

Crowell & Moring llp

1001 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20004-2595

(202) 624-2500

facsimile (202) 628-5116

R. Bruce Keiner Jr.
202-624-2615
rbkeiner@crowm.com

February 6, 2001

SUITE 1200
2010 MAIN STREET
IRVINE, CALIFORNIA 92614
(714) 263-8400
FACSIMILE (714) 263-8414
—
180 FLEET STREET
LONDON EC4A 3BD
44-171-413-0011
FACSIMILE 44-171-413-0333

016:jdj
18272.400.21

VIA E-MAIL

Mr. Paul L. Gretch
Director
Office of International Aviation
Department of Transportation
400 Seventh Street, S.W.
Room 6402
Washington, DC 20590

Re: Request of Continental Express, Inc. for Designation
(Houston-Zacatecas)

Dear Mr. Gretch:

Continental Express¹ asks the Department to designate it for Houston-Zacatecas scheduled combination service. Continental Express plans to initiate Houston-Zacatecas flights on May 2, 2001, using Embraer regional jet aircraft.

Continental Express is authorized to operate U.S.-Mexico service pursuant to §206.5 of the Department's regulations, and the proposed service complies fully with the terms of the U.S.-Mexico Air Transport Services Agreement ("U.S.-Mexico Agreement"), as amended. Route 1(a) of the U.S.-Mexico Agreement authorizes carriers designated by the United States to operate from "a point or points in the United States to a point or points in Mexico." (U.S.-Mexico Agreement, Annex I, A(1)(a))

¹ Common names are used for airlines.

Mr. Paul L. Gretch
February 6, 2001
Page 2

Crowell & Moring LLP

The U.S.-Mexico Agreement also provides that “[e]ither of the parties shall be entitled to designate up to two airlines to provide scheduled combination services on any city pair between the two territories that may be served under the agreement.” (U.S.-Mexico Agreement, Annex I, B(4))

No other U.S. carrier is currently providing scheduled combination service between Houston and Zacatecas. Thus, designating Continental Express will not preclude any other carrier from offering Houston-Zacatecas service since another designation will remain available. Continental Express will offer the only nonstop flights between Houston and Zacatecas, and designating Continental Express will provide travelers and shippers with new U.S.-Mexico service options and expand competition among the U.S. and foreign carriers serving Mexico.

Continental Express has served all airlines currently offering U.S.-Mexico combination service with this request.

Sincerely yours,

/s/ R. Bruce Keiner, Jr.

R. Bruce Keiner, Jr.
Counsel for
Continental Express, Inc.

cc: Carolyn Coldren
Parties on the attached Service List

1782989

SERVICE LIST

Letter to Paul L. Gretch
Request of Continental Express for Designation
(Houston-Zacatecas)
February 6, 2001
Page 1

Marshall S. Sinick
Squire, Sanders & Dempsey L.L.P.
1201 Pennsylvania Avenue, N.W.
Suite 500
Washington, DC 20004
(for Alaska)

Joanne W. Young
Baker & Hostetler LLP
1050 Connecticut Avenue, N.W.
Suite 1100
Washington, DC 20036
(for America West)

Carl B. Nelson, Jr.
Associate General Counsel
American Airlines, Inc.
1101 17th St., N.W.
Suite 600
Washington, DC 20036

Brian Hunt
General Counsel
American Trans Air
7337 West Washington Street
Indianapolis, IN 46251

James W. Tello
Roller & Bauer, PLLC
1020 Nineteenth Street, N.W.
Suite 400
Washington, DC 20036
(for ATI)

Robert E. Cohn
Shaw Pittman
2300 N Street, N.W.
Washington, DC 20037
(for Delta)

Jon Waller
Senior Vice President and
General Counsel
Midway Airlines, Corp.
Suite 200
2801 Slater Road
Morrisville, NC 27560-8477

Megan Rae Rosia
Managing Director, Government
Affairs and Associate
General Counsel
Northwest Airlines, Inc.
901 15th Street, N.W.
Suite 310
Washington, DC 20005

Glenn P. Wicks
The Wicks Group PLLC
900 19th Street, N.W.
Suite 350
Washington, DC 20006
(for TWA)

Jeffrey A. Manley
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, DC 20037-1420
(for United)

Donald T. Bliss
O'Melveny & Myers
555 13th Street, N.W.
Suite 500 West
Washington, DC 20004
(for US Airways)