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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION

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1999 U.S.-ARGENTINA COMBINATION SERVICE )  
CASE ) Docket OST-99-6210- 335

ANSWER OF  
LOS ANGELES WORLD AIRPORTS AND  
THE LOS ANGELES CONVENTION AND VISITORS BUREAU  
IN SUPPORT OF OBJECTIONS OF UNITED AIR LINES, INC.  
IN RESPONSE TO SHOW CAUSE ORDER

Communications with respect to this document should be sent to:

PATTI MACJENNET  
SENIOR VICE PRESIDENT  
LOS ANGELES CONVENTION  
AND VISITORS BUREAU  
633 West Fifth Street, Suite 6000  
Los Angeles, CA 90071

LYDIA KENNARD  
EXECUTIVE DIRECTOR  
LOS ANGELES WORLD AIRPORTS  
One World Way  
P.O. Box 92216  
Los Angeles, CA 90009-2216  
(310) 646-5252 (Phone)  
(310) 646-0523 (Fax)

RAYMOND ILGUNAS  
ASSISTANT CITY ATTORNEY  
LOS ANGELES WORLD AIRPORTS  
One World Way  
P.O. Box 92216  
Los Angeles, CA 90009-2216  
(310) 646-3260 (Phone)  
(310) 646-9617 (Fax)

DATED: December 29, 2000

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IN SUPPORT OF OBJECTIONS OF UNITED AIR LINES, INC.  
IN RESPONSE TO SHOW CAUSE ORDER**

Los Angeles World Airports and the Los Angeles Convention and Visitors Bureau ("the Los Angeles Parties") hereby answer in support of the objections of United Air Lines, Inc. ("United") in connection with the Department of Transportation's ("Department") recent Order to Show Cause (Order 2000-12-13), dated December 19, 2000, in the above-captioned proceeding. On December 26, 2000, United filed objections to the Department's tentative award of seven frequencies to Continental Airlines, Inc. ("Continental") for services between New York/Newark and Buenos Aires effective December 1, 2001.

The Los Angeles Parties join with United in urging the Department to reconsider its tentative award to Continental, and instead to award to United the seven frequencies it needs to serve the Los Angeles/Buenos Aires market. In support of their position, the Los Angeles Parties offer the following:

First, in its tentative order the Department focuses almost entirely on benefits to carriers that it considers to be "new entrants" and does not appear to consider its statutory responsibility to communities to increase the number of nonstop gateway cities, 49 U.S.C. § 40101 (e) (7). The community of Los Angeles has invested heavily in its airports in an effort to become a global hub not only for transportation but for globalized business as well. Yet, whenever United, the only carrier with a hub in Los Angeles, has applied recently to provide new service and bolster the status of LAX as a global hub, the Department has denied the request. Aerolineas Argentinas has recently decided to begin service three times a week in the Los Angeles/Buenos Aires market, and the Los Angeles Parties appreciate that service. But Los Angeles also needs the daily nonstop service proposed by United which would make an important addition to LAX's effort to become a global hub.

Second, in its tentative order, the Department did not appear to consider the need for new service from the West. In its order, the Department stated that "the combined services of the four carriers offering service through major hubs -- at New York/Newark and Atlanta by the new entrants and Miami and Chicago from the incumbents -- would offer the public the broadest range of competitive services in the portion of the country that generates 70 percent of the U.S. - Argentina traffic." Show Cause Order at 9. The Los Angeles Parties respectively suggest that the Department also has an obligation to consider the other 30 percent of the traffic that comes from the West. It is that traffic that is better

served over LAX than over the existing gateways in the East, and the Department in its tentative decision has failed to consider the needs of this traffic.

Third, the Department should also consider how United's proposal would serve the important and growing business community in Los Angeles, especially the high-technology and entertainment industries, which are heavily concentrated in California and are, by definition, global. The people employed in these industry need regular and reliable service to international business centers such as Buenos Aires. United would provide the only daily nonstop service to Buenos Aires, and the only direct service by a U.S. carrier to the important international business center of Buenos Aires.

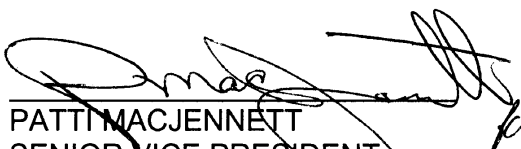
For the forgoing reason, the Los Angeles Parties urge the Department to reconsider its tentative decision to award seven frequencies to Continental, and instead award seven frequencies to United to provide daily nonstop service in the Los Angeles/Buenos Aires market.

JAMES K. HAHN  
CITY ATTORNEY

DEC 27 2000



Respectfully submitted,



PATTI MACJENNETT  
SENIOR VICE PRESIDENT  
LOS ANGELES CONVENTION  
AND VISITORS BUREAU  
633 West Fifth Street  
Suite 6000



LYDIA H. KENNARD  
EXECUTIVE DIRECTOR  
LOS ANGELES WORLD AIRPORTS  
One World Way  
P.O. Box 92216  
Los Angeles, CA 90009-2216

Answer of Los Angeles Parties  
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Los Angeles, CA 90071

(310) 646-5252 (Phone)  
(310) 646-0523 (Fax)

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