

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

New U.S.-Hong Kong Combination)
Air Service Opportunities)

) Docket OST-95-765
)

APPLICATION OF UNITED AIR LINES, INC.
FOR RENEWAL OF FREQUENCY ALLOCATION

Communications with respect to this document should be sent
to:

STUART I. ORAN
Executive Vice President -
Corporate Affairs

JOEL STEPHEN BURTON
GINSBURG, FELDMAN and BRESS
CHARTERED
1250 Connecticut Avenue, N.W.
Suite 800
Washington, C.C. 20036
(202) 637-9130

CYRIL D. MURPHY
Vice President-International
and Regulatory Affairs

MICHAEL G. WHITAKER
Director - International and
Regulatory Affairs

Counsel for
UNITED AIR LINES, INC.

UNITED AIR LINES, INC.
P.O.Box 66100
Chicago, Illinois 60666

SHELLEY A. LONGMUIR
Vice President - Governmental
Affairs

UNITED AIR LINES, INC.
1025 Connecticut Avenue, N.W.
Suite 1210
Washington, D.C. 20036

DATED: December 8, 1997

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APPLICATION OF UNITED AIR LINES, INC.
FOR RENEWAL OF FREQUENCY ALLOCATION

United Air Lines, Inc. ("United") hereby requests the renewal of its allocation of seven weekly U.S.-Hong Kong frequencies granted by Notice of Action Taken, dated February 23, 1996; and confirmed by Order 96-3-64, dated March 29, 1996 in the above-captioned proceeding. The renewal should extend for a period of two years from its current expiration date of February 14, 1998, or until January 1, 2000, when the bilaterally-agreed limit on Chicago-Hong Kong frequencies expires.

United invokes the automatic extension provisions of 5 U.S.C. 558(c) as implemented by Part 377 of the Department's Special Regulations. The authority would expire on February 14, 1998 absent renewal pursuant to this application, which is timely under '14 C.F.R. 377.10(c) since it is filed more than 60 days in advance of the expiration date.

Renewal of United's allocation of seven U.S.-Hong Kong frequencies is consistent with the U.S.-Hong Kong Memorandum of Understanding, signed September 29, 1995, which made possible expanded opportunities for U.S. carriers at new gateways. United commenced service using this allocation on July 16, 1996 and

served the Chicago-Hong Kong market on a nonstop basis three times a week through October 1996.¹ Service was resumed on June 12, 1997 with three flights a week and service continued until October 25, 1997. United has plans to use the frequency allocation again in 1998 for the summer period from June through October.²

United has created valuable public benefits through the use of these frequencies for nonstop Chicago-Hong Kong service. United operates its major worldwide system hub at Chicago with over 400 daily departures, serving 94 points (including nine foreign destinations). United Express operates 114 flights, serving 30 points from Chicago. Having Hong Kong as a nonstop destination has improved service to the local passenger by reducing his flying time by at least three hours and by eliminating a stop at another U.S. or overseas point. These nonstop flights have also improved service to Hong Kong for passengers from those cities on United's system who now have nonstop to nonstop connections for the first time.

¹ See letter to Paul L. Gretch dated October 24, 1996, notifying the Department of United's seasonal utilization of these frequencies. United there set forth its understanding that it did not require a waiver of the 90-day dormancy condition with respect to its seasonal utilization of these frequencies. United contingently requested such a waiver should the Department deem it necessary. No further action was taken.

² United's current plans contemplate the operation of three flights per week in the 1998 summer season.

WHEREFORE, for the foregoing reasons, United Air Lines, Inc. respectfully requests renewal of its allocation of seven U.S.-Hong Kong weekly frequencies for at least two years or until January 1, 2000, when Chicago-Hong Kong frequency limits under the U.S./Hong Kong bilateral agreement expire.

Respectfully submitted,

/s/ Joel Stephen Burton
JOEL STEPHEN BURTON
GINSBURG, FELDMAN and BRESS
CHARTERED
1250 Connecticut Avenue, N.W.
Suite 800
Washington, D.C. 20036
(202) 637-9130

Counsel for
UNITED AIR LINES, INC.

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