in order to minimize connecting time for passengers. Interlining agreements are mutually beneficial and require little investment by the two air carriers.

A somewhat more committed relationship between air carriers involves code-sharing. In a code-sharing agreement, the consumer will perceive that one carrier is carrier providing the entire service, even though two separate carriers may be involved. In an earlier example, a consumer in Seattle would perceive that they can book flights from Seattle to London via Chicago on British Airways. The computer reservation system and the printed ticket will indicate that both segments of the flight are operated by British Airways. In fact, the Seattle-Chicago segment is a United Airlines flight with the Chicago-London segment being a British Airways flight.

A code-sharing arrangement is a much higher level of commitment between the carriers. One of the carriers loses its market identity with the consumer. In code-sharing, one of the carriers may be required to make certain commitments or provide guarantees of certain levels of traffic to the other carrier. Typically, one of the carriers will have to agree to the other providing certain ground services and passenger handling functions. In general, it can be said that code-sharing agreements are less common and more stable than interlining agreements. The latter can be very transient, and are easily cancelled by one of the parties.

3. Keys to Global Carrier Success

There are three keys to whether or not a global carrier would have an advantage over present carriers for moving a passenger from origin to destination. The first is whether the global carrier can operate with significantly *lower costs* and thus sustain lower prices in the long run. Thus far the evidence seems to suggest this will not be the