

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

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Application of

CONTINENTAL AIRLINES, INC.

Docket OST-96-1368

for renewal of an exemption under 49 U.S.C.  
§ 40109 (Houston-Veracruz; Houston-Mazatlan)

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Application of

CONTINENTAL AIRLINES, INC.

Docket OST-96-1300

for renewal of an exemption under 49 U.S.C.  
§ 40109 (Houston-San Jose del Cabo (Los Cabos))

APPLICATION OF  
CONTINENTAL AIRLINES, INC.  
FOR RENEWAL OF EXEMPTIONS

Communications with respect to this document should be sent to:

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March 23, 1998

Notice: Answers supporting or opposing this application are due on or before  
April 7, 1998

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
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Application of :  
CONTINENTAL AIRLINES, INC. : Docket OST-96-1368  
for renewal of an exemption under 49 U.S.C. :  
§ 40109 (Houston-Veracruz; Houston-Mazatlan) :  
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Application of :  
CONTINENTAL AIRLINES, INC. : Docket OST-98-1300  
for renewal of an exemption under 49 U.S.C. :  
§ 40109 (Houston-San Jose del Cabo (Los Cabos)) :  
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APPLICATION OF  
CONTINENTAL AIRLINES, INC.  
FOR RENEWAL OF EXEMPTIONS

Continental<sup>1</sup> applies to renew its exemption authority to engage in  
scheduled foreign air transportation of persons, property and mail between

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<sup>1</sup> Common names of carriers are used.

March 23, 1998

Houston and Mazatlan and between Houston and San Jose del Cabo for a two-year period so Continental can continue to serve these markets.

In support of its application, Continental states as follows:

1. Continental currently serves the Houston-Mazatlan and Houston-San Jose del Cabo routes on a year-round basis with seasonal variations in service. The Department awarded Continental a two-year exemption to conduct Houston-Mazatlan services by Order 96-6-38,<sup>2</sup> and a two-year exemption to conduct Houston-San Jose del Cabo services by Order 96-8-39.

2. Continental holds various certificates of public convenience and necessity and exemptions authorizing it to engage in scheduled air transportation of persons, property and mail between the U.S. and Mexico (see Continental's Routes 29-F, 629 and 561 and Orders 97-12-10, and 97-8-17), and Continental is fit, willing and able to provide the service for which it seeks authority.

3. Continental's Houston-Mazatlan and Houston-San Jose del Cabo services are fully consistent with the U.S.-Mexico bilateral agreement as amended, and Continental is the only airline providing direct service between Houston and these two Mexican cities. Renewing Continental's Houston exemptions will assure continued effective network competition among the U.S. carriers serving Mexico and will permit Continental to maintain the only nonstop service between Houston

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<sup>2</sup> Order 96-6-38 also granted Continental a two year exemption to conduct Houston-Veracruz services, but Continental has since secured new Houston-Veracruz authority. Notice of Action Taken, Docket OST-97-3272, January 7, 1998.

