

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of :
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 :
 CONTINENTAL AIRLINES, INC. : Docket OST-04-19375
 :
 :
 for an exemption and a frequency allocation :
 pursuant to 49 U.S.C. § 40109 (U.S.-Russia) :
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APPLICATION OF
CONTINENTAL AIRLINES, INC.
FOR RENEWAL OF AN EXEMPTION

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BEFORE THE
DEPARTMENT OF TRANSPORTATION
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Application of :
CONTINENTAL AIRLINES, INC. : Docket OST-04-19375
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APPLICATION OF
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FOR RENEWAL OF AN EXEMPTION

Continental¹ applies pursuant to 49 U.S.C. § 40109 and Subpart C of the Department's Rules of Practice for renewal of its exemption from 49 U.S.C. § 41101 authorizing Continental to provide scheduled foreign air transportation of persons, property and mail between New York/Newark and Moscow, Russia.² Continental does not currently offer U.S.-Russia service, and it is now evaluating its options for providing service between the U.S. and Moscow. Continental is considering both codeshare service and operation of its own flights, and Continental plans to request the U.S.-Russia frequencies required to enable Continental to offer the service it

¹ Common names are used for airlines.

² Since Continental has been awarded a blanket route integration certificate by Order 2006-1-1, it does not require renewal of the route integration authority in this exemption.

proposes shortly. Continental asks the Department to renew its New York/Newark-Moscow exemption authority, effective for a minimum of two years.

Continental states as follows in support of its application:

1. Continental seeks renewal of its exemption authority to offer New York/Newark- Moscow service by operating its own flights or by engaging in codeshare service directly between the U.S. and Russia or through intermediate points in Europe pursuant to its route integration authority. Continental invokes the automatic extension provisions of 5 U.S.C. § 558(c), as implemented by Part 377 of the Department's Special Regulations, to continue this authority in effect pending action on this renewal application.

2. Continental's potential service would provide substantial benefits to passengers and shippers and serve the public interest. Continental would compete with other carriers offering U.S.-Moscow service between points throughout Continental's New York/Newark Liberty International hub network and Moscow and provide consumers with additional service options.

3. The proposed service is consistent with the U.S.-Russia bilateral aviation relationship and agreement, including Annex I, Scheduled Air Services, and Annex V, Cooperative Marketing Agreements, which continue to be applied on the basis of comity and reciprocity. The U.S. is authorized to designate up to six U.S. combination airlines to operate U.S.-Russia flights (Annex I, Section 1), and a designation is available for Continental to offer this service. Designated U.S.

