

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

LOS ANGELES-SAN JOSE DEL CABO
COMBINATION SERVICE PROCEEDING

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Docket OST-2005-23498

REPLY OF
EXPRESSJET AIRLINES, INC.

Communications with respect to this document should be sent to:

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The answers submitted in this proceeding demonstrate why ExpressJet Airlines, Inc. d/b/a Continental Express (“Continental Express” hereafter)¹ should be selected over Delta, Frontier and United for the Los Angeles-San Jose del Cabo route. Although each of the other applicants has belatedly recognized the importance of daily year-round service, not one of the other applicants can be relied on to maintain such service because each of their proposed operations would be uneconomic with five or six competitors serving the Los Angeles-San Jose del Cabo route.

¹ Common names are used for airlines.

Continental Express replies as follows to the answers of Delta, Frontier and United and urges the Department to award Continental Express authority to serve the Los Angeles-San Jose del Cabo route promptly.

1. Clearly, Delta's Mexico priorities are elsewhere. In the New York (JFK)-Cancun market Delta has proposed far larger aircraft (B-767-300 peak and B-757-200 off-peak) and submitted a far more extensive answer, complete with exhibits, rather than the one short, pro forma answer it submitted covering both the Los Angeles-San Jose del Cabo and the Los Angeles-Puerto Vallarta routes. Delta claims it "will compete head-to-head basis with American . . . on a host of other JFK-Mexico/Latin America/Caribbean routes,"² while in Los Angeles Delta has abandoned the primary Los Angeles-Mexico City route, deferred starting some routes and dropped plans to start others all together.³ As Delta itself notes, the large aircraft Delta proposes to operate between Los Angeles and San Jose del Cabo daily – up from once weekly in its initial proposal – would "provide Delta with more

² Delta's January 23, 2006, New York (JFK)-Cancun answer in Docket OST-2005-23494 at 3.

³ Despite Delta's claim in its New York (JFK)-Cancun answer that "the recovery in Cancun is progressing rapidly, and other carriers are building service" (p. 7), Delta itself has deferred start-up dates for Los Angeles, New York, Boston, Washington and Cincinnati-Cancun service and dropped all plans to serve the Orlando-Cancun and Los Angeles and Salt Lake City-Cozumel routes. (See Delta's November 22, 2005 letters to Paul L. Gretch referencing Docket OST-2005-22104 and Dockets 2005-21284, 22415, 22620, and 22737, respectively) Delta has also sought dormancy waivers for its Cincinnati and Salt Lake City-Cancun service as well as its New York (JFK)-Cozumel service. (See Delta's November 22, 2005, motion in Dockets OST-2001-10457, 2004-18184 and 2005-22243)

