

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of :
CONTINENTAL AIRLINES, INC. : Docket OST-98-3744
for an exemption under 49 U.S.C. § 40109 :
(U.S.-Intermediate Points-France-Beyond) :

APPLICATION OF
CONTINENTAL AIRLINES, INC.
FOR RENEWAL OF EXEMPTION

Communications with respect to this document should be sent to:

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Counsel for
Continental Airlines, Inc.

January 28, 2002

Continental states as follows in support of its application:

1. Continental's U.S.-France-beyond exemption was granted originally by Notice of Action Taken, May 8, 1998, later confirmed by Order 98-6-5 and most recently renewed by Notice of Action Taken, March 29, 2000. Absent renewal, Continental's exemption authority will expire on March 29, 2002.

2. Continental currently utilizes its U.S.-France-beyond exemption authority to offer New York/Newark-Paris and Houston-Paris service.³

3. Renewal of Continental's U.S.-France-beyond exemption authority is fully consistent with the U.S.-France bilateral aviation agreement and is clearly in the public interest. Renewal of Continental's exemption authority will allow Continental to continue providing travelers and shippers with valuable transatlantic U.S.-France service. Moreover, by renewing Continental's U.S.-France and beyond exemption authority, the Department will benefit consumers by ensuring continued competition among the numerous U.S. and foreign-flag carriers providing transatlantic service.

4. Continental holds various certificates of public convenience and necessity and exemptions authorizing it to engage in scheduled air transportation of persons, property and mail (see Order 2001-12-8 (Docket OST-96-1318), Order 2001-5-26 (Docket OST-01-8910) and Order 2000-8-19 (Docket OST-00-6841)), and Continental is fit, willing and able to provide U.S.-France and beyond services.

5. Continental invokes the automatic extension provisions of 5 U.S.C. § 558(c), as implemented by Part 377 of the Department's Special Regulations, to continue this authority in effect pending action on this application.

WHEREFORE, Continental applies to renew its exemption to engage in scheduled foreign air transportation of persons, property and mail between any point or points in the United States and any point or points in France and its territories, directly and via intermediate points, and beyond France to any point or points in third countries for a period of two years or until its application for a U.S.-France certificate of public convenience and necessity is granted.

Respectfully submitted,

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(..continued)

³ Although Continental has also been utilizing its U.S.-France exemption authority for service pursuant to its codeshare agreement with Air France, that codeshare arrangement will terminate on March 31, 2002.