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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

Application of

COMPANIA DE TRANSPORTURI AERIENE ROMANE

TAROM S.A.

to extend the existing authority to
operate flights between Romania and
United States during period
March 13, 1997-March 12, 1998

Docket OST 95-550 - 14

CONSOLIDATED REPLY OF TAROM
TO ANSWERS OF
UNITED AND NORTHWEST

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April 30, 1997

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TO ANSWERS OF
UNITED AND NORTHWEST

Compania de Transporturi Aeriene Romane TAROM S.A. ("TAROM")
hereby replies to the Answers of United Air Lines and Northwest
Airlines objecting to TAROM's request for renewal of its
authority, most recently granted by Order 96-6-14 in this Docket,
to conduct five weekly roundtrip flights in scheduled foreign air
transportation of persons, property and mail between Bucharest
and New York, via the intermediate points Amsterdam and Timisoara
and to conduct two weekly roundtrip flights in scheduled foreign
air transportation of persons, property and mail between

Bucharest and Chicago via the intermediate points Amsterdam and Timisoara.

1. TAROM is seeking renewal of its authority to continue to provide quality service from its homeland to New York and Chicago. United and Northwest have objected, suggesting that the Department deny TAROM'S request for renewal of its Chicago authority and seeking to establish an equivalence between TAROM'S Chicago service and the wide-ranging third-country code-sharing services they evidently wish to provide to Romania.' TAROM submits that there should be no such linkage -- code-shared services operated by carriers of third countries are not the equivalent of actual service by carriers designated under the Bilateral. Nevertheless, TAROM does not oppose the presence of U.S. carriers in the U.S.-Romania market under code-sharing arrangements. Indeed, TAROM itself is interested in exploring possibilities of code-shared service with U.S. carriers and/or carriers of third countries, and has informed the Romanian Ministry of Transport of this interest.

2. The Air Transport Services Agreement between the United States and Romania (the "Bilateral") has remained essentially unchanged for approximately twenty years. During that period the

¹ United's Amended Answer of March 27, 1997 retracts its original position of making no objection to the renewal of TAROM'S exemption authority. United has changed its position based on its "concerns" that the Government of Romania "may not be prepared" to act favorably on an application United has yet to file. TAROM submits that such anticipatory concerns should not be the grounds for Department action.

Department has found repeatedly that Romania has been liberal in its reciprocity-based grants of authority to U.S. carriers and has stated its wish to encourage such liberality. See, e.g., Orders 80-3-59 at 2, 80-9-43 at 2, 83-12-35 at 3, 84-10-122 at 4. Such reciprocity continues to govern aviation relations between the two countries and it is in this context that TAROM has been operating to Chicago. The comity and reciprocity that have supported the grant of this authority in the past remain in place. See Orders 95-7-42, 95-10-12 and 96-6-14.²

3. The fact that the Ministry of Transport of Romania has not immediately granted unprecedented requests for authority for U.S. carriers to display their codes on the multiple frequency services of the carriers of third countries on flights into Romania does not bear any relationship to the U.S.-Romania reciprocity that has allowed flexibility for both U.S. and Romanian carriers in their operations to the countries of the other. Long-established services of a limited nature are not the equivalent of rights completely outside the scope of the Bilateral and the history of its application.

4. TAROM notes that arrangements for code-shared services by U.S. carriers on third-country carriers have been the subject of serious negotiations between the United States and various of its bilateral partners as well as between those bilateral partners and the countries of the operating carriers. In no

2 See also Orders 90-6-49, 91-4-30, 92-12-30, 93-6-24, 95-1-48 and 95-2-32.

instance have such valuable rights been granted without a careful consideration of the consequences in the context of bilateral negotiations. TAROM understands that the Romanian Ministry of Transport has requested or will shortly request a meeting with the aviation authorities of the United States to discuss the status of the U.S.-Romanian Bilateral. TAROM submits that in light of these developments, and in light of what it considers to be a commitment by both sides to "liberality in the exchange of air carriers services," Order 80-3-59 at 2, its application should be granted.

4. TAROM is providing an important service to the ethnic Romanian community in Chicago, which, after a long period in which travel was difficult, is enjoying a close link to the homeland. TAROM's Chicago service was first offered in 1990 and TAROM has provided this service since then. Throughout this period, the Department has found this service to be consistent with the public interest. This link is especially valuable to the Romanian community in Chicago, because many members of that community have family in Timisoara and Bucharest. TAROM submits that the public interest would be served by allowing such services to continue. Any interruption would cause a serious inconvenience to the traveling public in general and to the Romanian community of Chicago in particular.³

³ TAROM notes that the Answers of both United and Northwest were filed only a few days before the start of the 1997 summer season. In such circumstances, any interruption of TAROM's Chicago services would cause considerable hardship to Chicago area travelers who

WHEREFORE, for all of the foregoing reasons, TAROM respectfully requests that the Department renew its exemption authority to operate a total of five Bucharest-New York roundtrip flights per week, via the intermediate points Amsterdam and Timisoara and a total of two Bucharest-Chicago roundtrip flights per week, via the intermediate points Amsterdam and Timisoara, and such other relief as the Department may deem appropriate and in the public interest.

Respectfully submitted,


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April 30, 1997

have relied on this service for the last seven years.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consolidated Reply of TAROM was served this 30th day of April, 1997 on all persons listed on the attached service list.


Constance O'Keefe

April 30, 1997

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