

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of :
 :
 DELTA AIR LINES, INC. : Docket OST-97-3151
 :
 for a certificate of public convenience and necessity pursuant to :
 49 U.S.C. § 41102 and for allocation of U.S.-Brazil frequencies :

Application of :
 :
 AMERICAN AIRLINES, INC. : Docket OST-97-3269
 :
 for allocation of seven weekly U.S.-Brazil combination frequencies :
 (Miami-Manaus) :

Application of :
 :
 UNITED AIR LINES, INC. : Docket OST-97-3271
 :
 for a combination frequency allocation under the U.S./Brazil :
 bilateral air services agreement of 1989, as amended :

Application of :
 :
 CONTINENTAL AIRLINES, INC. : Docket OST-97-3273
 :
 under 49 U.S.C. §§ 41108 and 41102 for a certificate of public :
 convenience and necessity (Houston-Brazil) and U.S.-Brazil :
 frequency allocation :

ANSWER OF
CONTINENTAL AIRLINES, INC.
TO MOTION TO CONSOLIDATE

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January 2, 1998

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American,¹ Delta and United have sought seven weekly Brazil frequencies each to duplicate service offered by other carriers. Continental has sought seven

¹ Common names of carriers are used.

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weekly frequencies to open a new Brazil gateway at its Houston hub, which today receives no single-plane U.S.-Brazil service whatever. Although the four applicants have sought a total of 28 U.S.-Brazil combination frequencies, only seven frequencies become available October 1, 1998.

American and Continental have asked the Department to consolidate their applications with Delta's for comparative consideration, and the Department should grant those motions and institute an appropriate proceeding to select the carrier to utilize the seven U.S.-Brazil frequencies which will become available this year. Continental states as follows in support of its position:

1. American has applied again for U.S.-Brazil frequencies to operate the Miami-Manaus service only recently rejected by the Department, Delta has applied again to duplicate JFK-Sao Paulo/Rio de Janeiro service offered by other carriers and United has applied to duplicate Los Angeles-Sao Paulo service already offered by United and its code-share partner (VARIG) as well as three other carriers. Although each of these carriers would duplicate existing service, Continental has applied to open a new gateway for Brazil at Houston, the largest U.S. city without nonstop Brazil service and Continental's largest hub.

2. Continental believes the merits of its proposal to serve Houston so far outweigh any merits of the other proposals that its application should be granted immediately, but the Department is constrained by the Ashbacker doctrine and its own policies to institute a proceeding to consider the competing applications. American and Continental have sought consolidation of their applications with

