Department of Transportation
Office of the Secretary
and
Federal Aviation Administration

Code-share Safety

Program Guidelines

12/21/2006, Revision 1

List of Definitions and Terms

- **AFS-50:** Federal Aviation Administration, Flight Standards Service International Programs and Policy Division

- **Audit:** The structured and objective assessment of an operator to determine the level of conformity with the applicable International Civil Aviation Organization (ICAO) standards.

- **Audit Closure:** An audit is not complete until all ICAO-related findings identified during the audit have been closed. A compliance statement may be submitted when conformity with applicable standards have been achieved.

- **Audit Duration:** The period during which a successfully completed audit remains valid.

- **Audit Effective Date:** A date established by the Closing Meeting of an audit which begins the 24 month clock of an Audit Life Cycle. If the Closing Meeting of a renewal audit is within 120 days prior to the Audit Expiry Date of the previous audit, then the Audit Effective Date for the renewal audit shall be same date as the Audit Expiry Date of the previous audit.

- **Audit Expiration Date:** The last day of an audit life cycle which is 24 months from the audit effective date.

- **Auditor:** An individual who is recognized by the U.S. air carrier as being qualified and authorized to conduct an audit under these DOT guidelines and other accepted audit programs.

- **Audit Life Cycle (ALC):** The period of 24 consecutive months for which an audit is considered valid. ALC begins at the completion of the onsite audit activity

- **Audit Program:** The program established by the U.S. air carrier and accepted by the FAA to audit foreign air carrier code share partners.

  - **Internal Audit.** An audit performed by the air operator personnel.
  - **External Audit**. An audit performed by other than the air operator, i.e., third party provider.
    - **Industry Audit Process (IAP).** One or more of the internationally recognized evaluation systems, which are designed to assess the operational, management, and control systems of an air operator. In those cases where IAPs are used, it is incumbent on the U.S. air carrier to identify in its FAA-accepted audit program the specific elements which will be used to comply with ICAO standards as required by DOT guidelines.

- **Audit Report:** The document that is the official record of an audit, which contains detailed information regarding the conduct and results of an audit. Reports generated from an IAP may be used by U.S. air carriers to establish an operator's level of compliance with applicable standards.

- **Audit Sharing:** A process whereby an interested party utilizes an audit of an operator conducted by a third party to satisfy its own need to conduct an audit of that same operator.

- **Best Practice:** A strategy, process, approach, method, tool, or technique that is accepted as being effective in helping an operator achieve operational objectives.

- **Closing Meeting:** A meeting of the audit team and representatives of the audited airline at the end of the onsite audit activities.

- ➢ **Completion of Onsite Audit Activity:** The date the audit activity is concluded and the audit results are made known to the audited party. This will be the start of the audit cycle clock of 24 months.

- ➢ **Compliance Statement**: A declaration by a director of safety (or equivalent) of a U.S. carrier to the FAA providing information as required by the DOT guidelines.

- ➢ **Conformity**: Fulfillment of specifications contained in the ICAO standards and DOT Code-share Guidelines and other referenced and accepted programs as being documented and/or implemented by the air operator.

- ➢ **Continuous Monitoring**: A process used by the U.S. carrier to monitor the safety programs of the foreign air operator. The U.S. air carrier program, at a minimum, should monitor the performance-based assessment factors outlined in this document on an ongoing basis.

- ➢ **Evidence**: Documented data or information discovered during an audit that is analyzed by the auditor and is used to determine compliance with applicable standards.

- ➢ **Finding**: The documented statement based on factual evidence that indicates an air operator is not in conformity with the DOT guidelines and referenced ICAO standards.

- ➢ **IAP Operator**: A person, organization or enterprise engaged in, or offering to engage in, an aircraft operation under the scope of an IAP.

- ➢ **Noncompliance**: Nonfulfillment of specifications contained in applicable ICAO standards as determined by the auditor in terms of having been documented and/or implemented by the audited air operator.

- ➢ **Operator**: An organization that holds an air operator certificate (AOC) and engages in aircraft operations.

- ➢ **OST**: Office of the Secretary of Transportation.

- ➢ **Recommended Practice**: A standard in which fulfillment is considered optional but is desirable.

- ➢ **Standard:** A specified system, policy, program, process, procedure, plan, set of measures, facility, component, type of equipment, or any other aspect of operations under the scope of ICAO Annexes 1, 6, 8 and 18 as defined in DOT Code-share Guidelines in which the operator will be expected to be in compliance at the conclusion of an audit.

Code-share Safety Program Guidelines

I. Introduction

Code-sharing is a marketing arrangement in which an airline places its designator code on a flight operated by another airline and sells and issues tickets for that flight(s). Air operators throughout the world continue to form code-share alliances to strengthen or expand their market presence or competitive ability.

In order to obtain authority for U.S. code-share service, the Office of the Secretary of Transportation must find that the arrangement is in the public interest. Historically, questions have been raised about how to determine whether the code-share services of U.S. airlines on foreign air operators meet an acceptable level of safety.

A principal measure of the level of safety of these foreign code-share operators is in the results of the Federal Aviation Administration (FAA's) International Aviation Safety Assessment (IASA) Program[1]. With respect to that measure, a code-share arrangement with a foreign air operator will only be approved if the foreign air operator: (1) is from a country that maintains a Category 1 rating under the FAA's IASA program[2]; or (2) is from a country that either holds an IASA Category 2 rating or has not been assessed by the FAA and the foreign air operator is using aircraft wet leased and operated by a duly authorized and properly supervised U.S. carrier or foreign operator from a Category 1 country. If a country category is downgraded from an IASA Category 1 to a Category 2, the OST expects that U.S. carriers will no longer place their code on flights operated by operators of the Category 2 country. We will further expect that the timing for effectuating this code removal will, in every instance, be, if not immediate, then highly expedited. However, for the sole purpose of facilitating an orderly transition, the precise timing of the code removal will be considered on a case-by-case basis.

In determining whether a code-share application is in the public interest under the statute, OST needs to review the safety of the U.S. code-share service proposed. As part of their application for authority,[3] U.S. air carriers seeking to hold out for service provided by a foreign operator on

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[1] All civil aviation authorities have the direct responsibility for overseeing the safety of air transportation provided by their air carriers.

[2] An IASA Category 1 rating means that the safety oversight of a foreign carrier provided by its civil aviation authority meets or exceeds the minimum international standards for safety oversight established by the International Civil Aviation Organization (ICAO). IASA Category 2I means that one or more of the ICAO standards have not been met.

[3] Attached, as an appendix to these guidelines, is a summary of the application process that carriers should follow in seeking code-share authority from the Department.

a code-share basis must assess the level of safety of the U.S. code-share service provided by foreign air operators through the following:

- A system of ongoing monitoring and periodic audits of their code-share partners.

- Each U.S. air carrier pursuing or currently having a code-share agreement with a foreign operator must have an FAA-accepted code-share safety program.

- Under its audit program, a U.S. air carrier must issue a statement of compliance affirming that its code-share partner meets international standards.

- The statement of compliance shall be based on a safety audit performed on its foreign air operator partner in accordance with its FAA-accepted code-share safety program and shall be valid for not more than 24 months.

- Additionally, the U.S. carrier must continue to monitor its code-share partner's safety programs throughout the life of the code-share agreement to ensure continued compliance with international standards. DOT will not be disposed to approve a code-share if it is unable to make a public interest determination about the level of safety of the U.S. code-share service.

- U.S. air carriers must provide the necessary information for this determination to FAA by including a compliance statement (more fully described in section IV) with their applications to OST that an onsite safety audit has been conducted and an audit report has been completed.

- The U.S. air carrier should state in its compliance statement that the foreign code-share operator complies with the applicable ICAO safety standards.

- The FAA will review each audit report to determine whether the U.S. air carrier audit program was followed and the audit results are consistent with other safety information available to the FAA. Following this review, the FAA will provide an appropriate response to DOT in advance of an OST decision on whether to continue or approve the code-share application. In the cases where a code-share agreement is shared by several airlines, the report will be allowed to be reviewed by all duly identified sharing airlines by electronic means or other means acceptable to the FAA.

- In addition, when an airline chooses not to continue the code-share agreement for business reasons or operational matters, the U.S carrier may terminate its monitoring for the code-share partner safety programs. However, in these cases, the code-share audit may not be used by another airline (audit sharing) unless a code-share review has been accomplished.

- If a U.S carrier elects to use an audit that is greater than 12 months in duration, the new code-share U.S. air carrier must ensure that the foreign code-share partner is still meeting ICAO standards through a table-top review.

- If a U.S. carrier chooses to suspend service with a foreign code-share partner for any reason, the airline must notify AFS-50, International Programs and Policy Division, in writing and a determination will be made as to future actions that are required.

The following guidelines identify recommended minimum elements for all code-share audit programs of U.S. carriers operating under Title 14 Code of Federal Regulations part 121 conducting U.S. code share service on a foreign air operator[4]. The elements include the safety standards to be applied in an audit of a foreign operator conducting U.S. code-share service, the content of a code-share audit report, the compliance statement, and standards for the U.S. carrier review of its U.S. code-share service on the foreign code-share air operator. Code-share audit programs should only be used by authorized U.S. air carriers certificated under 14 CFR section 121. 7.

II. Audit Program

The objective of the audit is to establish conformity to ICAO standards. Auditors should review findings from previous audits performed on the foreign air operator and any other available information to determine that remedial actions were accomplished and the condition(s) has not resurfaced in the current audit.

The applicable ICAO standards are set forth in the following Annexes to the Chicago Convention and may include ICAO guidance material for implementation:

Annex 1   Personnel Licensing
Annex 6   Operation of Aircraft
Annex 8   Airworthiness of Aircraft
Annex 18   The Safe Transport of Dangerous Goods by Air

A U.S. air carrier seeking or maintaining a code-share agreement with a foreign operator under these guidelines must develop a code-share audit program that provides for an onsite audit of the foreign code-share operator at least once every 24 months.

Each U.S. air carrier code-share audit program will be reviewed by the FAA to determine whether it is an acceptable means of determining the levels of safety maintained by the foreign operator and thereby meets the needs of the code-share approval process. At a minimum, the U.S. air carrier's code-share audit program will address:

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[4] These guidelines are not intended to create or to change, and are not intended to be construed as creating or changing, any rights, duties, benefits, or obligations, or any duties or obligations on behalf of any person. Nothing in these guidelines is intended to affect any other agreement, obligation, or undertaking by or on behalf of any U.S. or foreign air carrier, or rights, duties, or obligations arising there from with regard to any person other than the U.S. Department of Transportation.

These guidelines are not intended to define or limit the agreements, understandings, or other arrangements between a U.S. and foreign air carrier concerning the performance of audits consistent with these guidelines.

- Methodology and approach
- Specific operational areas to audit
- Criteria for defining satisfactory audit results
- System for reporting and correcting findings
- Continuous monitoring system
- Auditor qualification and authorization
- Audit frequency

The U.S. air carrier shall submit a copy of the proposed audit program to AFS-50.

Subject matter experts from the FAA will review each U.S. air carrier's code-share audit program. Upon completion of the FAA's review and determination that the audit program is acceptable, the FAA will issue a letter to the U.S. air carrier confirming acceptance of the program. The U.S. air carrier should incorporate the accepted audit program into its operating manual(s). Programs found unacceptable by the FAA will be returned to the U.S. air carrier with the specific reasons for the determination.

Methodology and Approach

An acceptable code-share audit program will define the objectives, scope, and methodology used to measure the performance of the foreign operator in meeting safety standards established in ICAO Annexes 1, 6, 8, and 18. The audit scope should include as elements the audit duration, any applicable geographical limits, and audit frequency. The audit methodology defines the process by which the U.S. air carrier will gather and analyze data, develop an audit report, provide an audit compliance statement to the FAA, and make its audit report available to the FAA. As part of one of the accepted means of compliance, the FAA also recognizes other programs developed by industry. An audit program will have a standardized methodology and may include third party audits conducted to the same or higher standard as those used by the U.S. air carrier. In those cases, where an IAP is used, it is incumbent on the U.S. air carrier to identify in their FAA accepted audit program the specific elements which will be used to comply with ICAO standards as required by DOT guidelines.

Specific Operational Areas to Audit

Before conducting the audit of the foreign operator, the audit team should have an understanding of the foreign operator's operations and the applicable ICAO standards. At a minimum, the ICAO standards must be used in reviewing whether the foreign code-share operator's level of safety is acceptable. The audit program shall identify the evaluation criteria to be used (i.e., performance standard checklist containing all applicable ICAO standards or other such equivalent).

Criteria for Determining Satisfactory Audit Results

Each U.S. air carrier should use applicable performance standards based on the above-stated ICAO annexes to evaluate the foreign code-share operator. The process should contain an evaluation of performance against those criteria specified in the applicable ICAO standards by assigning a rating using one of the following definitions:

Meets the Criteria: Use this rating when there are no findings of a system deficiency, breakdown, or safety-related noncompliance requiring immediate action.

Finding: Use this rating when the performance of the standard evaluated does not meet the established criteria.

Not applicable: A specific condition is identified as not applicable by the evaluation criteria, as verified by the auditor, or is determined by the auditor to be not applicable at the facility being evaluated.

System for Reporting and Correcting Findings

The U.S. air carrier audit should ensure that the foreign air operator has a process in place that identifies types of problems that may occur from common or special circumstances. Each finding needs to be analyzed to identify possible systemic issues and their mitigation. Corrective action takes into account: (1) the need for a short-term or remedial fix plus long-term actions, (2) the changes required in the process, product, and specifications, (3) the availability of designated personnel responsible for the follow-up, and (4) the existence of documentation of the changes made to analyze the effectiveness of the corrective action.

Continuous Monitoring System

The U.S. air carrier audit program shall have a process to monitor the foreign operator. An acceptable audit program should record and evaluate risk indicators affecting safety. The U.S. carrier audit program should monitor the following performance-based assessment factors on an ongoing, continuous basis.

1. Accident/incident rate;
2. Financial condition, company ownership, and economic conditions;
3. Management, company stability, turnover of key personnel, strikes, etc.;
4. Age of equipment, equipment on order, and equipment being returned;
5. Operational capabilities, i.e., international service as compared to domestic service only, indicators of established infrastructure, FAA-approved repair stations, simulators, etc.;
6. Company history and sophistication;
7. Knowledge of international code-share operator programs, i.e., safety, operations, and maintenance;

8. Interface and cooperation between the U.S. and foreign air operators, familiarity with personnel, sharing of data through meetings, conferences, etc.; frequency of these events; and
9. Foreign code-share air operator facilities.

Auditor Qualifications and Authorization

Each U.S. air carrier performing a code-share safety audit should have qualified personnel with the necessary authority, knowledge, and skills for performing each audit. Auditors shall have a thorough knowledge of auditing and the air operator environment in which the foreign operator operates the U.S. code-share service. The U.S. air carrier may employ personnel or hire outside subject matter expert consultants to conduct audits. The audit staff should have organizational independence to perform audits and be free to report objectively to the U.S. air carrier's senior management. Given the voluntary nature of the audit program, the following are recommended auditor benchmark qualifications.

The lead auditor should be able to:

1. Develop and communicate an audit plan, identify required audit personnel, set out an audit agenda, and provide sufficient time to complete a comprehensive audit.
2. Execute an effective audit plan incorporating generally accepted auditing techniques for verifying, documenting, and communicating findings as appropriate.
3. Objectively identify and document nonconformances to the audit standard and evaluate the effectiveness of the resultant followup corrective actions.
4. Demonstrate a general knowledge of quality control tools, descriptive statistics, and applicable sampling theories.
5. Effectively lead a team of auditors in the field and act as a liaison between the audit members and the foreign operator officers.

Qualification for auditors conducting code-share audits should include:

1. Auditor training in an internationally recognized quality management system.
2. Knowledge of the code-share methods and techniques and the education, skills, and experience to apply such knowledge to a code-share audit. The lead auditors should have a minimum experience level of not less than 2 years in leading audits. All auditors should have attained a level of experience, or a combination of experience and education in their specific disciplines, as follows:

   a. An appropriate certified pilot, maintenance technician, or dispatcher and 3 years technical experience in those areas associated with flight operations, maintenance, or dispatch or in the evaluation thereof; or
   b. Relevant technical or trade school certificate with 3 years of technical experience in air operator operations or maintenance, or in the evaluation thereof, or
   c. Associate's degree in engineering or science disciplines relating to aviation with 3 years of technical experience in air operator operations or maintenance, or in the evaluation thereof; or

d. Bachelor's degree or higher in engineering or science disciplines relating to aviation with 3 years of technical experience in air operator operations or maintenance, or in the evaluation thereof.

3. Auditors should have a demonstrated technical knowledge of governing ICAO annexes (including ICAO guidance material in their specific technical areas), a general knowledge of the Federal Aviation Regulations (14 CFR) and air operator operations and maintenance. In addition, auditors should have effective communication and interpersonal skills and sound writing ability.

4. Auditors should have training on evaluating foreign operators with respect to procedures and processes included in the U.S. air carrier's Code-share Safety Program as accepted by DOT. Auditors should undergo recurrent training at least once every 2 years to ensure that all auditors are maintaining audit techniques and education in their specific disciplines.

5. Ethical standards:

    a. Auditors should have no financial interest in or family affiliated with the foreign code-share operator.
    b. Audit contract firms should have no direct or indirect financial dealings with the host government of the foreign code-share operator or with the foreign code-share operator itself.
    c. Audit contract firms should not conduct code-share audits of itself or those operations of any affiliated companies.

6. Other skills that may be needed in conducting an audit of a foreign operator include:

    a. Foreign language skills, when the foreign operator personnel are not fluent in the English language and manuals and reports involve translation to English;
    b. Engineering skills when the work involves the review of complex engineering data;
    c. Analytical skills, including the ability to adopt a systematic approach to problem solving in a complex technical environment such as:
        ➢ Operational analysis (developing the questions for use)
        ➢ Flow charting (understanding the process)
        ➢ Matrix analysis (determining the areas of importance)
        ➢ Checklists (their uses and abuses)

    d. Statistical sampling skills when the work involves the use of statistical sampling methodologies; and
    e. Completion of an accredited quality system auditor course, practical experience in system auditing, and sound knowledge of project management.

Audit Frequency

Initial Audit

An audit must be completed and presented to AFS-50 prior to placing the U.S. carrier's code on flights operated by the foreign operator. The audit may be conducted by the U.S. air carrier seeking to initiate the code-share agreement, or utilizing a third party, to the standards required by the U.S. air carrier's program. The date of the initial audit closing meeting establishes the audit effective date. The initial audit is valid for 24 consecutive months beginning with the audit closing meeting. The U.S. carrier will not present an audit to AFS-50 for review until all applicable audit findings are closed and within the 12 months following the initial audit closing meeting.

Renewal Audit

The U.S. air carrier will conduct a renewal audit of each foreign code-share operator prior to the expiration date of the initial or previous renewal audit. When deciding on a date to initiate a renewal audit, the auditing operator must leave enough time to ensure that problems discovered during the renewal audit can be corrected before the expiration date of the previous audit. The DOT does not view an audit as being complete until all open items identified during the audit have been closed. Once the renewal audit is closed, the U.S. air carrier issues a compliance statement as outlined in these guidelines. A compliance statement should be submitted only after all corrective actions have been completed and must not be predicated on future actions planned to be completed.
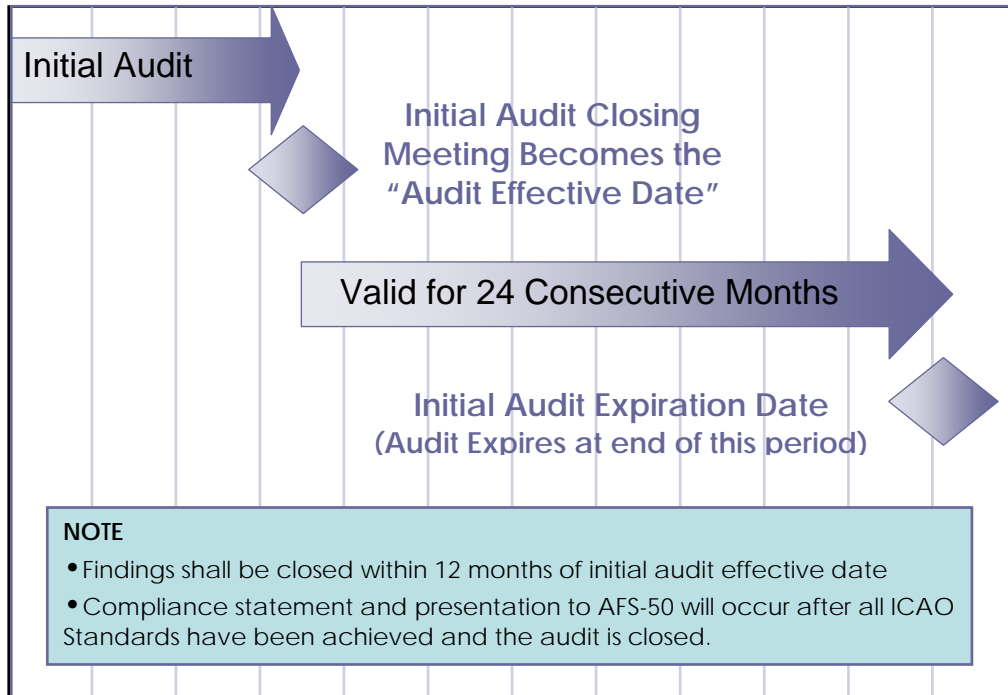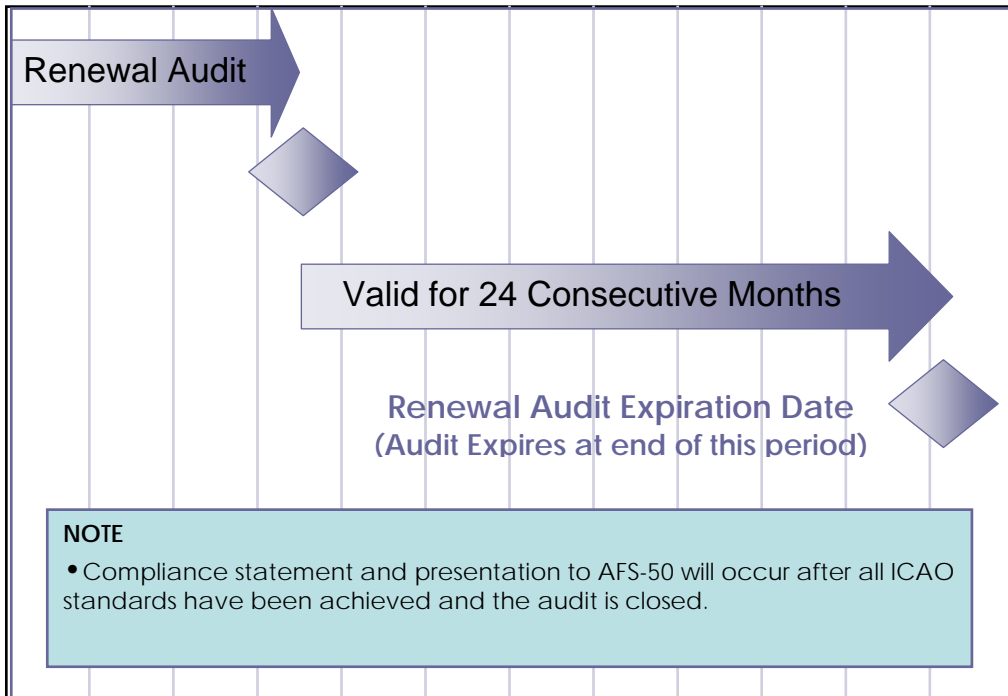
FAA Code-share Safety Program Timelines:

Initial Audit

Initial Audit Closing Meeting Becomes the "Audit Effective Date"

Valid for 24 Consecutive Months

Initial Audit Expiration Date
(Audit Expires at end of this period)

NOTE
- Findings shall be closed within 12 months of initial audit effective date
- Compliance statement and presentation to AFS-50 will occur after all ICAO Standards have been achieved and the audit is closed.

Figure 1

Renewal Audit

Valid for 24 Consecutive Months

Renewal Audit Expiration Date
(Audit Expires at end of this period)

NOTE
- Compliance statement and presentation to AFS-50 will occur after all ICAO standards have been achieved and the audit is closed.

Figure 2

At the end of each audit, the auditor or audit team should prepare a written report setting out the results in an appropriate form. Audit reports should be prepared in all cases, including those where the foreign operator's operations are found to not meet the ICAO standards used in conducting the audit. Any finding should be communicated to the foreign operator immediately and, in no case, later than 24 hours following such a determination.

The report content should be easy to understand, independent, objective, fair and constructive, free of vagueness or ambiguity, and include only information supported by competent and relevant audit evidence. The report should contain a statement of positive assurance on those items tested for compliance and negative assurance of those items not tested. Auditors should use sound professional judgment in determining the standards that apply. The auditors' determination that certain standards do not apply to the audit should be documented in working papers and supporting documents included with the report. Situations may occur in which auditors are not able to follow an applicable standard. In those situations, the auditors should disclose in the audit report the fact than an applicable standard was not followed, the reason therefore, and the known effect that not following the standard had on the audit results.

1. All findings of noncompliance with international standards will be documented for the purposes of trend analysis. Such documentation will include findings closed in the course of an audit.
2. Closing meeting: A meeting of the audit team and representatives of the audited airline at the end of the audit. This meeting will be used as the principal marker for starting the 2-year audit cycle with regard to these guidelines and when the audit begins and ends in response to the audit cycle and is illustrated above in Figure 1.
3. Completion of onsite audit activity: The date the audit activity is concluded and the audit results are made known to the audited party. This is the key marker regarding report content.

Report Content

The U.S. air carrier safety audit report should contain the following:

- Title. The title should be unique to identify the foreign air operator audited and the U.S. air carrier, or third party, is responsible for the audit.
- Signature and date. The audit team leader should sign and date the audit report.
- Listing of the audit team members.
- Listing of the primary maintenance facilities evaluated,
- Listing of all primary training facilities evaluated.
- Objectives and scope. The report should include reference to the objectives and scope of the audit that establishes the purpose and boundaries. The report should identify the

area or extent to which it relates including what facility geographic location(s) were evaluated. The audit duration dates should be included.

- Completeness.
- Findings and corrective actions.
- Identification of subject matter and compliance with standards. The report should not concentrate solely on criticism of the past but should be constructive. The auditor's conclusions and recommendations are important aspects of the audit and, where appropriate, are written guides for action. Completed checklists reflecting whether each standard was applicable, and if so, whether the operator satisfactorily met or did not meet the performance standard.

- Auditor working documents and evidence collected to support the audit conclusions.

Report Access and Review

All initial and recurrent safety audit reports by the U.S. air carrier of the foreign code-share partner should be made available for the FAA review following the closure of each audit.

Each audit report, either initial or recurrent, should be made available for the FAA review during normal business hours at a location designated by the U.S. carrier performing the audit. The U.S. air carrier should notify the FAA of the availability of every audit report for review, including audit reports where the foreign air operator's operations were found not to meet the ICAO standards. An electronic audit review may be used to meet this requirement. The FAA will make arrangements to visit the U.S. air carrier to review the audit reports at a time determined by available schedule and resources. In those cases where a U.S. carrier wishes to have an audit review expedited, it will make arrangements to present the audit results to the FAA program office for review. In keeping with the DOT requirements for a review of all code-share audits, the FAA will not provide a response to OST regarding the subject code-share until such a review is completed.

Report Retention

The U.S. air carrier performing code-share audits should maintain all code-share audit reports for a period of not less than 5 years and all documented evidence for a period of not less than 24 months. The audit program should identify a specific U.S. air carrier point of contact to which the FAA can direct questions and comments concerning specific audit reports. The 5-year period for retention is measured from the closure of the last effective audit performed on the foreign operator.

IV. Compliance Statement

The U.S. air carrier's director of safety (or an equivalent position established under 14 CFR section 119.65) should provide the signed and dated audit compliance statement for all audits conducted by or at the behest of the U.S. air carrier. A compliance statement should be submitted only after all corrective actions have been completed and not be predicated on future actions planned to be completed.

At a minimum, the compliance statement should contain the following:

- The dates on which the foreign operator was audited;
- A statement that the audit of the foreign operator was conducted in accordance with the audit program as reviewed and deemed acceptable by the DOT;
- A statement that the foreign operator's operations for U.S. code-share service meet all applicable ICAO standards.
- The audit report is available for FAA review.

Code-Share Applications

Code-share applications shall be filed in the Department's Docket Section (PL-401) at 400 7th Street, S.W., Washington, D.C. 20590 (see 14 CFR part 212).

Code-share applications shall be filed with an original and two copies, or by using the Dockets electronic filing system (http://dms.dot.gov)

Code-share applications shall include the following:

- the code-share application with service list;
- the code-share agreement; and
- a valid ICAO compliant, state civil aviation authority-endorsed air operator certificate.

The U.S. carrier applicant may attach a compliance statement (as fully described in section IV) with respect to the level of safety of the U.S. code-share service that:

- it has completed an audit of its foreign code-share operator in compliance with a DOT-accepted code-share audit program on a specified date;
- the operations of the foreign code-share operator meet applicable ICAO safety standards; and
- the audit is available for FAA review.

Code-share applications shall be served on the following:

- Director, Flight Standards Service (AFS-1), FAA;
- Antitrust Division, Department of Justice;
- U.S. Transcom/TCJ5 (Attn: Air Mobility Analysis), Department of Defense;
- each U.S. certificated air carrier authorized to serve the general area in which the proposed transportation is to be performed; and
- any other party the Department deems necessary.

OST will review the code-share application based on economic and policy grounds. OST will consider any comments filed by interested parties, as well as the views of other Government agencies germane to the issue whether approval of an application will be in the public interest. The FAA will review the audit report using its Quality Management Process as revised and other available information concerning the safety of the proposed U.S. air carrier code-share service, and then will advise OST of its position.

Assuming no issues remain for resolution or otherwise warrant deferral of a decision, OST will issue a decision on the proposed code-share application.

Requests for review or reconsideration of any decision relative to a code-share application will follow the procedures prescribed in 14 CFR.