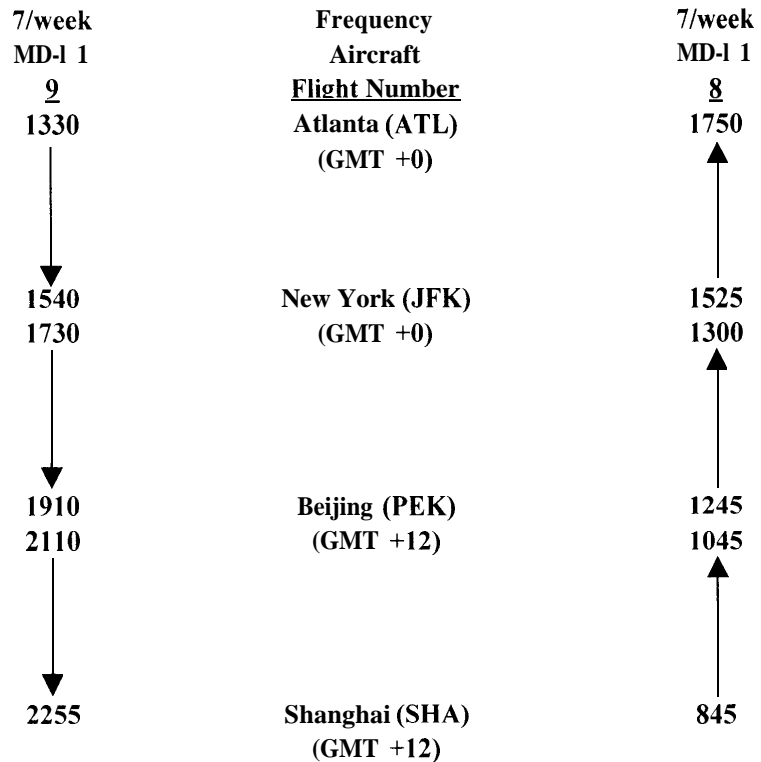
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Delta's Atlanta (ATL) - New York (JFK) - Beijing (PEK) - Shanghai (SHA), China Service Proposal



DELTA AIR LINES
Atlanta (ATL) - New York (JFK) - Beijing (PEK) - Shanghai (SHA) Proposal
April 2001



Mileage:	JFK-PEK-SHA	8,266	
	SHA-PEK-JFK	8,266	
	Total	16,532	

Block Hours:	JFK-PEK-SHA	17.59	
	SHA-PEK-JFK	16.67	
	Total	34.26	

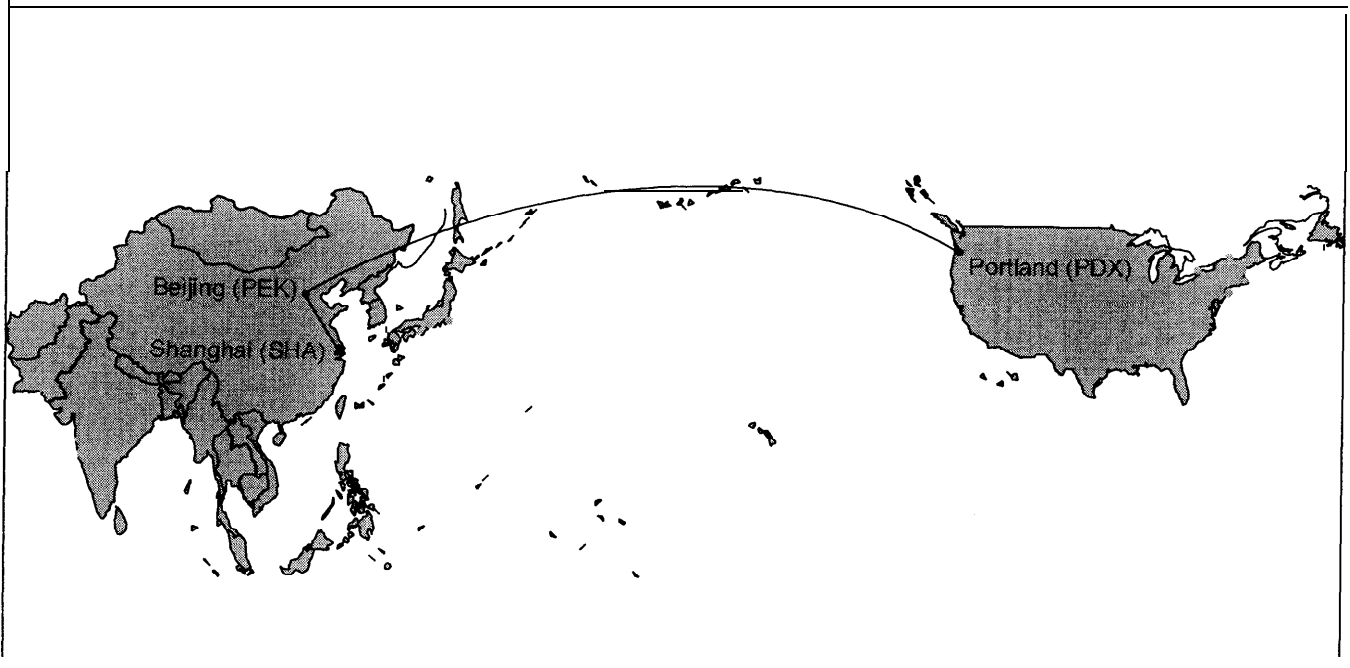
Note: All flights operate daily with MD-1 1 aircraft, with a seating configuration of:

0		First Class
50		BusinessElite Class
210		Economy Class
260		Total

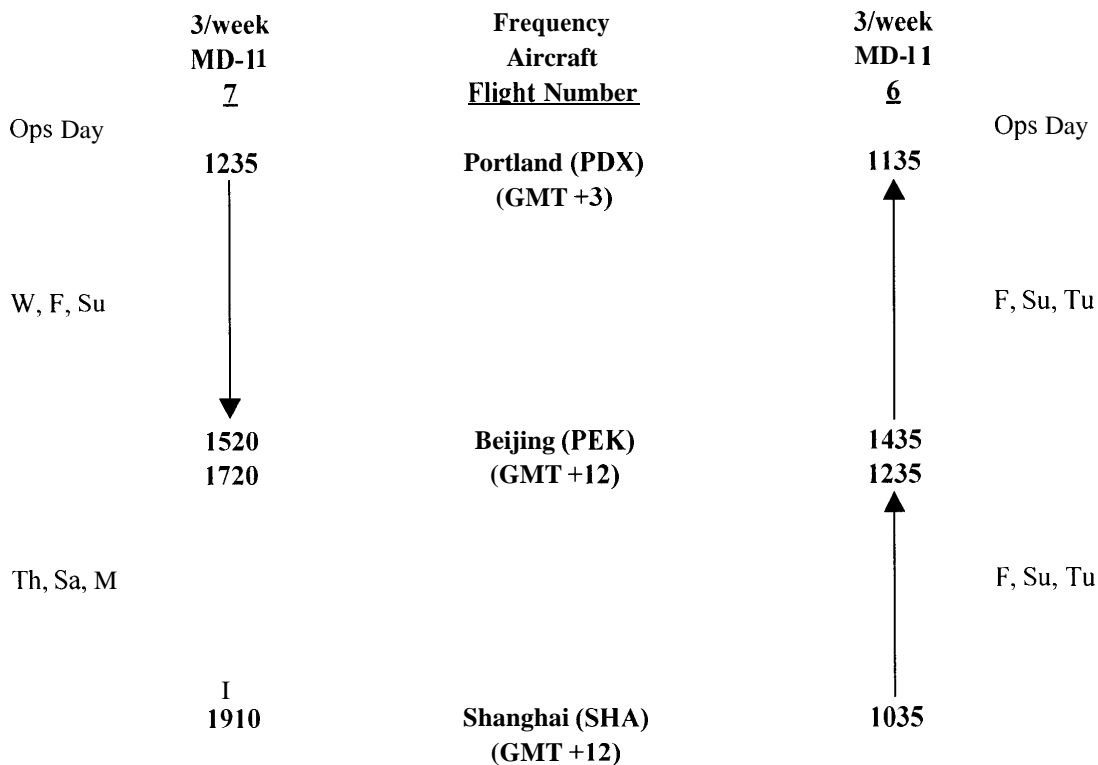
OPERATING STATISTICS

<u>Segment</u>	<u>Aircraft Type</u>	<u>Block Hours</u>	<u>Annual Departures</u>	<u>Annual Block Hours</u>	<u>Block Hour Burn Rate</u>	<u>Fuel Gallons Consumed</u>
ATL-JFK	MD-11	2.17	365	792	2,550	2,019,728
JFK-ATL	MD - 11	2.42	365	883	2,500	2,208,250
TOTAL		4.59	730	1,675		4,227,978
JFK-PEK	MD-11	13.67	365	4,990	2,550	12,723,353
PEK-JFK	MD-11	12.25	365	4,471	2,500	11,178,125
TOTAL		25.92	730	9,461		23,901,478
PEK-SHA	MD-11	1.75	365	639	2,550	1,628,813
SHA-PEK	MD-11	2.00	365	730	2,500	1,825,000
TOTAL		3.75	730	1,369		3,453,813
ATL-JFK-PEK-SHA	MD - 11	17.59	365	6,420	2,550	16,371,893
SHA-PEK-JFK-ATL	MD - 11	16.67	365	6,085	2,500	15,211,375
TOTAL		34.26	730	12,505		31,583,268

Delta's Portland (PDX) - Beijing (PEK) - Shanghai (SHA), China Service Proposal



DELTA AIR LINES
Portland (PDX) - Beijing (PEK) - Shanghai (SHA) Proposal
April 2001



Mileage:	PDX-PEK-SHA	6,161	
	SHA-PEK-PDX	6,161	
	Total	12,322	

Block Hours:	PDX-PEK-SHA	13.58	
	SHA-PEK-PDX	14.00	
	Total	27.58	

Note: All flights operate daily with MD-1 1 aircraft, with a seating configuration of:

0		First Class
50		BusinessElite Class
210		Economy Class
260		Total

OPERATING STATISTICS

<u>Segment</u>	<u>Aircraft Type</u>	<u>Block Hours</u>	<u>Annual Departures</u>	<u>Annual Block Hours</u>	<u>Block Hour Burn Rate</u>	<u>Fuel Gallons Consumed</u>
PDX-PEK	MD-11	11.75	365	4,289	2,550	10,936,313
PEK-PDX	MD-11	12.00	365	4,380	2,500	10,950,000
TOTAL		23.75	730	8,669		21,886,313
PEK-SHA	MD-11	1.83	365	668	2,550	1,703,273
SHA-PEK	MD-11	2.00	365	730	2,500	1,825,000
TOTAL		3.83	730	1,398		3,528,273
PDX-PEK-SHA	MD-11	13.58	365	4,957	2,550	12,639,585
SHA-PEK-PDX	MD-11	14.00	365	5,110	2,500	12,775,000
TOTAL		27.58	730	10,067		25,414,585

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application of Delta Air Lines, Inc. for a Certificate of Public Convenience and Necessity and Frequency Allocation has been served this 2nd day of November, 1999 on each of the following persons via first class mail, postage prepaid:

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A handwritten signature in cursive script, appearing to read "Pauline Donovan". The signature is written in black ink and is positioned to the right of the contact information for John Brockley.