

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

2007/2008/2009 U.S.-CHINA AIR	:	
SERVICES AND COMBINATION FRE-	:	OST-2007-28567
QUENCY ALLOCATION PROCEEDING	:	

ANSWER OF AMERICAN AIRLINES, INC.

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July 26, 2007

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DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

2007/2008/2009 U.S.-CHINA AIR	:	
SERVICES AND COMBINATION FRE-	:	OST-2007-28567
QUENCY ALLOCATION PROCEEDING	:	

ANSWER OF AMERICAN AIRLINES, INC.

American Airlines, Inc. hereby answers the U.S.-China applications submitted in this proceeding on July 16, 2007. American has applied for Chicago-Beijing authority effective March 25, 2009. American proposes to operate between Chicago and Beijing using B777 aircraft, and to provide single flight number change-of-gauge service behind Chicago to Dallas/Ft. Worth using MD80 aircraft.

As we show below, American should receive one of the four awards of additional frequencies for 2009. As detailed in our application and direct exhibits, American's Chicago-Beijing service:

- Will offer an important new travel option in the large local Chicago-Beijing market, countering the entrenched and dominant position of United while at the same time enhancing Chicago's status as the only two network carrier hub in the United States

- Is the only proposal offering intra-gateway competition to China at the same U.S. gateway hub
- Will utilize the strength of its Chicago hub - with nonstop-to-nonstop connections to Beijing for 72 cities in 29 states and the District of Columbia (Exhibits AA-107 and AA-108) - to provide vigorous inter-gateway competition against competing hub services to China operated by United at San Francisco and Washington, by Northwest at its U.S. gateways to Tokyo (Northwest provides all of its U.S.-China service via Tokyo), by Continental via Newark, and presumptively to be operated by Delta via Atlanta (2007) and by US Airways via Philadelphia or MaxJet via Seattle (2009)
- Will benefit the public by adding Beijing to American's network and thus complement American's existing service between Chicago and Shanghai, which is now our only route to China (Exhibit AA-111)
- Will benefit the public by offering an on-line bridge (AA* on flights operated by codeshare partner China Eastern) between Beijing and Shanghai, conveniencing the many passengers who desire to visit both Chinese cities on their trip (Exhibit AA-114)

- Will enhance inter-alliance competition by increasing access to China for the oneworld alliance (American v. Star (United and US Airways) and SkyTeam (Northwest, Continental, and Delta) (Exhibit AA-112)

- Fully meets the public interest selection criteria cited by the Department in awarding Chicago-Shanghai authority to American in the 2005/2006 China case, OST-2004-19077, Order 2005-2-14, February 22, 2005 (show-cause) and Order 2005-3-40, March 29, 2005 (final) (quoted in American's application, pp. 2-4) and reiterated in the 2007 China case, OST-2005-25275, Order 2007-2-10, February 8, 2007, p. 5 (final) ("In 2006, we selected American's proposal for Chicago-Shanghai service, which addressed a competitive deficit in the U.S.-China market by enhancing both inter-gateway competition and intra-gateway competition with United's Chicago-Shanghai service").

- Has strong public support from 17 Senators, 70 Representatives, 10 Governors, 22 Mayors, 52 airports, 45 economic development organizations, and hundreds of businesses throughout American's vast Chicago service area, as summarized in Exhibit AA-117 (First Revised) (attached). In addition, approximately 100,000 individuals have (as of this date) signed on-line petitions supporting American's Chicago-Beijing bid on www.flytochinaonaa.com (Exhibit AA-118).

As urged by the Illinois Congressional delegation led by Senator Dick Durbin and Senator Barack Obama, "[i]n order to ensure a competitive regional balance, we strongly believe Chicago should receive one of the 2009 awards given its unique position to connect over 70 communities across the country to China. [American's] O'Hare route to Beijing presents an important opportunity to bolster the economics of Illinois, the region, and the United States, and we encourage you to give every possible consideration to their application."

Illinois Governor Rod Blagojevich has stated that "[b]y adding Beijing to American's network the Department...will provide passengers and shippers more choices and competitive options."

Chicago Mayor Richard M. Daley has stated that "[American's] service will provide economic and cultural benefits to the Chicago region and will be an asset to our city's pending application to host the International Olympic games in 2016."

Members of the Texas Congressional delegation led by Senator Kay Bailey Hutchison and Senator John Cornyn have stated that "[g]ranted American's application for a second route is a critical start to correcting the massive competitive imbalance and we believe is the essential next step on the road to Dallas/Fort Worth eventually getting its own nonstop route."

1. **Focus Is On 2009**

In light of the applications submitted last week, the Department's selection decision is now clearly focused on the four opportunities available in 2009.

- Delta (Atlanta-Shanghai) is the only new entrant applicant for the single opportunity available September 1, 2007, and therefore Delta will receive the one 2007 award.¹

- United is the only applicant for the U.S.-Guangzhou opportunity available March 25, 2008, and therefore United will receive the one 2008 award.

- American (Chicago-Beijing), Continental (Newark-Shanghai), Delta (Atlanta-Beijing), US Airways (Philadelphia-Beijing and new designation), MaxJet (Seattle-Shanghai and new designation), United (Los Angeles-Shanghai), and Northwest (Detroit-Shanghai and Detroit-Beijing) are applicants for the four opportunities available March 25, 2009.

¹In instituting Order 2007-6-15, June 21, 2007, the Department "presume[d] that we would take advantage of the opportunities to introduce new entrant combination carriers in 2007 and 2009, rather than forgo either or both opportunities and instead simply award available combination service frequencies to an incumbent" (p. 3). The 2007 application by incumbent Northwest - which failed to challenge the Department's presumption by petitioning for reconsideration - is too far-fetched to warrant further comment.

For 2009, either US Airways or MaxJet will be selected for the new designation based on the presumption favoring new entrants established by the Department in the instituting order. That leaves three opportunities to be allocated among five applicants - American, Continental, Delta, United, and Northwest.

In making its 2009 decision, the Department should without question rank United and Northwest last. It is difficult to imagine two applicants that are less deserving of 2009 awards than the two entrenched U.S.-China duopolists, as we show below.

2. United

United stands to receive 2008 authority (seven weekly frequencies) as the only applicant seeking to serve the San Francisco-Guangzhou route. Earlier this year, United was awarded 2007 authority (seven frequencies) to serve the Washington-Beijing route (Order 2007-2-10) to the exclusion of limited frequency applicants. By Order 2004-7-23, July 23, 2004, United was awarded authority (seven frequencies) to serve the Chicago-Shanghai route, effective September 1, 2004, to the exclusion of new entrants. United also holds 21 U.S.-China grandfather frequencies that it uses to serve the Chicago-Beijing, San Francisco-Shanghai, and San Francisco-Beijing routes.

At the conclusion of this proceeding, an overall total of 70 weekly combination carrier frequencies will have been awarded since China began liberalizing access to its markets at the beginning of the decade - 14 for 2004, seven for 2005, seven for 2006, seven for 2007, seven for 2008, and 28 for 2009.

This means that United, by having the audacity to apply for 2009, believes that it should get **40%** of all the newly available combination frequencies through 2009 (28 divided by 70) - on top of the 21 grandfather frequencies it has long commanded.

American has only seven U.S.-China frequencies. If United receives one of the 2009 awards, it would then hold 49 frequencies, outpacing American by a factor of seven-to-one (Exhibit AA-R-1).

In the 2005/2006 China case, the Department correctly characterized United as "the dominant incumbent carrier in the China market," and said that United and Northwest enjoy "very strong market positions" (Order 2005-2-14, pp. 17, 23). The Department's well-established policy of competitive balance plainly precludes any further increments to United's (or Northwest's) China dominance. See U.S.-Argentina Combination Frequencies, Order 94-9-36, September 26, 1994 (show-cause), p.

5 (citing the "benefits of ensuring parity in the competitive opportunities of the carriers" in order to "achieve competitive balance" and thereby "promote the best service to the public").

In any event, United would provide no competitive network benefits behind Los Angeles. United would offer roundtrip nonstop-to-nonstop connections for just 36 cities via Los Angeles compared to American's roundtrip nonstop-to-nonstop connections for 72 cities via Chicago. Two of the cities behind Los Angeles that United claims - Chicago and San Francisco - already have nonstop service to Shanghai operated by United itself. And 31 of United's 36 behind Los Angeles cities already have equivalent or better connections to Shanghai on United itself via San Francisco or Chicago. The five non-overlap connecting cities are all very small points that generate almost no passengers to China (47 annual passenger bookings in total). See Exhibit AA-R-2.

3. Northwest

Northwest has no legitimate claim to an award of any additional U.S.-China frequencies. Northwest is misusing the 21 U.S.-China combination frequencies it already holds by failing to operate any nonstop flights between the U.S. and China. Every one of Northwest's frequencies to China requires a connecting stop and change of planes in Tokyo (Exhibit AA-111).

All of Northwest's behind-gateway passengers require at least two connections - once at the U.S. gateway to Tokyo, and again at Tokyo to China.

In addition, Northwest's 21 weekly flights between Tokyo and China carry large numbers of local Fifth Freedom passengers originating or terminating in Tokyo. As shown in the 2007 China proceeding, Docket 2005-25275, Exhibits AA-R-202, 203, and 204, October 16, 2006, 48% of the traffic on Northwest's Tokyo-Shanghai flights are local Fifth Freedom passengers; 38% on its Tokyo-Beijing flights; and 26% on its Tokyo-Guangzhou flights.

Northwest is not only inconveniencing its U.S.-China passengers by requiring a stop and connection in Tokyo, but is devoting a large share of its China capacity to local Tokyo-China market rather than to the U.S.-China market. That constitutes a wasteful use of scarce frequencies which are intended for serving U.S.-China, not Tokyo-China, passengers.

Last year, Northwest applied for frequencies to operate nonstop service between Detroit and China in the 2007 case, OST-2006-25275, despite already having ample authority that it could reassign at any time to nonstop operations. In the final order selecting United, the Department all but said that Northwest cannot prevail against a nonstop applicant:

"In striking that decisional balance, we recognized that because Northwest operates all of its China services via Tokyo, the U.S. public receives fewer nonstop choices to China that might otherwise be provided. Therefore, we tentatively found that an award of additional frequencies to Northwest would not be the most efficient use of these valuable and limited frequencies when compared to United's proposal and in light of the constraints on capacity that limit travel options for U.S. passengers to China, and Northwest has not introduced any new argument to convince us otherwise. We find no merit to Northwest's assertion that we are asking it to alter services at Detroit whereas United could similarly alter its China services and thereby begin nonstop Washington service without the award of additional frequencies. The situations are not analogous. Northwest has, and has had, the authority to provide nonstop service from the United States to China and has chosen not to do so. United, on the other hand, has used all of its nonstop U.S.-China authority to provide U.S.-China nonstop service. Passengers are benefiting from that service and we would not see it as advancing the public interest for United to deprive them of those benefits when we have an alternative available that would address a critical additional service need in the U.S.-China market" (Order 2007-2-10, p. 8).

In any event, Northwest has already attempted to sustain nonstop service between Detroit and China and proved unable to do so. Northwest operated nonstop service in the Detroit-Shanghai market for less than 18 months before suspending those flights in September 2001. Northwest also operated nonstop service in the Detroit-Beijing market but withdrew in April 2002. Northwest's two attempts to nonstop Detroit-China

service failed at a time when United was its only U.S.-flag competitor to China, and before the entry of Continental in 2005, American in 2006, and presumptively Delta in 2007.

Finally, Northwest (and United) received additional China rights at the outset under the 2004 U.S.-China Protocol when the Department awarded them the first 14 (seven each) of the then newly available frequency allotment. See Order 2004-7-23, July 23, 2007. Northwest failed to use that award for nonstop U.S.-China service, but instead initiated connecting flights to Guangzhou via Tokyo using 182-seat B757 aircraft on the beyond segment.

Just as the Department barred new entrants from applying for the 2004 frequencies, so should Northwest (and United) be barred from an award of 2009 frequencies, which are intended for a new entrant and for carriers with limited China authority such as American.

If Northwest wishes to engage in nonstop service between Detroit and China, which it claims it wants to operate "right away" (Exhibit NW-T-1, p. 1), Northwest could (and plainly should) be doing so today, as the Department concluded in Order 2007-2-10 quoted above. Indeed, Northwest could launch three daily U.S.-China nonstop flights with the allocation it already holds.

4. Other Applicants

With United and Northwest ranked last, there are sufficient 2009 opportunities to award authority to American (Chicago-Beijing), Continental (Newark-Shanghai), Delta (Atlanta-Beijing), and US Airways (new designation for Philadelphia-Beijing) or MaxJet (new designation for Seattle-Shanghai). However, if the Department were to grant additional frequencies to United or Northwest for 2009 - despite all of the reasons why neither of these entrenched incumbents merits serious consideration - American should be ranked ahead of Delta and Continental (we accept the Department's presumption that a new designation and seven frequencies will be awarded to a new entrant for 2009).

- Atlanta should be considered a high-risk experimental gateway to China, and should not receive a second China route to the exclusion of American until the feasibility of Atlanta's first route has been established. In contrast to Delta's speculative proposal for Atlanta, American is already a proven winner going head-to-head against United at Chicago.

- As the Department stated in selecting Chicago over Atlanta as a new China gateway for 2006, "the Atlanta-China O&D market is very small.... By contrast, Chicago is a major source of local traffic to China; the Chicago-Shanghai market alone was four times the size of the entire Atlanta-China market...."

[This] is a relevant public interest consideration...because it indicates that American could provide more passengers with nonstop service than Delta in the forecast year" (show-cause Order 2005-2-14, pp. 24-25).

- Chicago provides non-circuitous connecting service to China for major population centers in a broad area of the United States (Exhibit AA-110). While Delta may claim more connecting cities via Atlanta, many of those cities generate very little traffic to China, as the Department found in choosing Chicago over Atlanta for the 2006 award. See show-cause Order 2005-2-14, p. 26. Moreover, as in the prior case, Delta continues to claim connections to China via Atlanta from outlandishly circuitous points including San Diego, Los Angeles, Sacramento, San Francisco, Oakland, San Jose, Portland, and Seattle (Exhibit DL-203). As the Department has already found, "Delta would not offer these cities a credible service option because travel between the cities and China via Delta's Atlanta hub would involve a 2000-3000 mile backhaul and because there are now far more convenient U.S.-China service options available to those cities via Los Angeles and San Francisco" (show-cause Order 2005-2-14, p. 26).

- Delta's Atlanta-Beijing proposal appears to be a last-minute addition to its application. For many weeks prior to the application date of July 16, Delta had hosted a web site, www.nextgatewaytochina.com, soliciting public support for its 2007 route choice, Atlanta-Shanghai. Most of Delta's civic support makes no reference at all to Atlanta-Beijing for 2009. The Department should not risk the public interest by favoring what is obviously a hasty proposal for a second Atlanta route to the exclusion of American and Chicago.

- A 2009 award to either Delta or Continental at the expense of American would damage inter-alliance competition. Delta and Continental - along with Northwest - are members of the SkyTeam alliance, which already has 28 U.S.-China frequencies (21 held by Northwest and seven by Continental). The oneworld alliance has only seven (held by American). SkyTeam should not receive additional U.S.-China frequencies ahead of oneworld, which is already at a substantial disadvantage. See show-cause Order 2005-2-14, p. 24 ("[a]n award to American will allow oneworld to better compete with SkyTeam and Star and extend the benefits of enhanced inter-alliance competition to the traveling public").

- Delta is not a vigorous competitor between the United States and Asia. Delta's Asia service has retrenched to the point that Delta operates just one route to the Far East, Atlanta-Tokyo, on a daily basis (Delta operates Atlanta-Seoul service four days a week). As the Department commented in show-cause Order 2005-2-14, p. 24, "American has demonstrated a commitment to compete with Northwest and United in U.S.-Asia/Pacific markets, as illustrated by the fact American has recently expanded its service in Asia/Pacific markets dominated by Northwest and United while Delta has not."

- Compared to American at Chicago, Continental would offer limited network benefits via Newark, with viable nonstop-to-nonstop roundtrip connections to 40 U.S. cities (Exhibit AA-R-3). American, by contrast, will provide such service via Chicago to 72 cities. In addition, American's Chicago-Beijing flights will provide both inter-gateway and intra-gateway competition. See show-cause Order 2005-2-14, p. 23 ("American would provide markedly superior intra-gateway competitive benefits because it will compete directly with United at Chicago... [and provide] head-to-head competition with the dominant incumbent carrier in the China market"). If a choice must be made between American and Continental, American should be selected.

5. **Evidence Request Compliance**

Despite the clear directive in the Evidence Request that all applicants show, for behind-gateway points, "elapsed time for services" (Item II.1), United, Northwest, and Continental failed to do so. As the Department stated in the instituting order, "we...expect applicants to fully comply with [the evidence] requirements that we have retained, and we put them on notice that non-compliance could be an element that weights in our decision-making" (Order 2007-6-15, p. 4 n. 16).

CONCLUSION

For the foregoing reasons, American's Chicago-Beijing application should be granted with an award of seven of the 28 frequencies available in 2009.

Respectfully submitted,



CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.

July 26, 2007

**AMERICAN'S CHICAGO-BEIJING APPLICATION
HAS WIDESPREAD PUBLIC SUPPORT**

(As Of July 26, 2007)

Illinois

Senator Dick Durbin
Senator Barrack Obama
Representative Melissa L. Bean
Representative Judy Biggert
Representative Jerry F. Costello
Representative Danny K. Davis
Representative Rahm Emanuel
Representative Luis V. Gutierrez
Representative Phil Hare
Representative J. Dennis Hastert
Representative Jesse L. Jackson
Representative Timothy V. Johnson
Representative Mark Steven Kirk
Representative Ray LaHood
Representative Daniel Lipinski
Representative Donald A. Manzullo
Representative Peter J. Roskam
Representative Bobby L. Rush
Representative Janice D. Schakowsky
Representative John Shimkus
Representative Jerry Weller
Governor Rod R. Blagojevich
Chicago Mayor Richard M. Daley
State Senators (7)
State Representatives (7)
Cook County Assessor
Du Page County Board
Bloomington-Normal - Central Illinois Regional Airport
Champaign-Urbana - Willard Airport
Moline - Quad City International Airport
Peoria - Mayor
Greater Peoria Regional Airport
Chicagoland Chamber of Commerce
Chicago Council on Global Affairs
Chicago Federation of Labor
Cook County Enterpriz
The Economic Club of Chicago

Illinois Manufacturers' Association
Quad Cities Convention and Visitors Bureau

Texas

Senator Kay Bailey Hutchison
Senator John Cornyn
Representative Joe Barton
Representative Eddie Bernice-Johnson
Representative Michael Burgess
Representative Michael Conaway
Representative Lloyd Doggett
Representative Chet Edwards
Representative Kay Granger
Representative Ralph Hall
Representative Joe Hensarling
Representative Ruben Hinojosa
Representative Sam Johnson
Representative Kenny Marchant
Representative Solomon Ortiz
Representative Silvestre Reyes
Representative Ciro Rodriguez
Representative Pete Sessions
Representative Lamar Smith
Governor Rick Perry
Lieutenant Governor David Dewhurst
State Senators (4)
State Representatives (7)
Abilene - Mayor
Austin-Bergstrom International Airport
Dallas - Mayor
Dallas/Fort Worth International Airport
Fort Worth - Mayor; City Manager
San Antonio Department of Aviation
Dallas Black Chamber of Commerce
Dallas Citizens Council
Dallas Morning News Editorial
Greater Dallas Asian American Chamber of Commerce
Greater Dallas Chamber
Greater Dallas Hispanic Chamber of Commerce
Fort Worth Chamber of Commerce
Fort Worth Hispanic Chamber of Commerce
North San Antonio Chamber of Commerce
North Texas Commission
Tyler Area Chamber of Commerce
U.S.-Pan Asian American Chamber of Commerce Southwest

Alabama

Governor Bob Riley
Mobile - Mayor
Mobile Airport Authority

Arkansas

Senator Mark Pryor
Representative John Boozman
Governor Mike Beebe
Fort Smith Regional Airport
Little Rock - Mayor
Little Rock National Airport
Northwest Arkansas Regional Airport
Rogers - Mayor
Bentonville*Bella Vista Chamber of Commerce

Connecticut

Hartford - Mayor

Florida

Senator Bill Nelson
Representative Connie Mack
Governor Charlie Crist
Fort Walton Beach - Okaloosa County Administrator
Miami International Airport
Tampa International Airport
The Beacon Council
Enterprise Florida
Florida Chamber of Commerce
Greater Fort Walton Beach Chamber of Commerce
Pensacola Bay Area Chamber of Commerce
World Trade Center Miami

Georgia

Savannah - Mayor
Savannah-Hilton Head International Airport
Savannah Area Chamber

Indiana

Representative Dan Burton
Representative Mark E. Souder
Evansville Regional Airport
Fort Wayne International Airport
Indianapolis Airport Authority
Indiana Chamber - The Voice Of Indiana Business

Iowa

Senator Charles E. Grassley
Senator Tom Harkin
Representative Leonard L. Boswell
Representative Bruce L. Braley
Iowa Department of Economic Development
Bettendorf - Mayor
Cedar Rapids - The Eastern Iowa Airport
Davenport - Mayor; Scott County Board of Supervisors
Des Moines International Airport
Dubuque Regional Airport
Dubuque Area Chamber of Commerce
Dubuque Convention & Visitors Bureau

Kansas

Senator Sam Brownback

Kentucky

Governor Ernie Fletcher
Lexington - Blue Grass Airport
Louisville International Airport
Louisville Regional Airport Authority

Louisiana

Shreveport - Mayor
Shreveport Airport Authority
ARK-LA-TEX Regional Export & Technology Center
Central Louisiana Chamber of Commerce
Greater Shreveport Chamber of Commerce

Massachusetts

Boston - Mayor

Michigan

Flint - Bishop International Airport Authority
Kalamazoo/Battle Creek International Airport
Marquette - Sawyer International Airport
Traverse City - City Manager
Traverse City - Cherry Capital Airport
Lake Superior Community Partnership, Marquette

Minnesota

Rochester Area Chamber of Commerce

Mississippi

Gulfport-Biloxi International Airport

Missouri

Senator Christopher S. Bond
Senator Claire C. McCaskill
Representative W. Todd Akin
Representative Russ Carnahan
Representative Jo Ann Emerson
Representative Kenny Hulshof
Representative Ike Skelton
Missouri Department of Economic Development
Kansas City International Airport
St. Louis - Mayor
Lambert-St. Louis International Airport
Springfield - Mayor
Springfield-Branson National Airport
Greater Kansas City Chamber of Commerce
Missouri Chamber of Commerce and Industry
St. Louis Regional Chamber & Growth Association

Nebraska

Senator Chuck Hagel
Senator E. Benjamin Nelson
Representative Lee Terry
Governor Dave Heineman
Omaha Airport Authority

New York

Albany International Airport
Buffalo-Niagara International Airport
Greater **Rochester** International Airport
Alliance for Downtown New York
Association For A Better New York
Business Council of New York State
Partnership for New York City

North Carolina

Representative David Price
Representative Howard Coble
Representative Bob Etheridge
Representative Brad Miller
Representative Melvin L. Watt
Representative G.K. Butterfield
Governor Michael F. Easley
Raleigh/Durham Airport Authority

Ohio

Representative Deborah Pryce
Representative Marcy Kaptur
Columbus Regional Airport Authority
Toledo Express Airport

Oklahoma

Senator James M. Inhofe
Senator Tom Coburn
Representative Dan Boren
Representative Tom Cole
Representative Mary Fallin
Representative Frank Lucas
Representative John Sullivan
Governor Brad Henry
Lieutenant Governor Jari Askins
Secretary of Commerce and Tourism
Tulsa Airport Authority
The State Chamber
Tulsa World Editorial

Pennsylvania

Representative Jason Altmire
Representative Bill Shuster
Harrisburg - Mayor
Harrisburg International Airport
Pittsburgh International Airport

Rhode Island

Governor Donald L. Carcieri

South Carolina

Columbia International Airport
Greenville-Spartanburg Airport Commission
Hilton Head Island-Bluffton Chamber of Commerce

Tennessee

Representative John J. Duncan, Jr.
Representative Bart Gordon
Representative Zach Wamp
Alcoa - Mayor
Chattanooga - Mayor
Chattanooga Metropolitan Airport
Know County - Mayor
Metropolitan Knoxville Airport Authority
Nashville - Mayor
Metropolitan Nashville Airport Authority
Oak Ridge - Mayor
Chattanooga Area Chamber of Commerce
Nashville Area Chamber of Commerce

Virginia

Norfolk Airport Authority
Richmond International Airport

Wisconsin

Senator Herb Kohl

Senator Russell D. Feingold

Representative Tammy Baldwin

Representative Steve Kagen, M.D.

Representative Ron Kind

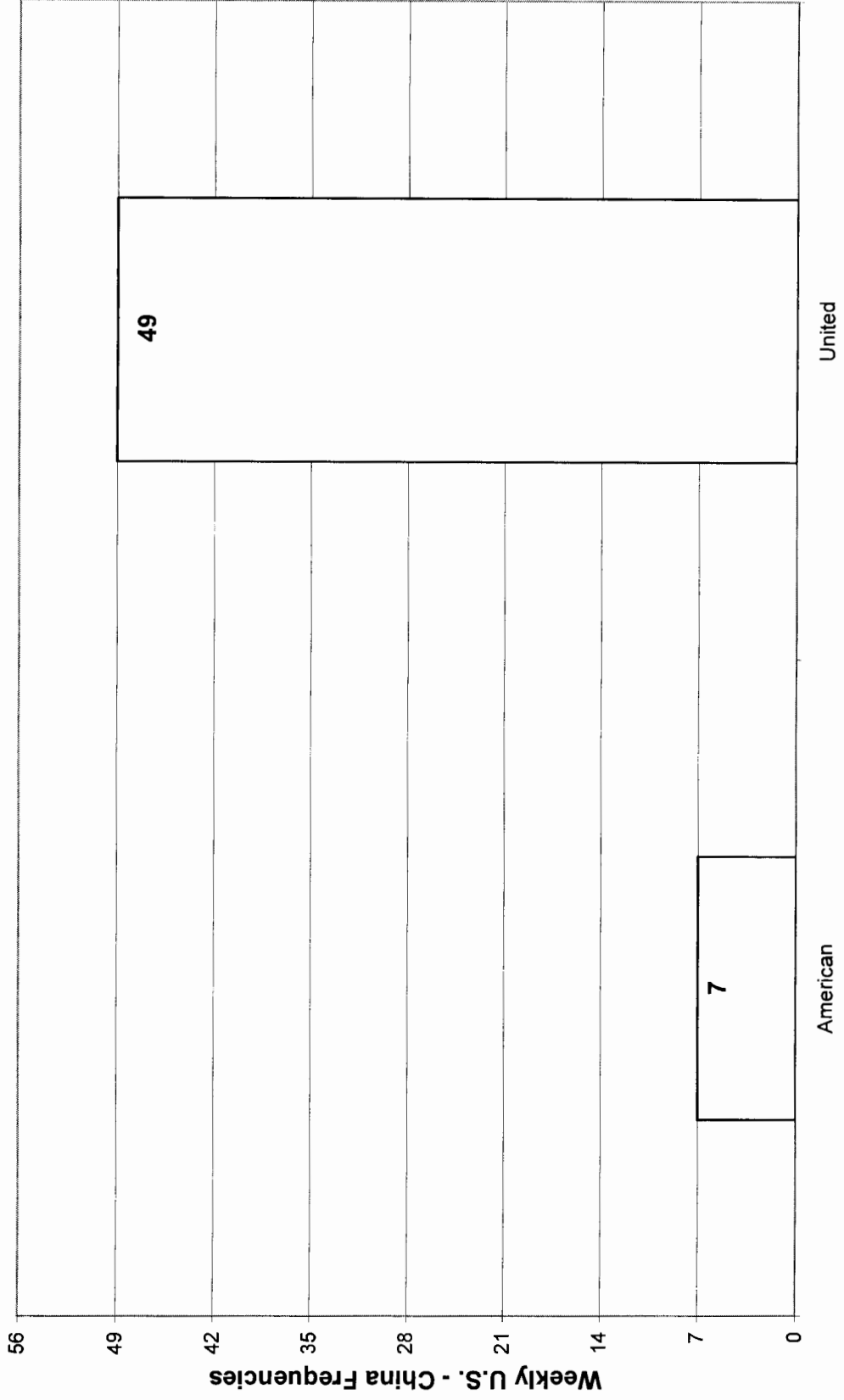
Representative Thomas E. Petri

Green Bay - Austin Straubel International Airport

La Crosse Municipal Airport

Madison - Dane County Regional Airport

If United Receives A 2009 Award, It Would Have Seven Times More U.S.-China Frequencies Than American



31 Of United's 36 Behind Los Angeles Cities Already Have Equivalent Or Better Connections To Shanghai On United Via San Francisco Or Chicago

<u>UA's 31 Roundtrip Connect Cities Via LAX That Also Connect Via SFO And ORD</u>	<u>UA's 5 Non-Overlap Connect Cities Via LAX</u>	<u>Roundtrip PVG Passengers YE June 2007</u>
1 Albuquerque, NM	1 Aspen, CO	21
2 Bakersfield, CA	2 Carlsbad, CA	22
3 Boston, MA	3 Oxnard, CA	3
4 Charlotte, NC	4 Santa Maria, CA	1
5 Chicago (ORD), IL	5 Yuma, AZ	0
6 Colorado Springs, CO		
7 Denver, CO		
8 Fresno, CA		
9 Las Vegas, NV		
10 Modesto, CA		
11 Monterey, CA		
12 New Orleans, LA		
13 New York (JFK), NY		
14 Oakland, CA		
15 Ontario, VA		
16 Orlando, FL		
17 Palm Springs, CA		
18 Philadelphia, PA		
19 Phoenix, AZ		
20 Pittsburg, PA		
21 Portland, OR		
22 Sacramento, CA		
23 San Diego, CA		
24 San Francisco, CA		
25 San Jose, CA		
26 San Luis Obispo, CA		
27 Santa Ana (Orange County), CA		
28 Santa Barbara, CA		
29 Seattle, WA		
30 Tucson, AZ		
31 Washington (IAD), DC		
	Total	47

American And American Eagle Will Provide Roundtrip Connections To 72 Domestic Cities Via Chicago While Continental Would Provide Roundtrip Connections To Only 40 Domestic Cities Via Newark

- | | |
|-------------------------------|-------------------------------|
| 1 Albany, NY | 21 Little Rock, AR |
| 2 Atlanta, GA | 22 Manchester, NH |
| 3 Austin, TX | 23 Miami, FL |
| 4 Baltimore/Washington, MD | 24 Nashville, TN |
| 5 Birmingham, AL | 25 New Orleans, LA |
| 6 Boston, MA | 26 Norfolk/Virginia Beach, VA |
| 7 Buffalo, NY | 27 Orlando, FL |
| 8 Burlington, VT | 28 Pittsburgh, PA |
| 9 Charlotte, NC | 29 Ponce, PR |
| 10 Cleveland, OH | 30 Portland, ME |
| 11 Columbus, OH | 31 Providence, RI |
| 12 Dayton, OH | 32 Raleigh/Durham, NC |
| 13 Detroit, MI | 33 Richmond, VA |
| 14 Fort Lauderdale, FL | 34 Rochester, NY |
| 15 Greensboro/High Point, NC | 35 San Juan, PR |
| 16 Greenville/Spartanburg, SC | 36 Savannah, GA |
| 17 Hartford/Springfield, CT | 37 St. Louis, MO |
| 18 Houston (IAH), TX | 38 Syracuse, NY |
| 19 Jacksonville, FL | 39 Washington (DCA & IAD), DC |
| 20 Kansas City, MO | 40 West Palm Beach, FL |

Note: Continental's exhibits show worldwide schedules without regard to circuitry or roundtrip connections. To produce the above list American excluded U.S. cities west of the Continental Divide and foreign cities. See Order 2005-2-14, p.19 (" Continental would provide 50 cities with onestop service to China excluding foreign and domestic points west of the Continental Divide.")

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by email on the following persons:

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anbird@fedex.com
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lhalloway@crowell.com
efaberman@wileyrein.com
mroller@rollerbauer.com
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