

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of

CONTINENTAL AIRLINES, INC.

for renewal of an exemption under 49 U.S.C.
§ 40109 (San Antonio-Mexico City)

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Docket OST-97-2845

APPLICATION OF
CONTINENTAL AIRLINES, INC.
FOR RENEWAL OF AN EXEMPTION

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October 6, 1999

NOTICE: Answers supporting or opposing this application are due on or before
October 21, 1999.

BEFORE THE
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APPLICATION OF
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Continental¹ applies to renew its exemption authority to engage in scheduled foreign air transportation of persons, property and mail between San Antonio and Mexico City. Continental asks that its authority be renewed for an indefinite period or until final action on Continental's request to restore its San Antonio-Mexico City certificate authority in Docket OST-99-5868.

Continental states as follows in support of its application:

1. Continental currently operates daily roundtrip San Antonio-Mexico City flights utilizing B-737 aircraft. Continental was awarded San Antonio-Mexico

¹ Common names are used for airlines.

City exemption authority by Order 97-12-10, and that authority will expire December 5, 1999.²

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, Orders 98-3-1 and 97-12-10 and Notice of Action Taken, August 8, 1998 (Docket OST-98-4263)), and Continental is fit, willing and able to provide the service for which it seeks authority.

3. Renewal of Continental's San Antonio-Mexico City exemption authority is fully consistent with the terms of the U.S.-Mexico air transport agreement, as amended, and is clearly in the public interest. Continental operates the only U.S.-flag flights between San Antonio and Mexico City.³ Thus, by renewing Continental's authority, the Department will not only ensure continued effective network competition among U.S. carriers serving Mexico but also advance the public interest by allowing Continental to continue to provide travelers and shippers with a U.S.-flag option for nonstop flights between San Antonio and

² Continental has asked the Department to restore its San Antonio-Mexico City certificate authority, and this renewal application will be mooted if that request is granted. See Continental's June 21, 1999 application in Docket OST-99-5868 at 4, n.4.

³ United offers service between San Antonio and Mexico City by codesharing on flights operated by Mexican carriers.

Mexico City. Renewal of this exemption will also allow Continental to continue competing effectively with U.S.-Mexico services operated by foreign carriers.

4. 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 asks the Department to renew its exemption to provide air transportation of persons, property and mail between San Antonio and Mexico City for an indefinite period of time or until final action on Continental's request to restore its San Antonio-Mexico City certificate authority in Docket OST-99-5868.

Respectfully submitted,

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October 6, 1999
1659304

CERTIFICATE OF SERVICE

I certify that I have this date served a copy of the foregoing document on the following persons in accordance with the Department's Rules of Practice:

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