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DEPARTMENT OF TRANSPORTATION

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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

COMMUNICATIONS SECTION

Application of

CONTINENTAL AIRLINES, INC.

for renewal of U.S.-Brazil Frequencies

Docket OST-98- *3466*

APPLICATION OF
CONTINENTAL AIRLINES, INC.
FOR RENEWAL OF FREQUENCY ALLOCATION

Communications with respect to this document should be sent to:

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February 10, 1998

Notice: Any person wishing to support or oppose this Application must file an answer with the Department by February 25, 1998.

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of :
CONTINENTAL AIRLINES, INC. : Docket OST-98-
for renewal of U.S.-Brazil Frequencies :

APPLICATION OF
CONTINENTAL AIRLINES, INC.
FOR RENEWAL OF FREQUENCY ALLOCATION

Continental¹ applies to extend the Department's allocation in Order 97-4-13 of fourteen weekly Newark-Sao Paulo/Rio de Janeiro roundtrip frequencies for a four-year period co-extensive with Continental's current certificate authority to serve Newark-Brazil. Continental is providing daily nonstop Newark-Sao Paulo and Newark-Rio de Janeiro service, and its frequencies expire on April 11, 1998.

In support of its application, Continental states as follows:

1. Continental currently operates seven weekly frequencies between Newark and Sao Paulo and seven weekly frequencies between Newark and Rio de Janeiro. The Department awarded Continental five-year certificate

¹ Common names of carriers are used.

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authority to operate services between Newark and Sao Paulo and between Newark and Rio de Janeiro and fourteen weekly Newark-Sao Paulo/Rio de Janeiro frequencies by Order 97-4-13.

2. When the Department granted Continental Newark-Sao Paulo/Rio de Janeiro route authority and frequencies, the Department said: "Only Continental's proposal offers the additional service and competitive benefits of choice of airport for New York/New Jersey passengers and nonstop service to both Sao Paulo and Rio de Janeiro, benefits we found compelling in this case." (Order 97-4-13 at 6) Renewing Continental's fourteen weekly Newark-Sao Paulo/Rio de Janeiro frequencies will assure passengers and shippers continue to receive these advantages.

3. Continental will continue to use its Newark-Sao Paulo/Rio de Janeiro frequencies to compete in the U.S.-Brazil market and provide significant intra-gateway competition with New York flights and inter-gateway competition with Miami, Dallas/Ft. Worth and Chicago flights. Prior to Continental's entry into this market, "all of the existing services from New York were operated from JFK, with 31 weekly nonstop flights in the Sao Paulo market and 14 weekly nonstop flights in the Rio de Janeiro market," with no nonstop services between Newark and Brazil. (Order 97-4-13 at 6) Moreover, as the Department noted, the "largest Brazil markets are Sao Paulo and Rio de Janeiro, and . . . a majority of services are operated from Miami, while New York, the second largest market, receives

