

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Application of

DELTA AIR LINES, INC.

**for allocation of seven weekly
frequencies (Atlanta-Bogota)**

Docket OST-00-7104

Application of

CONTINENTAL AIRLINES, INC.

**for a U.S. Colombia frequency allocation
(Houston-Cali)**

Docket OST-00-7186

**CONSOLIDATED REPLY OF
THE GEORGIA AND ATLANTA PARTIES**

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April 20, 2000

921339

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The Georgia and Atlanta Parties¹ hereby submit their Consolidated Reply to the Answers of Continental Airlines, Inc. (Continental) and the City of Houston and the Greater Houston Partnership (Houston) in the captioned proceedings, and in strong support of the application by Delta Air Lines, Inc. (Delta) for seven (7) U.S.-Colombia operating frequencies. That allocation will enable Delta to provide highly valuable daily nonstop service between Atlanta and Bogota, Colombia, and

¹ The Georgia and Atlanta Parties include the State of Georgia, the City of Atlanta, Hartsfield Atlanta International Airport, and the Metro Atlanta Chamber of Commerce.

will further strengthen the U.S.-flag competitive structure in the U.S.-Colombia market.² The Georgia and Atlanta Parties also support Delta's position that the issues are ripe for expedited resolution by Show Cause Order, without further evidentiary or argumentative procedures.

The competing applications by Delta and Continental for allocation of seven newly-available U.S.-Colombia combination service operating frequencies do not present a close question for the Department under long-settled international aviation policy objectives and carrier/gateway-selection criteria.

In particular, the grant of Delta's application in preference to that of Continental will clearly maximize the public benefits attainable through implementation of the valuable U.S.-Colombia frequencies at issue, and will provide the greatest improvement of network competition and overall U.S.-Colombia and U.S.-South America competitive market structure enhancement.

Delta's proposed daily nonstop service between Atlanta and Bogota with Boeing 757 aircraft will provide urgently-needed direct service between Colombia and the dynamic and fast-growing Georgia and Atlanta metropolitan area served through Hartsfield Atlanta International Airport – now the largest airport in the United States in terms of aircraft operations and emplaned passengers (Aviation Daily, April 12, 2000, p. 7). Equally significant, Delta's extraordinary scope of

² To the extent necessary, the Georgia and Atlanta Parties hereby move for leave to file this Consolidated Reply to Houston's April 4, 2000 Answer out of time. Grant of this Motion will enable the Department to consider the views of a

operations at its massive Atlanta hub, consisting of over 900 daily flights serving 160 U.S. cities, will provide new network competition and enhanced service between the U.S. and Colombia by virtue of Delta's ability to provide on-line nonstop-to-nonstop connecting service between Bogota and points throughout virtually the entirety of the United States with relatively minimal routing circuitry (see, Docket OST-99-6284; Exhibits ATL-203-205, DL-173).

In addition, Delta's application presents the unmatched attributes of Delta's status as a new-entrant to Colombia, combined with Delta's demonstrated commitment to the expansion and promotion of its South America route network, and Delta's excellent track record in the full utilization and effective promotion of its international route authority. Grant of Delta's U.S.-Colombia certificate and frequency applications will produce and maintain the maximum service benefits to the traveling and shipping public between the United States and Colombia, and will maximize the expansion of tourism, business travel and air cargo trade volumes between the two countries.

By contrast, Continental is already an entrenched incumbent with 14 weekly frequencies in the U.S.-Colombia market. Award of the seven newly-available U.S.-Colombia frequencies would effectively shut out new-entrant competition in at least the near term, and would confer that valuable allocation on

Footnote continued from previous page

directly-interested civic party, and will not delay resolution of the issues in these proceedings.

a carrier which has failed to fully utilize its existing (and prior) frequency allocations in other U.S.-South America markets.³ Finally, while Continental's service proposal would bring new nonstop service to the Houston-Cali market, Continental's Houston gateway provides far more limited, and more circuitous, behind-gateway connecting services to Colombia from U.S. cities and regions served by Continental to and from its Houston hub, in contrast to the vastly superior behind-gateway service offered by Delta through its Atlanta hub (see, Docket OST-99-6284, Exhibits DL-R-219 and DL-R-213).

WHEREFORE, on the basis of the preponderance of public benefits and market structure enhancements favoring grant of Delta's application over that of Continental, the Georgia and Atlanta Parties urge the Department to grant Delta's Application for seven (7) U.S.-Colombia frequencies in this proceeding.

Respectfully submitted,

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SHAW PITTMAN

Attorneys for
**THE GEORGIA AND ATLANTA
PARTIES**

³ As noted in the concurrently-pending 1999 U.S.-Brazil Service Case, Continental has failed to fully utilize its existing Brazil and Chile frequency allocations (Docket OST-99-6284, Exhibits DL-185-187, DL-R-203).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Reply by messenger, telecopier transmission, or United States mail, properly addressed and with postage prepaid, upon all persons listed in the attached Service List.

Doreen S. Hughes

Washington, D.C.
April 20, 2000

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