

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

Application of)	
)	
UNITED AIR LINES, INC.)	Docket OST-95-576
)	
for an exemption pursuant to 49 U.S.C. §40109)	
(U.S.-Peru Route Integration) and allocation of)	
frequencies (Lima-Santiago))	

**APPLICATION OF UNITED AIR LINES, INC.
FOR WAIVER OF DORMANCY CONDITION**

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DATED: May 26, 1999

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United Air Lines, Inc. (“United”) hereby requests an extension of the waiver of the 90-day dormancy condition applicable to United’s Lima-Santiago frequency allocation. Specifically, United requests that the dormancy condition be waived for an additional 90-day period from the present dormancy reversion date of July 2, 1999. In support of this request, United submits the following:

1. United currently holds an allocation of seven weekly frequencies under the U.S.-Peru Air Transport Agreement for Lima-Santiago service. See Notice of Action Taken dated July 9, 1998.¹ United’s frequency allocation is subject to the Department’s standard 90-day dormancy condition.

¹United’s initial allocation of three weekly frequencies was increased to seven based on a May 9, 1998 amendment to the U.S.-Peru Air Transport Agreement. See Order 96-2-15 and Notice of Action Taken dated July 9, 1998. Prior to that time, United had been operating four of its seven frequencies on an extrabilateral basis.

2. United operated Lima-Santiago service from 1996 through 1998.² Due to market conditions, however, United was forced to terminate its Lima-Santiago service on October 5, 1998. As a result, the dormancy condition attached to United's frequency allocation would have required that the frequencies revert to the Department if they were not used before January 3, 1999. The Department subsequently granted United a waiver from the dormancy condition, pursuant to which United's frequencies will revert to the Department if they are not used prior to July 2, 1999. See Notice of Action Taken dated December 17, 1998.

3. United hopes to reinstate its Lima-Santiago service and will do so as soon as market conditions warrant. United has invested substantial time and resources into developing the Lima-Santiago market and consistently used its frequencies until it suspended service last year. Indeed, United even expanded its operations from three to seven weekly frequencies on an extrabilateral basis with the approval of the Governments of Peru and the United States when the market could support the operation. United remains confident that it will maximize the public benefits derived from these frequencies as soon as market conditions improve.

²United's initial frequency allocation included a route integration exemption authorizing United to integrate its Miami-Lima exemption with its Miami-Santiago certificate authority, so that United could provide scheduled air transportation on a Miami-Lima-Santiago routing. United was subsequently granted certificate authority to serve Peru, which includes the Department's standard route integration language authorizing service consistent with applicable international agreements (Route 703, Order 96-7-33).

4. United requests, by waiver, that the dormancy condition be extended for an additional 90 days, i.e., through September 30, 1999. Pursuant to this waiver, the 90-day dormancy condition would begin to run again on that date.

WHEREFORE, United Air Lines, Inc. respectfully requests a waiver of the 90-day dormancy condition applicable to its Lima-Santiago frequency allocation for an additional 90-day period following the allocation's current dormancy reversion date of July 2, 1999, and such other and further relief as the Department deems appropriate.

Respectfully submitted,

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