

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

Applications of)	
RENO AIR, INC.)	
for an exemption from 14 CFR Part 93,)	
Subparts K and S, pursuant to Section 206(c)(1))	
of the Federal Aviation Administration)	
Authorization Act of 1994)	
(Reno-Chicago O'Hare slots))	
)	

Dockets 49743 and
OST-97-2771

**MOTION FOR LEAVE TO FILE AND SURREPLY OF RENO AIR
TO CONSOLIDATED REPLY OF UNITED AIR LINES**

MOTION FOR LEAVE

Reno Air, Inc., ("Reno Air") requests leave to file the following Surreply to the Consolidated Reply of United Air Lines, Inc. ("United") filed January 28, 1999. In its Reply, United continues to assert that the O'Hare exemption slots used by Reno Air to provide nonstop Chicago O'Hare-Reno service must be withdrawn because American Airlines, Inc. ("American"), under the Reno Air franchise or otherwise, does not qualify to hold the slots and because the acquisition amounts to an impermissible transfer of slots. Reno Air requests leave to supplement the record on this point because United has totally lost sight of the public interest reasons supporting the grant of slots to Reno Air and the severe adverse effect withdrawal would have on the Reno/Tahoe community.

UNITED'S ARGUMENTS ARE FUNDAMENTALLY FLAWED

The Department's action granting Reno Air exemption slots dedicated for Chicago O'Hare-Reno service (Order 94-9-30) was premised upon the needs of the community for nonstop service. That decision was based on important public interest considerations, including the size of the market, the lack of nonstop service and the important economic benefits that would accrue to the community.

Because grant of the exemption was dependent upon the unique nature of the market, the Department attached the following conditions:

1. that the slots be used only for the provision of nonstop service between Reno and Chicago O'Hare; and
2. that grant does not confer to the carrier any ability to own or hold such temporary operating authority for the purpose of selling, trading, transferring or conveying the slots.

As a result of the acquisition of Reno Air, American can properly succeed to the Reno slots as long as it conforms to the conditions attached by the Department. American must use the slots to serve the Chicago O'Hare market only and American may not sell or transfer the exemption slots. Arguments to the contrary defy logic.

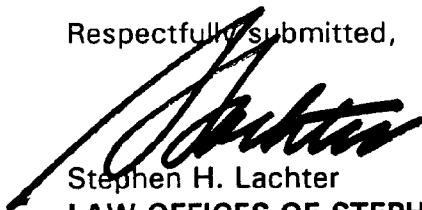
It is clear from a reading of the Department's Orders that the conditions were placed on the use of the slots for an obvious reason; to insure that the nonstop Chicago-Reno market would be served using the dedicated slots. The sale, trade and transfer restriction was to insure that Reno Air did not "traffic" in

the slots, that is, acquire them for the purpose of economic enrichment rather than use. There is no public policy reason to construe the restrictions otherwise.

United would have the Department withdraw the slots, resulting in the elimination of nonstop Chicago O'Hare-Reno service to the detriment of the community, the State and the traveling public. United would have the Department take action contrary to the express findings in Order 94-9-30 that the exemption is necessary to allow the institution of Chicago O'Hare-Reno service. Whether United accepts American's characterizations or not, the simple fact is that United's arguments, if accepted, will eliminate Reno's critically important link to Chicago O'Hare and the midwest.

For these and other reasons, United's Motion to Reopen the Record should be denied.

Respectfully submitted,



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February 8, 1999