

the Trade Act of 1974 (19 U.S.C. 2155(g)(2)). If the submitting person believes that information or advice may qualify as such, the submitting person—

(1) Must so designate the information or advice;

(2) Must clearly mark the material as "SUBMITTED IN CONFIDENCE" in a contrasting color ink at the top of each page of each copy; and

(3) Is encouraged to provide a non-confidential summary of the information or advice.

Pursuant to section 127(e) of the URAA (19 U.S.C. 3537(e)), USTR will maintain a file on this dispute settlement proceeding, accessible to the public, in the USTR Reading Room, which is located at 1724 F Street, NW., Washington, DC 20508. The public file will include non-confidential comments received by USTR from the public with respect to the dispute; if a dispute settlement panel is convened, the U.S. submissions to that panel, the submissions, or non-confidential summaries of submissions, to the panel received from other participants in the dispute, as well as the report of the panel; and, if applicable, the report of the Appellate Body. An appointment to review the public file (Docket No. WT/DS-281, Mexico Cement Dispute) may be made by calling the USTR Reading Room at (202) 395-6186. The USTR Reading Room is open to the public from 9:30 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday.

Daniel E. Brinza,

Assistant United States Trade Representative for Monitoring and Enforcement.

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Review Under 49 U.S.C. 41720 of Delta/Northwest/Continental Agreements

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Notice requesting comments.

SUMMARY: Delta Air Lines, Northwest Airlines, and Continental Airlines have resubmitted their codeshare and frequent-flyer program reciprocity agreements to the Department for review. The three airlines originally submitted those agreements for review under 49 U.S.C. 41720 on August 23, 2002. The Department determined that the agreements, if implemented as presented by the three airlines, could result in significant adverse impacts on airline competition unless the airlines

agreed to six conditions that would limit the likelihood of competitive harm. The three airlines have accepted three of the six conditions and, after consultations with the Department, have proposed alternative language for the remaining three conditions. The Department is inviting interested persons to submit comments on whether the airlines' proposed alternative language adequately addresses the competitive concerns relating to those three conditions.

Any comments should be submitted by March 18, 2003.

ADDRESSES: Comments must be filed with Randall Bennett, Director, Office of Aviation Analysis, Room 6401, U.S. Department of Transportation, 400 7th St., SW., Washington, DC 20590. Late filed comments will be considered to the extent possible. To facilitate consideration of comments, each commenter should file three copies of its comments.

FOR FURTHER INFORMATION CONTACT:

Thomas Ray, Office of the General Counsel, 400 Seventh St., SW., Washington, DC 20590, (202) 366-4731.

SUPPLEMENTARY INFORMATION:

On August 23, Delta, Northwest, and Continental ("the Alliance Carriers") submitted codeshare and frequent-flyer program reciprocity agreements to us for review. Their proposed alliance would be a comprehensive marketing arrangement that would involve code-sharing, frequent flyer reciprocity, and reciprocal access to airport lounges. Their alliance agreement would have a ten-year term. See 68 FR 3293, 3295, January 23, 2003.

The Alliance Carriers submitted their agreements under 49 U.S.C. 41720, which requires certain kinds of joint venture agreements among major U.S. passenger airlines to be submitted to us at least thirty days before they can be implemented. We may extend the waiting period by 150 days with respect to a code-sharing agreement and by sixty days for other types of agreements. At the end of the waiting period (either the thirty-day period or any extended period established by us), the parties may implement their agreement. The statute does not expressly require the parties to obtain our approval before proceeding, and, to block the implementation of an agreement, we would normally institute a formal enforcement proceeding under 49 U.S.C. 41712 (formerly section 411 of the Federal Aviation Act) to determine whether the agreement's implementation would be an unfair or deceptive practice or unfair method of competition that would violate that section. We interpret and apply section

41712 in light of the express direction of the statute that we consider the public policy factors set forth in 49 U.S.C. 40101. At the conclusion of the proceeding, we could issue an order directing the parties to cease and desist from practices found to be anti-competitive.

Following the original submission of the agreements, we invited interested persons to submit comments. We required the Alliance Carriers to make available to interested parties unredacted copies of their alliance agreements. 67 FR 69804, November 19, 2002. We reviewed the comments, material obtained by us from the three airlines, and other data in our possession. We met with the Alliance Carriers and with parties opposed to their proposed alliance. After analyzing the agreements and conducting an extensive informal investigation, we determined that the agreements, if implemented as presented by the three airlines, could result in significant adverse impacts on airline competition unless the airlines accepted six conditions developed by us to limit potential competitive harm. We stated that we would direct our Aviation Enforcement Office to institute a formal enforcement proceeding regarding the matter if the Alliance Carriers chose to implement the agreements without accepting those conditions. 68 FR 3293, January 23, 2003 ("the January Notice").

As described more fully in the January Notice, we had the following concerns with the alliance: It would create a potential for collusion among the three partners; it could enable the Alliance Carriers to take advantage of their combined dominant market presence in a number of cities in ways that could force unaffiliated airlines to exit the markets and deter entry by other airlines; it would establish joint marketing efforts that could reduce competition between the partners and preclude effective competition from unaffiliated airlines; it could lead to a "hoarding" of airport facilities; and it could result in "screen clutter," causing the services of competing carriers to be downgraded in the displays offered to travel agents by computer reservations systems ("CRSs"). 68 FR 3295-3297. We developed six conditions in an attempt to address these concerns. The January Notice set forth the text of these conditions. 68 FR 3297-3299.

The Department of Justice, pursuant to its separate and independent authority to enforce the antitrust laws, reviewed the alliance agreements and determined that it would not challenge the implementation of the agreements under the antitrust laws if the Alliance

Carriers accepted certain conditions, primarily concerning pricing and code-sharing. The three airlines have accepted those conditions.

The Alliance Carriers initially stated their intent to proceed to implement their alliance without accepting our conditions. Subsequently, however, they asked us to consider alternatives for three of our six conditions. They are proposing alternatives to those three conditions after having consultations with us. On February 28 they resubmitted the agreements for our review with their proposed alternative conditions. They request that we complete our review within thirty days. While they acknowledge our legal authority under section 41712 to impose conditions, they assert that they consider that neither these conditions nor the conditions required by the Department of Justice are necessary to protect competition.

The Alliance Carriers assert that they accept, without change, our first, fifth, and sixth conditions, which involve the alliance's steering committee, CRS displays, and the agreements' exclusivity provision. They are requesting changes in the second, third, and fourth conditions, which involve airport facilities, limits on code-sharing flights, and joint marketing. Their requested alternative language for the three conditions is as follows:

2. Airport Facilities: The Alliance Carriers agree that due to co-location the following gates, along with related facilities (including overnight positions), shall be released at the time of co-location to the airport sponsor upon its request for lease to domestic non-Alliance Carriers or for common use: (a) Four gates at IAH, (b) two gates at DTW, (c) five gates at CVG, and (d) two gates at DFW. In addition, within 90 days following the date of this agreement, Northwest Airlines shall release to the airport sponsor upon its request two gates at BOS¹, Continental shall release to the airport sponsor upon its request two gates at LGA², and Delta shall release to the airport sponsor upon request two gates at LGA³ for lease to domestic non-Alliance Carriers or for common use. Further, Delta Air Lines will release thirteen gates and related facilities at BOS upon Delta's relocation to its new Terminal A facility currently anticipated to be completed in the second quarter of 2005. Of these thirteen gates, eight gates shall be released to the airport sponsor and five gates shall be returned to the airline lessors from whom

Delta subleases such gates; provided however that if the lessor is also an Alliance Carrier, that lessor shall release the gate to the airport sponsor. Additionally, if during the term of the Marketing Agreement the Alliance Carriers choose to co-locate gates at any of their other hub airports⁴ or BOS, or to further co-locate at any of the above hub airports where the Alliance Carriers have agreed to release gates, the relocating carrier will promptly notify the Department of such co-location and the relocating carrier will release to the airport sponsor upon its request the same number of gates and related facilities as the number to which it relocates following such co-location move (or, in the case of leased gates from another airline, the relocating carrier will return the gates to the lessor, and, if the lessor is also an Alliance Carrier, that lessor shall release the gate to the airport sponsor), provided the airport sponsor or airline lessor assumes responsibility of any existing subleases. No Alliance Carrier shall be required to release a leased gate (or related facilities) pursuant to this condition if it will be required to continue to pay rentals, charges or any other lease obligations related thereto. For the purposes of this condition "co-locate" shall mean a move of the flight operations from one Alliance Carrier's gate(s) to another Alliance Carrier's gate(s), or to a gate or gates adjacent to the latter carrier's gates.

3. Codesharing: Domestic, Canadian, and Caribbean codesharing between Delta and Continental and between Delta and Northwest shall be limited to 650 flights per two-carrier combination for a total of 2,600 flights during the first year following the commencement of codeshare operations ("Year One"). In Year One, not less than 25% of each marketing carrier's new codeshare flights must be to or from airports that neither the carrier nor its regional affiliates directly served or served with no more than three daily roundtrip flights as of August 2002 ("Category I flights"). Also in Year One, an additional 35% of each marketing carrier's new codeshare flights must either meet the above requirement or be to or from small hub and non-hub airports ("Category II flights").⁵ In the second year following commencement of codeshare operations ("Year Two"), Domestic, Canadian, and Caribbean codesharing between Delta and Continental and between Delta and Northwest shall be limited to an additional 650 flights per two-carrier combination (for an additional 2,600 flights for Year Two and an aggregate total of 5,200 flights by the end of Year Two). For codeshare flights added in Year Two, no less than 12% of each marketing carrier's new codeshare flights must be Category I flights and no less than an additional 18% of each marketing carrier's new codeshare flights must be Category II flights.⁶ The Alliance

Carriers shall maintain the above percentages with respect to 5,200 codeshare flights (in this case, 18% Category I flights⁷ and 27% Category II flights) for the duration of the Marketing Agreement. In the event the carriers desire to add additional Domestic, Canadian, and Caribbean codeshare flights after Year Two, the carriers shall provide the Department with at least 180 days advance notice and with such information as the Department shall request with respect to such additional codeshare services.

4. Joint Corporate and Travel Agency Contracts: If the Alliance Carriers wish to offer joint bids to corporations or travel agencies, the corporation or travel agency shall be given the option of dealing with each Alliance Carrier separately or of receiving a joint bid from two or more of the Alliance Carriers. Only after the corporation or travel agency has requested a joint bid in writing shall such a bid be developed and submitted. In addition, following the date of this agreement the Alliance Carriers shall not offer a joint bid for domestic travel, or for a combination of domestic travel linked with international travel, to any corporation or travel agency that at the time of the bid has a principal place of business or headquarters in a city⁸ listed in Exhibit A, except that a joint bid may be submitted to such corporation or travel agency for travel originating from cities other than their principal place of business or headquarters city. The list of cities in Exhibit A will be revised every three years during the term of the Marketing Agreement beginning August 2006 to include only cities where all three carriers (themselves or through regional affiliates) operate scheduled service and their combined market share⁹ exceeds 50%, based on schedules published in the Official Airline Guide for the August of that year. In any joint bid, the Alliance Carriers shall not make the contractual discounted fares or commissions dependent on satisfaction of minimum purchase or booking requirements, whether based on threshold or percentage, for specific domestic O&D city pair markets offered by one of the Alliance Carriers unless the corporation or travel agent has stated in writing that it desires such a specific domestic O&D city-pair offer in order to compare it to a competitive bid from one of the largest seven carriers¹⁰ or a carrier alliance (excluding any bid involving an Alliance Carrier) that contains a specific

enough Category I flights being available, that carrier may substitute Category II flights for Category I flights, provided that the substituted Category II flights are over and above the separate requirement for Category II flights.

⁷ This percentage may be adjusted due to the circumstances set forth in footnote 6.

⁸ For the purposes of this condition, "city" is defined as a primary metropolitan statistical area with the exception of New York City, which is defined as including Newark.

⁹ For the purposes of this condition, "market share" is determined by scheduled departing seats on flights within the 50 United States.

¹⁰ For the purposes of this condition, the largest seven carriers will be determined by system scheduled passenger revenue for the latest twelve-month period as reported to the Department of Transportation (14 CFR Part 241, Section 24).

¹ Terminal E, Gates 1A and 1B with the related support space (including overnight positions) shown on Exhibit 1.

² Central Terminal Building, Gates A1 and B2 with the related support space (including overnight positions) shown on Exhibit 2.

³ Marine Air Terminal, Gates 5 and 6 with the related support space (including overnight positions) shown on Exhibit 3.

⁴ For the purposes of this condition, "other hub airports" are defined as Atlanta (ATL), Cleveland (CLE), Memphis (MEM), Minneapolis/St. Paul (MSP), Newark (EWR), and Salt Lake City (SLC).

⁵ For the purposes of this condition, "small hub" and "non-hub" airports are defined by the Airport Activity Statistics published by the Department of Transportation, Bureau of Transportation Statistics.

⁶ If any Alliance Carrier is unable to meet the requirements for Category I flights due to not

domestic O&D city pair offer. This condition shall not apply to joint bids involving only Northwest and Continental and it shall not require that an agreement in place with a corporation or travel agent be terminated.

Before deciding whether the requested alternatives are adequate, we believe that we would benefit by obtaining the views of interested parties and the public. We are therefore inviting public comment on the Alliance Carriers' proposed alternatives. To allow us to complete our review promptly, we are making comments due by March 18. In light of our already-completed comprehensive review of the original proposal, and the limited scope of the additional review necessary to consider the three alternative conditions, we will grant the Alliance Carriers' request for expedited review and will decide whether their proposals are adequate within 30 days. We are now considering only whether the Alliance Carriers' three new proposals adequately address the competitive concerns regarding the three corresponding conditions that were discussed in our January Notice. Accordingly, comments should be directed solely to those three alternative conditions. We are not requesting comments on the analysis and conclusions set forth in our January Notice.

If we determine that the alternative conditions adequately address our concerns, and the Alliance Carriers formally accept them along with the other three conditions developed by us, we would not institute a formal enforcement proceeding at this time to determine whether the airlines' agreements violate section 41712. We retain our statutory authority, however, to continue to monitor the three airlines' implementation of their alliance, and to take enforcement action under section 41712 in the future if necessary. We continue to believe, however, that if the alliance were implemented as originally presented to us, it would raise serious competitive issues. As a result, if the Alliance Carriers implemented the alliance without conditions satisfactory to us, we would begin a formal enforcement proceeding.

Issued in Washington, DC on March 3, 2003.

Read C. Van de Water,

Assistant Secretary for Aviation and International Affairs.

[FR Doc. 03-5450 Filed 3-4-03; 2:35 pm]

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DEPARTMENT OF TRANSPORTATION

Coast Guard

[USCG 2002-13962]

Information Collection Under Review by the Office of Management and Budget (OMB): OMB Control Numbers 2115-0086 and 2116-0551

AGENCY: Coast Guard, DOT.

ACTION: Request for comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, this request for comments announces that the Coast Guard has forwarded the two Information Collection Requests (ICRs) abstracted below to the Office of Information and Regulatory Affairs (OIRA) of the Office of Management and Budget (OMB) for review and comment. Our ICRs describe the information we seek to collect from the public. Review and comment by OIRA ensures that we impose only paperwork burdens commensurate with our performance of duties.

DATES: Please submit comments on or before April 7, 2003.

ADDRESSES: To make sure that your comments and related material do not enter the docket [USCG 2002-13962] more than once, please submit them by only one of the following means:

(1)(a) By mail to the Docket Management Facility, U.S. Department of Transportation, room PL-401, 400 Seventh Street SW., Washington, DC 20590-0001. (b) By mail to OIRA, 725 17th Street NW., Washington, DC 20503, to the attention of the Desk Officer for the Coast Guard. Caution: Because of recent delays in the delivery of mail, your comments may reach the Facility more quickly if you choose one of the other means described below.

(2)(a) By delivery to room PL-401 at the address given in paragraph (1)(a) above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329. (b) By delivery to OIRA, at the address given in paragraph (1)(b) above, to the attention of the Desk Officer for the Coast Guard.

(3) By fax to (a) the Facility at 202-493-2251 and (b) OIRA at 202-395-5806, or e-mail to OIRA at oira_docket@omb.eop.gov attention: Desk Officer for the Coast Guard.

(4)(a) Electronically through the Web Site for the Docket Management System at <http://dms.dot.gov>. (b) OIRA does not have a Web site on which you can post your comments.

The Facility maintains the public docket for this notice. Comments and

material received from the public, as well as documents mentioned in this notice as being available in the docket, will become part of this docket and will be available for inspection or copying at room PL-401 (Plaza level), 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also find this docket on the Internet at <http://dms.dot.gov>.

Copies of the complete ICRs are available for inspection and copying in public dockets. They are available in docket USCG 2002-13962 of the Docket Management Facility between 10 a.m. and 5 p.m., Monday through Friday, except Federal holidays; for inspection and printing on the Internet at <http://dms.dot.gov>; and for inspection from the Commandant (G-CIM-2), U.S. Coast Guard, room 6106, 2100 Second Street SW., Washington, DC, between 10 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Barbara Davis, Office of Information Management, 202-267-2326, for questions on this document; Dorothy Beard, Chief, Documentary Services Division, U.S. Department of Transportation, 202-366-5149, for questions on the docket.

SUPPLEMENTARY INFORMATION

Regulatory History

This request constitutes the 30-day notice required by OIRA. The Coast Guard has already published (67 FR 72718 (December 6, 2002)) the 60-day notice required by OIRA. That notice elicited no comments.

Request for Comments

The Coast Guard invites comments on the proposed collections of information to determine whether the collections are necessary for the proper performance of the functions of the Department. In particular, the Coast Guard would appreciate comments addressing: (1) The practical utility of the collections; (2) the accuracy of the Department's estimated burden of the collections; (3) ways to enhance the quality, utility, and clarity of the information that is the subject of the collections; and (4) ways to minimize the burden of collection on respondents, including the use of automated collection techniques or other forms of information technology.

Comments, to DMS or OIRA, must contain the OMB Control Number of the ICR addressed. Comments to DMS must contain the docket number of this request, USCG 2002-13962. Comments to OIRA are best assured of having their full effect if OIRA receives them 30 or