





Guatemala, Honduras, Nicaragua and Panama on flights serving the U.S. and between any point or points in the U.S. and Belize City, Belize.<sup>2</sup>

Continental states as follows in support of its application:

1. Continental currently offers flights between Houston and Belize City, Guatemala City, Managua, Panama City, San Jose (Costa Rica), San Pedro Sula, and Tegucigalpa as well as between New York/Newark and Guatemala City, Panama City, San Jose and San Salvador pursuant to its U.S.-Central America exemption authority granted by Order 98-6-2.<sup>3</sup> Continental also offers codeshare service on COPA's flights on the following segments: Miami-Panama City, Guatemala City-Managua/San Salvador/San Jose; Lima-Panama City; Managua-Panama City/San Jose; San Salvador-Managua/San Jose; San Pedro Sula-Panama City; Santo Domingo-Panama City and San Jose-Panama City.

2. Approval of Continental's application for U.S.-Central America certificate authority is fully consistent with the bilateral aviation agreements

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<sup>2</sup> If the Department concludes that Continental's blanket integration authority (see Notice of Action Taken, Docket OST-97-2347, May 5, 1999) is insufficient to allow Continental to combine its U.S.-Central America certificate authority with other authority it holds, Continental requests such authority.

<sup>3</sup> Continental is filing simultaneously an application for renewal of its U.S.-Central America exemption authority in Docket OST-98-3317.

between the U.S. and the Central American countries concerned<sup>4</sup> and with the state of aviation relations with Belize.

3. Granting Continental certificate authority encompassing Continental's currently held U.S.-Central America exemption authority is clearly in the public interest because the requested certificate authority will maximize the potential use of U.S. rights under each of the relevant bilateral aviation agreements and allow Continental continuing flexibility to compete with the Central America services offered by American, the Grupo TACA carriers, Delta and other carriers. By allowing Continental to provide service from a variety of gateways as dictated by consumer demand, the Department will not only ensure vigorous competition among airlines serving Central America but also guarantee that U.S. travelers and shippers continue to enjoy numerous service options between the U.S. and Central America into the future. Approval of this application will also reduce the administrative burden on both the Department and Continental by eliminating the need for frequent exemption renewal applications.

4. Continental will utilize state-of-the-art B-737-700 and 800 series aircraft or other suitable aircraft to operate the service for which certificate authority is sought.

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<sup>4</sup> See the bilateral aviation agreements between the U.S. and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama concluded in San Jose, Costa Rica, May 8, 1997.

5. Continental is a Delaware corporation with its principal offices located at 1600 Smith Street, Houston, Texas 77002.

6. Continental is a citizen of the United States within the meaning of 49 U.S.C. § 40102(15)(C). The principal executive officers of Continental and two-thirds or more of its Board of Directors and other managing officers are citizens of the United States. More than seventy-five (75%) of the voting stock of the corporation is owned or controlled by persons who are citizens of the United States.

7. Continental is well-qualified to serve the routes for which it seeks certificate authority. The Department has repeatedly found Continental fit, willing and able to provide scheduled foreign air transportation of persons, property and mail. (See, e.g., Order 98-6-2 (granting Continental the U.S.-Central America exemption authority which this certificate authority will replace), Order 98-10-19 (granting Continental renewed Cleveland-London certificate authority), Order 96-11-15 (granting Continental New York/Newark/Houston-Rome/Milan exemption authority) and Order 92-11-46 (granting Continental New York/Newark-Spain certificate authority))

For the foregoing reasons, the Department should award Continental a certificate of public convenience and necessity of indefinite duration authorizing Continental to provide scheduled foreign air transportation of persons, property and mail between any point or points in the U.S. and any point or points in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama and any point or points beyond those countries as well as between any point or points in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama on flights serving the U.S. and between any point or points in the U.S. and Belize City, Belize and, if the Department concludes that Continental's blanket integration authority is insufficient to allow Continental to combine its U.S.-Central America certificate authority with other authority it holds, Continental requests such authority.

Respectfully submitted,

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January 31, 2000

1689762

CERTIFICATE OF SERVICE

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

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