

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

|                            |   |                     |
|----------------------------|---|---------------------|
| Applications of:           | ) |                     |
|                            | ) |                     |
| CONTINENTAL AIRLINES, INC. | ) | Dockets OST-97-3273 |
| UNITED AIR LINES, INC.     | ) | OST-97-3271         |
| AMERICAN AIRLINES, INC.    | ) | OST-97-3269         |
|                            | ) |                     |
|                            | ) |                     |

**CONSOLIDATED ANSWER OF DELTA AIR LINES, INC.**

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**January 2, 1998**

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**CONSOLIDATED ANSWER OF DELTA AIR LINES, INC.**

Delta Air Lines, Inc. ("Delta") hereby files this Answer in opposition to the applications filed by Continental Airlines, Inc. ("Continental"), United Air Lines, Inc. ("United") and American Airlines, Inc. ("American") for U.S.-Brazil authority.

1. This matter was initiated by Delta's application for New York-Brazil authority filed on November 21, 1997 as a result of the November 18, 1997 Memorandum of Consultations ("November MOC") providing for an additional seven U.S.-Brazil frequencies for combination services between the United States and Brazil. The grant of Delta's certificate application would enable Delta to implement the back-up certificate authority it was awarded in the 1997 Brazil case.

## **Consolidated Answer of Delta Air Lines**

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2. The three entrenched U.S.-flag incumbents in the U.S.-Brazil market (American, United and Continental) have each filed applications for additional U.S.-Brazil authority seeking to expand their already large frequency holdings.

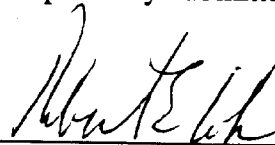
3. The applications for U.S.-Brazil authority exceed the number of frequencies available under the bilateral agreement. Under these circumstances, it has been the Department's well-settled policy to consolidate such applications into a carrier-selection proceeding.

4. Delta will reserve further comments on the relative merits of the other carrier's applications until the carrier-selection proceeding, at which time Delta will demonstrate that the grant of Delta's application will offer superior public service and competitive benefits.

5. Delta urges the Department promptly to institute a case to consider the allocation of the seven additional weekly frequencies available under the U.S.-Brazil bilateral agreement. Delta wants to be in a position to obtain authority well in advance of the October 1998 start-up date under the MOC to permit it adequately to promote and market the proposed new services.

WHEREFORE, Delta opposes the applications filed by Continental, American, and United and urges the Department to grant its application for U.S.-Brazil authority and frequencies.

Respectfully submitted,



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