

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

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)
)

CONSOLIDATED REPLY OF UNITED AIR LINES, INC.
AND MOTION FOR LEAVE TO FILE

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DATED: January 14, 1998

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DEPARTMENT OF TRANSPORTATION
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United Air Lines, Inc. ("United") submits the following consolidated reply to the answers and other responsive pleadings of Continental Airlines, Inc. ("Continental"), Delta Air Lines, Inc. ("Delta"), and American Airlines, Inc. ("American") to United's application for seven (7) U.S.-Brazil frequencies:¹

1. The other three carriers that have requested U.S.-Brazil frequencies urge consolidation of their applications with that of United in this proceeding. United concurs for reasons stated in its motion to consolidate dated January 2, 1998.

2. Notwithstanding the recognized need to consolidate the pending frequency allocation applications, the other applicants have offered anticipatory arguments in support of their various

¹ The Department normally treats applications for frequency allocations the same as applications for exemption for procedural purposes. The Department's rules permit replies as a matter of right in exemption proceedings. United requests leave to reply in this proceeding for the same reason replies are allowed in the case of exemption proceedings -- to give the

Consolidated Reply of United
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proposals. United is seeking authority to offer daily nonstop service between Los Angeles and Sao Paulo, which is the largest U.S.-Brazil market without nonstop U.S. carrier services. As illustrated in Exhibit UA-100, this city pair receives nonstop services from a number of foreign carriers. The only U.S. carrier services are limited to connections over other gateways or code shares on foreign carriers. The large Los Angeles-Sao Paulo market clearly warrants full U.S. flag carrier competition ahead of the smaller markets in which the other applicants have proposed services.

Respectfully submitted,

/s/ Joel Stephen Burton
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jb010\407\cons reply and mot for leave #185551

(..continued)
Department a more complete record upon which to reach a decision.