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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of)
)
 UNITED AIR LINES, INC.)
) Docket OST-00-7181
 under 49 U.S.C. § 41718(a) for four)
 beyond-perimeter slots at Ronald Reagan)
 Washington National Airport for nonstop)
 service to Los Angeles)

DATED: May 22, 2000

COMMENTS OF UNITED AIR LINES, INC.

United Air Lines, Inc., pursuant to 49 U.S.C. § 41718(d)(2) and the Department's April 14, 2000 Notice, hereby submits the following comments in response to the applications filed in the above-captioned docket for beyond-perimeter slot exemptions at Ronald Reagan Washington National Airport ("DCA"). United has requested an allocation of four slots in order to establish the first ever nonstop service between DCA and United's hub at Los Angeles International Airport ("LAX"), using 182-seat, Boeing 757 series, Stage 3 aircraft, on a twice-daily basis.

Nine carriers have applied for a combined total of 44 slots for operations beyond DCA's statutory 1,250-mile perimeter. Pursuant to the exemption provisions of the Wendell H. Ford Aviation Investment and Reform Act for the

Comments of United

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21st Century ("Air 21"), Congress has authorized the Department to allocate a maximum of 12 slots for beyond-perimeter operations at DCA. 49 U.S.C. § 41718(a).

As carrier demand substantially exceeds the extremely limited supply of available exemption slots, it is particularly essential that the Department use this limited opportunity opened by Air 21 to maximize consumer welfare. As explained in detail below, no application for beyond-perimeter exemption slots presents the Department with a better opportunity to enhance consumer welfare than does United's proposal to operate twice-daily nonstop service between DCA and LAX.

In brief summary, United's twice-daily nonstop service between its Los Angeles hub and Washington, D.C., will maximize consumer benefits by:

- Providing local travelers in the largest beyond-perimeter city-pair market with a greater range of valuable new service alternatives in both directions than any other applicant;
- Offering a full range of services using United's 182-seat, Boeing 757 series, Stage 3 aircraft, configured for First and Economy class services, including 50 seats designated for United's new Economy Plus service¹;

¹ See Exhibits UA-3, UA-5 (United's Economy Plus service offers full-fare transcontinental passengers an additional five inches of space over regular Economy class seating). All passengers on United's flights, meanwhile, will benefit

- Generating important domestic network benefits to more passengers in more communities in California, Hawaii, and other western states than any other applicant;
 - Providing 16 cities located in California, Hawaii and other western states with their first one-stop connecting service to DCA; and
 - Offering another 16 western U.S. cities additional one-stop connecting service to DCA, thereby increasing passengers' service and competitive options in those markets.
- I. UNITED'S LOS ANGELES PROPOSAL WOULD MAXIMIZE CONSUMER BENEFITS BY DELIVERING NONSTOP SERVICE TO THE LARGEST BEYOND-PERIMETER MARKET FROM THE ONLY CARRIER WITH A HUB NETWORK AT LAX.

Congress has sought to simplify the Department's expedited decision-making process by establishing specific selection criteria for awards of beyond-perimeter slot exemptions at DCA. Those statutory criteria, as well as the legislative history of Air 21, clearly demonstrate that Congress expects the Department to maximize "consumer benefits" by allocating these limited exemption slots for service to cities located in the western states which serve as hubs for a broad network of services by the carrier selected. See 49 U.S.C. § 41718(a)(1),(2) (requiring that

from the new, roomier overhead bins that are now a standard feature on United's fleet of B757 aircraft see Exhibit UA-4.

² 49 U.S.C. § 41715(c)(1).

any new beyond-perimeter services "provide . . . domestic network benefits in areas beyond the perimeter" and "increase competition . . . in multiple markets"); see also H.R. Conf. Rep. No. 106-513, at 177 (2000) ("[t]o qualify [for an allocation of beyond-perimeter slots], carriers would have to demonstrate that proposed service provides domestic network benefits").

United's application will generate more consumer benefits than any other proposal because only United offers the optimal combination of:

- new nonstop service from DCA to Los Angeles, the largest U.S. city and market beyond the DCA perimeter; and
- nonstop service from DCA to LAX, United's newest Western hub, where United operates a substantial network of non-circuitous connecting services.

Among the other applicants, American, TWA, and American Trans Air also recognize the public benefits that would follow from providing nonstop service between DCA and LAX; unlike United, however, those carriers do not operate a hub at LAX and therefore cannot match the comprehensive network benefits offered by United. All of the other applicants, meanwhile, are proposing service to

smaller western markets (i.e., Northwest at Seattle, Delta at Salt Lake City, America West at Phoenix), including some that are not offering service to a true hub (i.e., America West and National at Las Vegas, Frontier at Denver, and American Trans Air at San Francisco). In sum, no other carrier has devised a proposal that would make better use of four of the 12 available exemption slots than would United's DCA-LAX nonstop service.

Even though it would prefer to operate more than two daily DCA-LAX roundtrips, United, like the majority of the nine applicants, has applied for an allocation of just four slots. Those applications clearly anticipate that the Department may want to allocate the 12 available exemption slots among multiple carriers for service at multiple western hubs.' As its first priority, however, the Department should ensure that Los Angeles, which has the

³ United believes that the most efficient allocation would be for three carriers each to receive four slots. This would enable those carriers to operate multiple daily nonstop roundtrip services, the flexibility of which is particularly important for business travelers. If, however, the Department decides to allocate slots in increments of two rather than four, United would be willing to accept an award of two slots in order to operate once-daily DCA-LAX service. United is confident, however, that the Department will share its view that twice-daily service to United's LAX hub would constitute the optimal use of four of the available slots.

greatest need of all eligible cities for nonstop DCA service, receives that service on a twice-daily basis from United, the only carrier capable of maximizing the local market and network benefits of such service.

A. Los Angeles, the Largest Market Beyond the DCA Perimeter, Has By Far the Greatest Need for Nonstop DCA Service.

Los Angeles is by far the largest market beyond the DCA perimeter -- whether measured by population size or numbers of passengers traveling to and from Washington. See Exhibits UA-R-1, UA-R-2. In fact, the Los Angeles market is so much larger than any other in this proceeding that it would be inconceivable for the Department to exclude Los Angeles entirely from its allocation of DCA beyond-perimeter slots.

Specifically, by volume of local passengers traveling to and from Washington, D.C., Los Angeles is 350 percent larger than Salt Lake City, 180 percent larger than Las Vegas, 165 percent larger than Seattle, 150 percent larger than Phoenix, over 68 percent larger than Denver, and 37 percent larger than San Francisco. Exhibit UA-R-2. More specifically, Los Angeles generates significantly more

passengers to DCA than any other city at issue in this proceeding.'

Los Angeles is more than just the largest city and market beyond the 1,250-mile DCA perimeter. It is one of the nation's (indeed the world's) most popular destinations for both leisure and business travelers. For purposes of this proceeding, however, the needs of the local business community are particularly important. At present, it is not possible to take a nonstop flight between Los Angeles, the second largest city in the United States, and DCA, the downtown airport of our nation's capital. This is especially disadvantageous for time-sensitive business travelers, who often have a particular need to reach

⁴ See Exhibit UA-R-2. In international route selection cases, the Department has used the size of the proposed local nonstop market as a determinative factor. See, e.g., Order 96-2-35, at 6 (Docket OST-95-422) (DOT selected Philadelphia to receive nonstop service to Italy in part due to substantial demand in the local metropolitan area for such service); Order 92-3-48, at 9-12 (Docket 47654) (DOT selected United's Washington-Milan/Rome service proposal in significant part due to strong demand in the local Washington market). In this case, by selecting United, the Department will deliver nonstop service to Los Angeles, the largest local market, while also maximizing the network benefits of connecting services at United's LAX hub. See Order 90-10-15, 1990 DOT Av. Lexis 826, at *24-25 (Docket 46700) (DOT selected United for Chicago-Tokyo service because Chicago "is both a major traffic generator in its own right and a large hub").

downtown Washington at a specific time. In light of the steadily deteriorating flow of road traffic in the Greater Washington area, this is an increasingly burdensome problem for the business community.⁵

The Department's selection of United will do more to address that problem than would any other applicant. United, as a full-service airline, will be able to generate valuable synergies for its passengers, and particularly for businesspeople traveling to Washington from Los Angeles and the many cities behind United's LAX hub, by combining new

⁵ DCA, as Washington's only centrally located airport, serves a particularly important function for businesspeople traveling to the downtown area of the nation's capital. For those passengers, Dulles and BWI cannot offer the same convenience, particularly as road traffic delays are making the journey between those airports and the downtown area ever more time-consuming. Consequently, whereas DCA's passenger base is heavily business traveler oriented, IAD and BWI tend to draw a mix of discretionary leisure passengers from suburban areas as well as business travelers destined for areas outside the Capital Beltway, such as the Dulles Corridor. For those passengers, DCA simply is not conveniently located, just as IAD and BWI are not the most efficient airports for downtown passengers. DCA's strong appeal for business travelers explains why average nonstop fares at DCA are 23 percent higher than at IAD. See Exhibit UA-R-18. It is essential, therefore, that the Department ensure that any new nonstop services to DCA from cities beyond the perimeter cater fully to the particular needs of the business market that DCA serves. Those businesspeople require the maximum range of travel options on a full-service network carrier -- benefits that United's nonstop DCA-LAX service is uniquely capable of delivering.

twice-daily nonstop DCA-LAX service with its unmatched existing range of services between Los Angeles and the Washington area's other airports, Dulles International Airport and Baltimore-Washington International Airport (BWI).⁶

Business travelers require scheduling flexibility and often cannot sacrifice that flexibility in order to obtain a lower, but often more restricted, fare.⁷ United's proposed DCA-LAX service will offer passengers additional routing options from all three of the Washington area's

⁶ United is the only carrier currently offering nonstop service to Los Angeles from both Dulles and BWI. See Exhibit UA-R-7.

⁷ The Department previously has expressed concern that, whereas discretionary leisure passengers have a "greater flexibility in time of travel [which] permits them readily to take advantage of competing one-stop and connecting fares on other carriers," "time-sensitive (usually business) travelers" often must travel on a nonstop, unrestricted fare basis in order to reach their destination at a specific time and, if necessary, to rearrange their travel plans at short notice. See, e.g., Order 99-4-17, at 13, 20 (Docket OST-97-3285), citing Order 96-5-12, at 23-24 (Docket OST-96-1116); Order 96-5-26, at 26 (Docket OST-95-618). This effectively limits the range of competitive options available to the business traveler. The Department's selection of United, however, would do **most to** enhance the flexibility and range of services available to business travelers by offering no less than 156 roundtrip scheduling options per day between Los Angeles and Washington. See Exhibit UA-R-9.

airports in order to facilitate the frequently changing travel plans of many business travelers.⁸

In light of Congress' strong emphasis on network benefits as a primary factor for allocating slot exemptions for service beyond the DCA perimeter, it would be understandable and entirely justifiable for the Department to focus slot awards on carriers proposing service to major western hubs. In the case of Los Angeles, United's status as the only hub carrier at LAX makes it the clear choice to receive the first four of the 12 available beyond-perimeter slots.⁹ In fact, United's selection is essential if the

⁸ United is seeking authority for twice-daily nonstop DCA-LAX service in part because it wants to expand the range of travel options and routing flexibility that it can offer its passengers (and particularly business travelers) between Washington and Los Angeles. This objective reflects United's view that Los Angeles-Washington (and other long haul, local markets outside the perimeter) constitutes a single air service market, and not three discrete markets (i.e., at the Washington area's three airports) -- notwithstanding the arguments of numerous other applicants in this proceeding, who have contended (often on a selective and inconsistent basis) that DCA constitutes a discrete market. However, if the three airports are viewed as discrete markets, then each applicant would have to be viewed as a new entrant because none serves DCA nonstop from the city it is proposing to serve here.

⁹ As United explained in its application, Los Angeles was specifically contemplated as a prospective recipient of nonstop DCA service during congressional consideration of

Department is to maximize consumer benefits across the broadest available carrier service network.

- B. It is Imperative Not Only That Los Angeles Receive Nonstop DCA Service, But Specifically That United, LAX's Hub Carrier, Be Selected to Provide That Service.

Among the nine applicants for the 12 slots available for service beyond the DCA perimeter, only United offers the combination of nonstop service to Los Angeles, which is by far the largest beyond-perimeter market, as well as a critical mass of network benefits in the form of one-stop, connecting services beyond United's LAX hub.

United's substantial network benefits include more connecting services to more cities beyond LAX on a lower circuitry basis than any other applicant. See Exhibits UA-R-15, 16. The list of 32 cities in the western U.S. beyond LAX that United will immediately serve includes 16 communities that will receive their first one-stop service to DCA as well as others that will receive competition-enhancing additional one-stop service. See Exhibit UA-R-3.

United's proposal to provide one-stop, non-circuitous, connecting services beyond its LAX hub to 32 cities in the

the Air 21 legislation. See Application of United Air Lines, Inc., May 5, 2000 ("United Application"), at 21-22.

western states far outstrips the 13 beyond-LAX points offered by American, TWA's six possible beyond-LAX points, and ATA's two beyond-LAX points. Importantly, United's list of 32 connecting cities beyond LAX includes all of the beyond-LAX points that American, TWA, and ATA are proposing to serve.

United's network benefits will accrue not just at and beyond Los Angeles, but also in Washington. United believes that an important component in providing genuine network benefits is the ability of a carrier to offer a broad range of travel options in a given market. Hence, United's objective is to integrate its proposed twice-daily nonstop DCA-LAX service into the overall pattern of services that United already offers between Los Angeles and Washington. By doing so, United believes that it can offer passengers traveling from Los Angeles to Washington maximum flexibility in making (and, if necessary, constantly adjusting) their travel plans. Washington-originating passengers, meanwhile, will be able to avail themselves of nonstop Los Angeles service on United from any of the Washington area's three airports.

United's focus on network benefits at Washington as well as Los Angeles is no mere abstraction. For example,

if United is authorized to introduce twice-daily DCA-LAX service, United will be able to offer passengers traveling between Los Angeles and Washington a total of 12 westbound and 13 eastbound nonstop flights, which equates to no less than 156 nonstop roundtrip scheduling combinations per day -- over three times more daily travel options than any other applicant.'" As discussed in more detail below, this contrasts sharply with the highly restrictive services proposed by the majority of applicants in this proceeding.

In order to achieve the sort of network benefits that Congress anticipated in Air 21, carriers must be able to offer each passenger the flexibility to "mix and match" available services in order to devise his or her optimal travel schedule. As such a breadth of services can only be accomplished by a hub operation, the majority of applicants in this proceeding cannot legitimately claim to offer true network benefits. United, however, with its substantial existing Washington-Los Angeles services and a hub network at LAX to facilitate travel beyond Los Angeles, will be able to generate network benefits on a scale that no other applicant in this proceeding can match.

¹⁰ Exhibit UA-R-9.

For example, Northwest, which presently offers no nonstop service between Seattle and Washington would be able to offer just one nonstop scheduling option in that city-pair if its once-daily proposed service is selected. The same limitation would apply to American Trans Air, which is proposing once-daily Los Angeles-Washington and San Francisco-Washington service. In the Los Angeles-Washington market, American, if selected would be able to offer 36 nonstop roundtrip scheduling combinations, and TWA would offer just nine such combinations."

United currently serves the Los Angeles-Washington market on a one-stop basis at both Dulles and BWI with a total of 10.5 daily roundtrip flights. See Exhibit UA-R-9. This reflects a commitment to its proposed market on United's part that no other applicant can match. Some of the other applicants provide a more modest number of flights to either Dulles or BWI -- but only United serves both airports from its chosen nonstop city beyond the DCA perimeter. No less than four applicants (Northwest, ATA, TWA, and National) currently provide no nonstop service whatsoever between Washington and their proposed beyond-

¹¹ Exhibit UA-R-9.

perimeter destinations -- even though there are no significant access or capacity restrictions at Dulles or BWI. The Department should cast a critical eye toward carriers that have submitted speculative and opportunistic applications to provide service to western cities at which they have made no prior commitment to nonstop Washington, D.C. service. Instead, the Department should use this proceeding as an opportunity to enable carriers already offering nonstop service in their proposed market to enhance and expand their existing services.

Finally, United, like every other carrier in this proceeding, has set forth its preferred schedule of proposed services. Alone among the nine applicant carriers, however, only United has offered the Department multiple alternative schedules -- any one of which United is willing to operate.¹² United took this initiative in an effort to give the Department maximum flexibility in allocating the 12 available beyond-perimeter slots in accordance with Congress' requirements as set forth in Air 21, which prohibits more than two beyond-perimeter slots in

¹² See United Application, at 7-9, Exhibit UA-1 (proposing three alternative schedules for twice-daily nonstop DCA-LAX service). United has indicated its preferred schedule among those three alternatives. See Exhibit UA-1, at 1.

any given one hour period, and to enable the Department to fulfill its statutory obligation to avoid congestion at DCA.

II. NO OTHER PROPOSAL OFFERS THE DEPARTMENT THE SAME OPPORTUNITY TO MAXIMIZE THE CONSUMER BENEFITS OF THIS PROCEEDING AS DOES UNITED'S TWICE DAILY NONSTOP DCA-LAX PROPOSAL.

United recognizes that other carriers, and cities other than Los Angeles, may legitimately claim that nonstop DCA service would be beneficial. However, for the reasons set forth below, none of those carriers has submitted a proposal that would generate as many consumer benefits as would United's DCA-LAX service.

- A. Among the Four Applicants for Los Angeles Service, United, as the Only Carrier That Has Developed a Hub Network at Los Angeles, Offers Significantly Superior Consumer Benefits.

United agrees with American, TWA, and ATA that Los Angeles, as the largest city and market beyond the DCA perimeter, should be the Department's first priority for new nonstop DCA service. Indeed, it is a reflection of the compelling case for nonstop Los Angeles service that those carriers are seeking the right to serve this market -- even though none of the three operates a hub at LAX. Each of those carriers' lack of a hub at LAX, however, inevitably

means that they would not be able to generate network benefits comparable to those United can offer. Just as it is clear that the Department should authorize nonstop service between DCA and LAX, it is equally apparent that the only carrier capable of maximizing consumer benefits, both in terms of nonstop city-pair and beyond-LAX, one-stop connecting network services, is LAX's hub carrier, United.

1. American

American proposes twice-daily nonstop service between DCA and Los Angeles. American states that it will offer "first-ever on-line, one-stop access to DCA" for four cities in California: Bakersfield, Monterey, San Luis Obispo, and Santa Barbara, plus additional one-stop connections to nine other cities: Fresno, San Francisco, San Jose, Palm Springs, San Diego, Reno, Las Vegas, Honolulu, and Kahului. Application of American Airlines, Inc., March 30, 2000 ("American Application"), at 3. United's proposal, however, completely eclipses American's modest potential network benefits.

Like American, United will offer first one-stop connections to Bakersfield, Monterey, San Luis Obispo, and Santa Barbara -- but United also will offer first one-stop, non-circuitous connections to 12 other communities in

California, Hawaii, Arizona, and Utah. Exhibit UA-24.

United also will offer additional one-stop connections to 16 other cities within United's LAX hub catchment area -- including (and also far outstripping) the nine additional one-stops offered by American. Exhibit UA-R-3.

In an effort to compensate for the unquestionable limitations of its connecting services at LAX, American tries to argue that it should be selected in order to "redress the competitive imbalance at Los Angeles International Airport, where United Air Lines is the largest carrier." American Application, at 4.¹³ It is not surprising that United, as the only hub carrier at LAX, offers a broader range of services at that airport than any

¹³ American's argument that United's hub operation at LAX has created a "competitive imbalance" is at odds with American's view of competition at its own Miami hub, which has a significantly higher level of concentration than LAX. In responding to arguments that its share of operations at Miami is anti-competitive, American has pointed out that it "invest[ed] billions of dollars in equipment, facilities, personnel, and other resources to build a hub at Miami," and that "Miami was wide open for any carrier wishing to expand service there to do so." Joint Reply of American Airlines, Inc. and Lan Chile, S.A., March 24, 1998 (Docket OST-97-3285), at 25-26; see also Reply of American Airlines, Inc., at 20 n.3 (Docket OST-96-1700). United similarly has committed significant resources to developing its hub at LAX, and competition there clearly is thriving. See Exhibit UA-R-12. American, thus, apparently regards competition at a given airport as "imbalanced" only when another carrier offers more services there than it does.

other carrier. Nonetheless, inter-carrier competition, both at LAX generally and in the Los Angeles-Washington market in particular, is in fact exceptionally well-balanced and intense.

As American acknowledges, United's share of total passenger enplanements at LAX is only approximately 30 percent. See American Application, at 4. This makes LAX the most competitive hub airport in this proceeding;¹⁴ at Salt Lake City, for example, Delta is responsible for 74.2 percent of enplanements; at Seattle, Northwest **and its** code-share partners account for 53.5 percent of enplanements; and at Phoenix, America West accounts for 42.1 percent of enplanements.¹⁵

¹⁴ Los Angeles, Salt Lake City, Phoenix, and Seattle are the only cities in this proceeding where applicants, arguably, operate true domestic network hubs. As explained infra, at 40-41, however, United questions whether Northwest's operations at Seattle, which are heavily dependent on code-share services offered by Alaska Airlines and Horizon Air, constitute true hub operations.

¹⁵ See DOT T-3. The virtual absence of concentration at LAX reflects the substantial size of the local market, which has attracted not just major U.S. carriers, but also off-price carriers such as Southwest and Frontier, regional carriers such as American Eagle, and a total of 42 foreign carriers.

American also fails to note that it already carries more LAX-DCA passengers than does United? According to the Department's O&D Survey, American carries 15.81 percent of all LAX-DCA local passengers, while United's and TWA's shares are 13.25 percent and 10.97 percent respectively. Given that US Airways, Delta, Continental, and Northwest also have shares exceeding 10 percent, it is clear that the LAX-DCA route is highly competitive." And, with American already carrying more local LAX-DCA passengers than United, American's claim that awarding it DCA exemption slots in lieu of United would be a more pro-competitive outcome clearly is misplaced.

American's claim of an alleged "competitive imbalance" focuses on United's combined traffic at Dulles and DCA.

¹⁶ See Exhibit UA-R-12. American also carries more DCA passengers than any other carrier, including United, at Seattle, San Francisco, and Phoenix, and more DCA passengers than United at Salt Lake City and Las Vegas. See Exhibit UA-R-13.

¹⁷ United also holds less than half as many slots at DCA as American, and, unlike American, operates all of its 36 slots. In contrast, according to FAA records, American operates just 62 of its 74 slots. Of course, carriers are prohibited from using existing DCA slot holdings for beyond-perimeter services. Nonetheless, the Department understandably may question why it should allocate slot exemptions to carriers that are not using all of their existing slot holdings at DCA.

American Application, at 4.¹⁸ But, even though United is operating hub-to-hub services between Dulles and LAX, it holds only a 37.89 percent share of the overall Washington-Los Angeles local market, as there is a range of alternative competitive services available at BWI, Dulles, and DCA.¹⁹

American's application creates a misleading impression that some of California's political and civic leaders favor American's application over United's. For example, American claims the support of Senator Boxer and the Los Angeles World Airports ("LAWA") in this proceeding. See American Application, at 10-12, Attachments 1, 2. This is a highly disingenuous assertion on American's part. Senator Boxer's March 27, 2000 letter was provided before United submitted its competing application for Los Angeles service. In fact, Senator Boxer has sent Secretary Slater a more recent letter (a copy of which is attached hereto) urging the Department's "strongest consideration" of

¹⁸ United operates nonstop service between Los Angeles and both Dulles and BWI. American, by contrast, serves only Dulles. In fact, United is the only applicant that has already made the commitment to serving its proposed nonstop market from both Dulles and BWI. See Exhibit UA-R-7.

¹⁹ See Exhibit UA-R-8.

United's Los Angeles proposal. This is consistent with Senator Boxer's statements during the congressional deliberations that led to Air 21's enactment. See United Application, at 21-22.

American also included in its application a letter purporting to indicate that LAWA supports American and, by implication, not United. The use of this letter is particularly disingenuous, for several reasons. First, the letter, which is dated March 12, 1999, was issued over 14 months ago and addresses an earlier, different version of the legislation that ultimately became law in the form of Air 21. Second, the letter was signed by Mr. John J. Driscoll, who was then, but is no longer, LAWA's Executive Director.

In light of the very limited number of beyond-perimeter slot exemptions available in this proceeding, and the clear evidence that LAX is one of the most intensely competitive major U.S. airports, the Department's first priority should be to select the carrier at Los Angeles that can maximize network benefits for consumers outside the perimeter. That carrier is United, the only applicant with a hub at LAX. Lacking a comparable critical mass of hub services at Los Angeles, American's proposal cannot

match United's, and, therefore, there simply is no basis for the Department to award any slot exemptions to American in preference to United.

2. American Trans Air

American Trans Air ("ATA") proposes once-daily service to Los Angeles and once-daily service to San Francisco. ATA's services would generate very few benefits for consumers in either of the two nonstop city-pairs it is proposing to serve, or offer any new connecting service opportunities to other communities outside the perimeter.²⁰

ATA has filed a single application that incorporates a request for six within-perimeter DCA slots (Docket OST-00-

²⁰ ATA's application for a once-daily San Francisco roundtrip should have almost no impact on the Department's decision-making in this proceeding. San Francisco, the second largest market beyond the DCA perimeter, would certainly benefit from multiple DCA nonstops supported by strong connecting services from a full-service carrier. ATA's proposed single daily roundtrip, offering one-class service in what amounts to a charter-configured aircraft, is not such a service. Although United has made clear that it would operate once-daily DCA-LAX service if granted no more than two exemption slots, United believes that the Department should prioritize proposals that involve at least two daily roundtrips with substantial associated hub network connecting service benefits from carriers offering service that appeals to all segments of the traveling public, rather than proposals such as ATA's (and Northwest's) that offer no more than a single daily roundtrip and, in the case of ATA, are designed to appeal primarily to the most price-sensitive segment of the traveling public.

7182) in addition to the four beyond-perimeter slots that it has requested in this proceeding. ATA's within-perimeter application is for thrice-daily nonstops between DCA and Chicago Midway, two of which will continue to LAX and one to San Francisco. ATA, however, fails to demonstrate why it should be granted exemptions for nonstop DCA-LAX/SFO authority in addition to authority to serve LAX and SFO from Washington via Chicago."

ATA also fails to make a case as to why its operation of just one nonstop roundtrip flight per day in the Washington-Los Angeles and Washington-San Francisco markets would be the best use of four of the limited slot exemptions authorized by Air 21, or why its proposed charter-type service would better serve the needs of its target audience -- the **most** price-sensitive segment of the traveling public -- if offered at DCA rather than at BWI or Dulles.

The experience of Southwest, the industry leader in off-price, discount service, demonstrates that such service generates its own demand and can be operated at virtually

²¹ ATA already provides off-price service from DCA to LAX and SFO via Midway, thereby undermining ATA's **claim that it** will increase price competition between Washington and Los Angeles.

any airport by an established airline. Southwest serves BWI successfully, and there is no reason to believe that ATA's proposed off-price service could not be offered successfully from BWI to both SFO and LAX.

Notably, ATA has not sought to demonstrate that its proposed point-to-point, single-class service with charter-configured aircraft could not be offered at BWI and/or Dulles, if its application for beyond-perimeter slot exemptions is denied. This is a telling admission on ATA's part.²²

Because ATA's single-class, off-price service appeals primarily to only a small segment of the traveling public and would not offer network benefits to multiple communities outside the DCA perimeter, the sole public interest justification ATA can offer for its proposal is the claim that its service would introduce new price competition into the Los Angeles-Washington and San Francisco-Washington markets. However, to whatever extent that claim is true -- and, as noted above, because ATA already operates one-stop service in both of these markets

²² As discussed above, the Department should question ATA's new-found commitment to serve the Washington-Los Angeles market at DCA in light of ATA's lack of any prior commitment to do so at Dulles or BWI.

via its hub at Midway, United believes the claim is substantially exaggerated -- those same benefits would be achieved if ATA offered nonstop service to LAX and SFO from BWI and/or Dulles. Stated differently, ATA offers no unique competition benefits by serving LAX (or SFO) from DCA as opposed to BWI or Dulles, and the unique service benefits it would offer at DCA are more limited than those United would offer at LAX due to the more limited appeal of ATA's single-class of service, high density seating, and lack of a connecting network.²³

ATA's proposed off-price service would be better suited to BWI, which has strong appeal for the price-sensitive leisure passenger market, whereas DCA is oriented more toward business travelers who need greater service

²³ ATA's proposed LAX-DCA and SFO-DCA services are at odds with the carrier's declared business strategy, which "focus[es] on low-frequency, nonstop or direct service from its principal gateways to leisure or business destinations where there is little or no competing direct or nonstop service." Amtran, Inc., S.E.C. Form 10-K (1999). Clearly, DCA is not a "principal gateway" for ATA, unlike Midway, which is ATA's "largest gateway." Id. Moreover, given existing capacity and access restrictions, there is little or no opportunity for ATA to develop DCA as a "principal gateway." Even more importantly, the Los Angeles-Washington market is intensely competitive, both in terms of one-stop and nonstop services.

flexibility.²⁴ ATA's services would not be tailored to the needs of business travelers, as ATA has failed to propose any business or other fare classes of service.

Although ATA claims that it would be able to offer "significant domestic network benefits"²⁵ to Hawaii and some West Coast cities, those alleged benefits are illusory. ATA claims it would offer one-stop connections at LAX and SFO to just two cities: Honolulu and Maui, both of which United already serves from Los Angeles and San Francisco, and would serve from DCA on a one-stop basis via LAX.²⁶

ATA offers no connecting services of its own at LAX or SFO to other West Coast cities, but rather touts the benefit of offering passengers interline connections to

²⁴ See supra, at 7-10 (DCA primarily serves business passengers traveling to and from downtown Washington). It is difficult to imagine a business traveler opting to use ATA's proposed once-daily DCA-LAX or DCA-SFO service, knowing that if she is unable to make her scheduled return flight, ATA has no alternative nonstop and few alternative connecting services to offer -- even assuming that ATA would permit her to change her ticket.

²⁵ Application of American Trans Air, Inc., May 5, 2000 ("ATA Application"), at 16.

²⁶ ATA's schedule for its proposed DCA-LAX/SFO flights is such that it would effectively preclude a passenger from making a connection onto ATA's existing flights between LAX/SFO and HNL/OGG, as presently scheduled. Compare ATA Application, Exhibits, at 5-6 with OAG Worldwide Flight Guide, May 2000.

cities such as San Diego and San Jose. It strains all credulity to suggest, however, that Congress intended the term "domestic network benefits," as used in Air 21,²⁷ to include interline connections. In light of the scarcity of beyond-perimeter slot exemptions available, the Department should not consider granting such slot exemptions on the basis of possible future network service development (e.g., TWA (see infra, at 31-35)) or a carrier's ability to interline (e.g., ATA). Instead, Congress clearly intended the Department to focus on selecting carriers that can maximize nonstop city-pair and one-stop online connecting options for passengers -- and no option offers more such consumer benefits than United's proposed DCA service to its LAX hub.

If ATA does not receive any beyond-perimeter exemption slots, the public will not be denied access to off-price competitive service options in the Los Angeles-Washington and San Francisco-Washington markets, as ATA would still be free to serve LAX and SFO nonstop from BWI and/or Dulles, and one-stop via its Midway Airport hub. By contrast, if United is not awarded exemption slots, the Department will

²⁷ 49 U.S.C. § 41718 (a) (1).

forfeit important consumer and network benefits that only United is in a position to offer (i.e., online connecting service to 19 cities beyond LAX that no other LAX applicant proposes to serve, as well as a comprehensive range of nonstop service options between Los Angeles and Washington's three airports from the only carrier operating a hub at LAX).

When Congress authorized 12 new beyond-perimeter slot exemptions as part of Air 21, it did so over the strenuous, noise-based objections of the local Washington community in order to benefit as many communities as possible located in the western states beyond the DCA perimeter. Consequently, Congress has mandated the Department to authorize services that will generate **maximum "domestic network benefits" from** the limited number of slot exemptions available. If, however, the Department selects ATA, that choice would bring new service benefits to just two cities beyond the perimeter. Only the selection of **a** full-service carrier such as United, operating multiple daily nonstop flights to its beyond-perimeter hub at Los Angeles, can deliver those network benefits to dozens of western communities.

ATA's application is nothing more than a plea for slots as a matter of individual corporate benefit rather

than on the basis of public interest or passenger benefits." Specifically and repeatedly, ATA warns the Department that "unless ATA receives at least four of the six within-the-perimeter slots it is now requesting, ATA will be forced to discontinue all service at DCA." ATA Application, at 19 (emphasis added); see also id. at 3 n.1, 4. In effect, therefore, ATA's application for beyond-perimeter DCA slots is contingent on ATA's receipt of four within-perimeter slots, and thus the Department has no basis on which to award ATA any beyond-perimeter slots unless that occurs. ATA's clear priority, therefore, is to obtain within, not beyond-perimeter slots.

In sum, ATA's strategy appears to be to request beyond-perimeter slots simply in order to increase the pressure on the Department to grant it the within-perimeter slots that it truly wants. United takes no position on whether ATA should receive those within-perimeter slots, but does urge the Department to recognize that ATA's beyond-perimeter application offers far fewer domestic network and consumer benefits than does United's.

²⁸ See ATA Application, at 1 ("ATA is probably the only applicant carrier whose ability not only to increase, but just to continue, its presence at DCA rests on the outcome of this proceeding").

Fundamentally, ATA's beyond-perimeter application does not offer sufficient consumer benefits -- either in the nonstop DCA-LAX city-pair or in terms of one-stop connecting services -- to warrant serious comparative consideration with United's proposal for twice-daily nonstop service between DCA and its LAX hub.

3. TWA

TWA proposes thrice-daily service from DCA to LAX, with almost no network benefits in terms of connecting services to points beyond Los Angeles. Specifically, TWA states that it will offer service beyond LAX to just one new city: Kona, Hawaii, which is one of the 16 points at which United will offer new one-stop connections. TWA indicates that it "will implement a beyond-LAX network . . . using Saab 340 aircraft.,, Application of Trans World Airlines, Inc., May 5, 2000 ("TWA Application"), at 3.

Those connecting services are to be operated by Chautauqua Airlines," with which TWA claims to have "reached an

²⁹ Chautauqua currently operates no service whatsoever at LAX. In October 1999, Trans States Airlines committed to operate TW Express services at LAX, but Trans States "terminate[d] service throughout California" in late December 1999, attributing its unprofitability in California to "depressed traffic and lower yields." See "Trans States to Cut California Flights," Aviation Daily, December 10, 1999, at 3. Trans States' inability to

agreement.,, Id. at 3 n.1. In fact, that "agreement" is nothing more than a highly-conditioned letter of intent to enter into negotiations in the future toward a definitive agreement in the event that TWA is authorized to operate nonstop DCA-LAX service. See Exhibit TWA-3. In other words, Chautauqua has made no firm commitment to operate services in conjunction with TWA.

If TWA were to receive an allocation of beyond-perimeter slots and then were to reach a definitive agreement with Chautauqua, TWA claims that it would be able to introduce connecting service (at an unspecified future date, but not immediately upon receipt of those slots) to just five California communities: San Luis Obispo, Bakersfield, Monterey, Santa Barbara, and Palm Springs. TWA Application, at 3. By contrast, if United is granted the necessary slots to implement nonstop DCA-LAX service, United immediately will offer one-stop connecting services to each of those five cities, and 27 others as well. Palm

sustain service at LAX in conjunction with TWA (and other partners, including Northwest, US Airways, and Alaska Airlines) seriously calls into question the credibility of TWA's claim that it will implement similar TW Express service with Chautauqua at some unknown point in the future if granted half of the available beyond-perimeter slot exemptions.

Springs provides a good example of the relative disparity of potential network benefits between United and TWA.

United, in conjunction with its regional partner, SkyWest, already operates what amounts to hourly service between LAX and Palm Springs, whereas TWA/Chautauqua would offer just three flights per day.

In light of the limited available supply of DCA slot exemptions, the Department must seek to maximize consumer benefits by selecting carriers that can serve the combination of a large nonstop city-pair plus a critical mass of new one-stop connecting markets. TWA does not currently operate any nonstop service between Los Angeles and either Dulles or BWI, and its lack of a network at LAX means that it would be unable to provide other communities outside the current DCA perimeter with new one-stop options to DCA or to increase competition in cities where such one-stop options are already available. Thus, an allocation of scarce exemption slots to TWA would not be justifiable under the criteria established by Congress in Air 21 in light of TWA's inability to offer such network benefits. By contrast, United not only will serve Los Angeles nonstop, but also 32 other cities beyond LAX on a one-stop, connecting basis.

TWA, like American, claims that it should be selected in order to "redress the competitive imbalance at [LAX].", TWA Application, at 9-10. However, as explained above, LAX in general and the Los Angeles-Washington market in particular both are highly competitive, and, in fact, TWA's share of the existing DCA-LAX market is relatively similar to that of United.³⁰

TWA's application essentially is nothing more than a plea for the Department to mortgage this proceeding, and the limited number of beyond-perimeter slot exemptions available, to a particular carrier's parochial corporate interest. Instead of offering concrete and **immediate** nonstop city-pair and one-stop connecting network service benefits, TWA repeatedly tells the Department that its **selection would be a** "catalyst for developing an integrated network at LAX.,, TWA Application, at 4, 10. TWA also pleads with the Department to "**consider how critical access** to [the Washington-Los Angeles nonstop] market is to TWA's efforts to ensure its long-term profitability." Id. at 20.

If TWA's aim is to redevelop its transcontinental services, that objective would be more easily achieved by

³⁰ See Exhibit UA-R-12.

developing Los Angeles services at BWI or Dulles -- airports that are not subject to the same capacity constraints as DCA and arguably are more conveniently located for much of Washington's discretionary travelers. TWA, however, fails to explain why its proposed transcontinental service could not operate successfully at BWI or Dulles instead of DCA.

The Department's task in this proceeding is not to engage in a speculative leap of faith in support of any particular carrier's aspirations to develop a future network of services at a highly competitive airport. Instead, the Department should focus objectively on selecting proposals that will generate immediate consumer benefits according to the criteria set forth in Air 21. Such an objective analysis inevitably will lead to the selection of United to introduce nonstop service between DCA and its hub at LAX, not TWA, American or ATA.

B. Proposals for Service to Western Cities Other than Los Angeles Offer Fewer Consumer Benefits Than Will United's DCA-LAX Proposal.

In terms of demographics, economics, and, in particular, air service demand, the Los Angeles market is much larger than any other proposed for nonstop DCA service in this proceeding. Indeed, the Los Angeles market is so

critical from both business and leisure travelers' perspectives that the Department could justify selection of United's Los Angeles proposal based on nonstop city-pair benefits alone. Once the superior network benefits available at United's Los Angeles hub are added to that equation, the argument for selecting United becomes overwhelming.

Each of the applications for service from DCA to a city other than Los Angeles offers fewer consumer benefits than does United's DCA-LAX proposal:

1. Delta's Salt Lake City Proposal

Delta proposes twice-daily nonstop service to Salt Lake City, which is the eighth largest market beyond the DCA perimeter.³¹ Delta already serves Salt Lake City from DCA on a one-stop basis, with Delta and Southwest providing nonstop service to Dulles and BWI respectively. In light of the extreme scarcity of beyond-perimeter slot exemptions available, Salt Lake City simply lacks the necessary market size to justify the Department's authorization of nonstop

³¹ Exhibit UA-R-2.

DCA-SLC service in addition to its existing Washington services.³²

Delta's Salt Lake City proposal also offers fewer network benefits than does United's proposed LAX service. Delta claims that it would offer new one-stop connections to 10 communities in the northwestern states,³³ whereas nonstop DCA service at United's LAX hub will generate new one-stops for a total of 16 communities in California, Hawaii, Utah, and Arizona.

Even more striking, United's 16 first one-stop cities beyond LAX generated a total of 144 Washington passengers per day in 1999, whereas Delta's 10 such cities beyond Salt Lake City generated a relatively paltry 18.5 passengers -- **or**, approximately one-eighth of United's total." In addition, Delta's proposed connections are almost twice as circuitous on average than United's. See Exhibit UA-R-16. In fact, United offers connecting service to more cities

³² Salt Lake City generates less than half as many DCA passengers as does LAX. Exhibits UA-R-12, 13.

³³ Application of Delta Air Lines, Inc., March 22, 2000 ("Delta Application"), at 6.

³⁴ See Exhibit UA-R-17.

beyond LAX within a 25 percent circuitry range than does Delta beyond Salt Lake City. Id.

Delta cites 30 other cities at which it would offer additional one-stop connecting services to DCA via Salt Lake City.³⁵ The incremental benefit of those additional services, however, also would not be significant, in part because Delta's list includes numerous major western cities that already enjoy dozens, and in some cases hundreds, of daily, one-stop, connecting service options to Washington, D.C. Those options, of course, include connecting service on Delta via Atlanta and Cincinnati, as well as on a host of other carriers via other intermediate points.³⁶

In sum, Delta's proposal to add nonstop service to Salt Lake City at DCA in addition to existing nonstop services at Dulles and BWI would benefit fewer local and connecting passengers than would United's Los Angeles

³⁵ Delta Application, at 6-7.

³⁶ See Exhibit UA-R-8. For example, Delta lists San Francisco, Los Angeles, Phoenix, Denver, Seattle, Las Vegas, Portland, and San Diego, each of which enjoys up to 300 or more daily one-stop connecting options to Washington. Clearly, the value of two additional such options for those major cities would be all but undetectable -- especially as connections at Salt Lake City often would be excessively circuitous. See Exhibit UA-R-16.

service. Thus, the Department should select United for twice-daily nonstop DCA-LAX service before it considers awarding any slots to Delta for service in the smaller Salt Lake City market.

2. Northwest's Seattle Proposal

Northwest has proposed once-daily service to Seattle, the sixth largest market beyond the DCA perimeter,³⁷ using 124-seat, Airbus A319 equipment. Northwest's application focuses primarily on the additional opportunities for one-stop connecting DCA service at cities in the Pacific Northwest region that its proposed service allegedly would generate. However, Northwest's commitment to operate no more than once-daily service substantially undermines its claims of potential network benefits and reflects an apparent lack of faith in its own proposal.

Northwest specifically claims that its proposed service would enable new or additional one-stop service connections to all 38 of the U.S. cities that Northwest and its code-share partners serve from Seattle. See Application of Northwest Airlines, Inc., May 5, 2000 ("Northwest Application"), at 2, Exhibit NW-2. Northwest's

³⁷ Exhibit UA-R-2.

claims of network benefits, however, are greatly exaggerated, for several reasons. First, it is simply unrealistic to suggest that Northwest will be able to offer viable connections to all of those 38 communities on the basis of a once-daily schedule. Second, many of the 38 connecting cities listed by Northwest already enjoy multiple daily connections to Washington on other carriers, including United (e.g., San Francisco, Honolulu, Phoenix, Portland, and Las Vegas). See Exhibit NW-2. Third, Northwest's proposed connections to points beyond Seattle would be significantly more circuitous than United's beyond LAX. See Exhibit UA-R-16. In fact, United offers connecting services to more cities beyond LAX within a 25 percent circuitry range than would Northwest beyond Seattle. See Exhibit UA-R-15.

Northwest's heavy dependence on code-share partners at Seattle perhaps explains in part why Northwest does not presently operate any nonstop service between Seattle and either Dulles or BWI.³⁸ In fact, Northwest's application

³⁸ Northwest operates service using its own aircraft to just three cities from Seattle (Honolulu, Tokyo, and Osaka). In other words, with the exception of Honolulu, all of the one-stop services to U.S. points beyond Seattle proposed by Northwest will in fact be operated by either of its code-share partners, Alaska Airlines or Horizon Air.

fails to make a case that Seattle has a strong need for nonstop service to DCA in addition to the existing nonstop service to Dulles that it already receives from United.³⁹ If the demand truly existed for nonstop Northwest service between Seattle and Washington, surely Northwest would already be providing it. In sum, Northwest has failed to make the necessary commitment to Seattle in general and the Seattle-Washington, D.C. market in particular, and Seattle lacks the requisite demand for additional nonstop Washington service to warrant the Department allocating any exemption slots to Northwest ahead of United.

Northwest's choice of aircraft also poses serious problems. Northwest proposes service using 124-seat Airbus A319 aircraft -- the smallest capacity equipment of any applicant. Given that the Department may not authorize more than six daily roundtrips beyond the DCA perimeter, it is particularly essential that those flights offer as much seating capacity as possible.⁴⁰ Like the majority of

³⁹ Seattle generates significantly fewer DCA passengers than does LAX. See Exhibit UA-R-2.

⁴⁰ Not only is Northwest proposing to use the smallest capacity aircraft of any of the applicants, but because of the short runways at DCA, Northwest is likely to be unable to utilize the full seating capacity of its A319 aircraft when taking off for Seattle on DCA's runway 01; in United's

applicants, United has proposed service using B757 equipment, the largest aircraft currently authorized for use at DCA. United's flights will offer over 46 percent more seating capacity than Northwest." In short, the Department simply cannot afford to waste precious slots on a Northwest service that would fail to maximize the value of two of the available slots.

experience, due to prevailing wind conditions at DCA, approximately 60% of DCA takeoffs are made on that runway. United also operates Airbus A319 aircraft, and in its experience, an A319 powered with V2527 series engines, as Northwest's A319s are, would suffer a significant payload penalty throughout the year whenever Northwest has to use DCA's runway 01 for nonstops to Seattle, limiting Northwest to a maximum of only about 90% of the aircraft's seating capacity, or about 108 available seats per departure, assuming passenger and bag weight of 211 pounds per passenger, reserve fuel of 7,500 pounds, and 85% winds.

(On days with higher headwinds, the payload penalty Northwest would suffer would be even greater.) During the period from June through September, moreover, Northwest is likely to be limited to an average seating capacity of only about 102 available seats whenever using runway 01 under the same assumed conditions. To avoid off-loading passengers, Northwest will either have to restrict the number of seats it makes available for sale, or operate with an unscheduled intermediate fuel stop to ensure safe operations with adequate fuel reserves. These operating restrictions make Northwest a poor choice to receive any beyond-perimeter slot exemptions ahead of United at LAX.

⁴¹ Compare Exhibit UA-3 (United proposes service 182-seat, B757 service) with Northwest Application, at 2 (Northwest proposes 124-seat A319 service).

The concerns about Northwest's poor choice of aircraft are not merely operational, but also legislative. Congress, in adopting Air 21, has urged the Department to "consider . . . whether the petitioning air carrier's proposal provides the maximum benefit to the United States economy, including the number of United States jobs created by the air carrier, its suppliers, and related activities." 49 U.S.C. § 41715(c) (1). Congress specifically emphasized that the Department "may consider whether the airline seeking the [slot] exemption will be using U.S. manufactured aircraft." H.R. Conf. Rep. No. 106-513, at 175 (2000). Northwest is the only applicant in this proceeding that has failed to propose service using U.S.-manufactured aircraft. Thus, the Department should assign Northwest's application a lower priority in compliance with Congress' intent.

In sum, Northwest's proposed once-daily Airbus A319 service to Seattle pales in comparison to United's twice-daily Boeing 757 service to Los Angeles, which is the largest market outside the perimeter, with almost three times more Washington, D.C. passengers than Seattle.⁴² In

⁴² See Exhibit UA-R-2.

addition, United will be able to generate significantly more one-stop connecting opportunities in conjunction with its twice-daily DCA nonstops to its LAX hub than would Northwest's proposed once-daily Seattle service.

3. America West's Phoenix and Las Vegas Proposals

America West has requested no less than 10 of the 12 available beyond-perimeter slots in order to introduce thrice-daily nonstop service to Phoenix and twice-daily nonstops to Las Vegas. Curiously, however, America West's application provides almost no explanation as to why the local Phoenix and Las Vegas markets should be afforded priority treatment among western cities for nonstop DCA service. Phoenix and Las Vegas, as the fourth and seventh largest beyond-perimeter markets respectively," both are substantially smaller than the Los Angeles market, and, accordingly, merit a considerably lower priority for nonstop DCA service.**

⁴³ See Exhibit UA-R-2.

⁴⁴ Los Angeles generates more passengers to DCA than do Phoenix and Las Vegas combined. Phoenix, the larger of America West's two proposed nonstop markets generates less than half as many DCA passengers as LAX. See Exhibits UA-R-12, 13.

America West's application focuses almost exclusively on why the Department should grant it 10 beyond-perimeter slots at DCA as a means of bolstering America West's network. Indeed, America West trumpets that its selection would add an eighth network carrier at DCA.⁴⁵ This in itself, however, would be a corporate benefit for America West, not a meaningful public or consumer benefit.

America West already serves the Washington market from both Phoenix and Las Vegas, with nonstop service from each city to BWI, as well as connecting service to DCA via Columbus. In addition, Phoenix and Las Vegas already enjoy no less than 233 and 201 total daily online connecting options to Washington respectively from America West and

⁴⁵ See America West Airlines, Inc., May 5, 2000 ("America West Application"), passim. America West touts itself as a "new entrant" carrier for purposes of this proceeding, apparently because it currently is unable to serve its Phoenix and Las Vegas "hubs" from DCA on a nonstop basis. See id. at 5, 7. As America West already serves Washington from both Phoenix and Las Vegas, however, it hardly qualifies as a new entrant into this market any more than the other eight applicants, all of which are equally precluded from operating their respective proposed nonstop services to cities beyond the DCA perimeter. The statutory definition of a "new entrant air carrier," in pertinent part, is "an air carrier that does not hold a slot at the airport concerned." 49 U.S.C. § 41714(h)(3). Under that definition, America West is not a "new entrant" because it already operates service between DCA and Columbus.

others.⁴⁶ Therefore, in light of this abundance of existing services, the issue raised by America West's application is: what, if any, would be the incremental benefit of authorizing America West service to Phoenix and Las Vegas from DCA in addition to BWI?

Given that America West fails to explain why the local Phoenix and Las Vegas markets have a greater need for nonstop DCA service than Los Angeles, America West's application essentially is predicated on its alleged ability to generate network benefits in the form of connecting services at those two cities. America West claims that it will offer "convenient one-stop service throughout the day to 42 destinations beyond Phoenix/Las Vegas.,, America West Application, at 3.⁴⁷ However, America West already offers one-stop service to Washington (BWI)

⁴⁶ See Exhibit UA-R-8. The Phoenix-Washington market currently has a higher capacity level in terms of available seats per passenger than does the Los Angeles-Washington market. See Exhibit UA-R-19.

⁴⁷ America West claims to operate "large hub-and-spoke systems in Phoenix and Las Vegas.,, America West Application, at 7. However, as National Airlines has noted, "America West has generally reduced service to its Las Vegas hub over the last five years ending in 1999. During that period, America West's daily departures at Las Vegas decreased by 7.6%." Motion for Leave to File and Reply of National Airlines, Inc., May 9, 2000 (Docket OST-00-7180), at 5 (emphasis added).

from all of those cities through BWI,⁴⁸ and many also already enjoy one-stop service to DCA from up to seven other carriers via hubs inside the perimeter.⁴⁹ In fact, only 15 of the 42 cities listed by America West would receive first one-stop connections to DCA.⁵⁰ United, meanwhile, will offer new one-stop DCA service to a total of 16 cities beyond LAX, including seven of the cities on America West's list?

In addition, the average mileage circuitry for United's

⁴⁸ America West's schedule for its proposed nonstop DCA-PHX/LAS services is strikingly similar to the schedule it currently operates at BWI. Compare Exhibit AWA-8 with OAG Worldwide Flight Guide, May 2000. This means that America West's DCA nonstop flights would draw passengers largely from the same banks of connections at Phoenix and Las Vegas as its existing BWI flights. Given the relative modest levels of America West's average load factors on those existing services, the additional benefit of offering almost simultaneous connections to both BWI and DCA would be small.

⁴⁹ See Exhibit AWA-3 (listing, among others, Los Angeles, Las Vegas, San Francisco, Denver, Salt Lake City, Seattle, Phoenix, Portland, and San Diego). Each of those major western cities already enjoys dozens, and in some cases hundreds, of daily one-stop routing options to Washington (see Exhibit UA-R-8) and would derive little or no benefit from a handful of additional (and often circuitous) connections on America West.

⁵⁰ See Exhibit UA-R-4.

⁵¹ Those seven cities include six in California (Bakersfield, Carlsbad, Monterey, Oxnard, San Luis Obispo, and Santa Barbara) plus Yuma, Arizona. Compare Exhibit UA-24 with Exhibit AWA-3.

proposed first one-stop connections is just 6.7 percent, whereas America West's connections to its 15 first one-stop points beyond Phoenix average 9.1 percent circuitry. America West's average mileage circuitry for all of its proposed one-stop connections beyond Phoenix is 16.7 percent, which is almost twice as circuitous as United's, which average just 8.9 percent.⁵² In order to make a more meaningful comparison between America West's and United's connecting services, it is worth noting that United offers one-stop connections to more points within a 25 percent circuitry range beyond LAX than does America West beyond Phoenix.⁵³

America West claims that its "entry" would result in consumer benefits in the form of \$30.9 million in fare savings, including a 9.2 percent reduction in average fares

⁵² See Exhibit UA-R-16. In evaluating America West's application, the Department also should be mindful of the substantial duplication of connecting services that would be created by America West's implementation of nonstop DCA services at both Phoenix and Las Vegas. With such a limited quantity of slots available, the Department cannot maximize network benefits unless it authorizes service by several different carriers to multiple western hubs.

⁵³ See Exhibit UA-R-15.

among all carriers in affected markets.⁵⁴ Such purported benefits, however, do not withstand scrutiny. For example, America West already provides nonstop service between PHX and LAS, on the one hand, and BWI, on the other, as well as one-stop PHX/LAS-DCA services via Columbus. America West competes head-to-head with Southwest Airlines in the PHX/LAS-BWI markets, which raises the question: why would America West offer lower fares in the PHX/LAS-DCA markets, where it probably would be the only carrier offering nonstop service, than it presently offers at BWI?⁵⁵ Of

⁵⁴ See Exhibits AWA-14, AWA-15. America West apparently bases this claim on a single economic study which is not a part of the record here. As explained above, however, America West's claim clearly is exaggerated, and the carrier's failure to include the study on which it is relying makes it utterly impossible to determine whether the study referred to has any relevance whatever to city-pairs where seven (or more) carriers already offer online connecting service, and other are offering nonstop service.

⁵⁵ America West states that "there is a large demand for service between National Airport and Phoenix and Las Vegas, with significant numbers of Washington-Phoenix and Las Vegas passengers choosing to travel to National Airport via connections, despite the availability of nonstop service at Dulles and BWI." America West Application, at 19. However, America West cites no authority and provides no exhibit in support of this proposition. In fact, over 73 percent of Las Vegas-Washington and over 70 percent of Phoenix-Washington passengers use BWI, whereas only 11.1 percent and 13.9 percent respectively use DCA. See Exhibit UA-R-14. Moreover, in absolute terms, far fewer Phoenix and Las Vegas passengers use DCA than do Los Angeles passengers. See Exhibits UA-R-12, 13. Thus, to the extent

course, if America West charges the same (or higher) fares on its one-stop DCA services to points beyond the perimeter that it is already offering at BWI, it strains credulity to claim, as America West does, that its proposed service at DCA would cause other carriers to reduce their fares in these city-pairs.

America West's credentials as a low fare specialist become even more questionable upon examination of the carrier's existing pricing practices. For example, America West claims that Los Angeles is one of the markets beyond PHX/LAS that would benefit from new, low cost services at DCA. However, America West already serves the DCA-LAX market on a one-stop basis via Columbus, and America West's average yield in that market exceeds the industry average.⁵⁶

that existing use of DCA by passengers is relevant, it clearly favors selecting United at Los Angeles, not America West at Phoenix or Las Vegas.

⁵⁶ See Exhibit UA-R-11. America West's current pricing policies reflect the carrier's stated business strategy, which is focused on "improv[ing] the Airline's unit revenues." America West Holdings Corp., S.E.C. Form 10-K (1999), at 4. More specifically, America West's strategy is to improve unit revenues [by] plac[ing] a greater emphasis on the business traveler [and by] [t]ailoring its schedule to attract a greater percentage of high-yield business flyers." Id. at 7. America West's Form 10-K report indicates that the carrier's strategy is to lower its fares only when it is compelled to do so by low-cost competition in a given market. Id. at 16. This strategy

Congress has provided that new beyond-perimeter services must not result in a reduction in travel options at small-to-medium hub airports within the perimeter. 49 U.S.C. § 41718(a)(3). In response, America West states that it "has no plans to reduce its existing DCA services to Columbus, Ohio the only airport it is currently able to serve from DCA, as a result of its proposed Phoenix and Las Vegas service." America West Application, at 19. However, America West's average load factor on its DCA-CMH services in 1999 was just 39.9 percent, with its BWI-CMH and IAD-CMH services faring even worse at 26.6 percent and 21.6 percent respectively." In light of the inevitable self-diversion from its Columbus flights that would be associated with new nonstop DCA-PHX/LAS services, America West's commitment to maintain its existing DCA-CMH service must be questioned.

America West's focus on its own corporate interest rather than the public interest in maximizing consumer benefits has led it to demand 10 of the 12 slots available in this proceeding -- by far the most sought by any

is the very antithesis of the kind of low-fare market leadership that America West claims it would provide if granted beyond-perimeter slot exemptions at DCA.

⁵⁷ See Exhibit UA-R-10.

carrier. Yet America West states that "this is the minimum number of daily connections necessary to mount an aggressive competitive challenge against DCA incumbents." America West Application, at 11. If, however, Congress' intent in adopting Air 21 had been for the Department to award a lion's share of the limited number of exemption slots available to a single carrier, Congress certainly would have provided the Department with very different selection criteria from those set forth in Air 21.

As the Department may authorize no more than six new daily roundtrip flights to points beyond the DCA perimeter, the Department should follow its congressional mandate to maximize consumer benefits by selecting carrier proposals that will establish nonstop service in the largest eligible city-pair markets, while also maximizing the network benefits associated with one-stop connecting services from carrier hubs at those largest western cities. United's proposal to serve the largest such market, with maximum connecting services via its established LAX hub network, better reflects Congress' intent than America West's plea to the Department to "create . . . [a] new network."⁵⁸

⁵⁸ America West Application, at 2.

4. Frontier's Denver Proposal

Frontier proposes twice-daily service to Denver, the third largest market beyond the DCA perimeter,⁵⁹ using Boeing 737-300 aircraft, the smallest capacity U.S.-manufactured equipment of any applicant? Despite its claims to the contrary, Frontier's proposed service essentially is targeted at the local Washington-Denver city-pair market and would not generate any significant network benefits.

Frontier claims that its service "would allow [it] to also provide connecting opportunities to . . . Seattle, Portland, San Francisco, Los Angeles, San Diego, Phoenix, Las Vegas, Salt Lake City, Albuquerque and El Paso."

Application of Frontier Airlines, Inc., April 27, 2000

("Frontier Application"), at 12. Most of those cities,

⁵⁹ Exhibit UA-R-2.

⁶⁰ Frontier, unlike other applicants, has failed to disclose the number of seats that it would make available on its proposed service and provides no information as to any different classes of service it may intend to provide. According to Frontier's website <<http://www.flyfrontier.com/aboutt9.html>>, however, its fleet of 15 B737-300s have a 136-seat capacity, which is significantly lower than all other applicants except Northwest, which has proposed once-daily service using 124-seat A319 equipment. As explained above, Northwest's limited capacity aircraft cannot maximize the consumer benefits of the very few slot exemptions available, and Frontier's low-capacity proposal suffers from the same fatal flaw.

however, are large markets that already enjoy dozens, and in some cases hundreds, of daily one-stop connecting options to DCA,⁶¹ as well as nonstop service to other Washington airports. The others -- El Paso and Albuquerque -- would not be conveniently served via Denver due to their geographic locations. Thus, any network benefits generated by Frontier's proposed twice-daily connections to DCA would be incremental at best. Frontier offers no new one-stop services to smaller cities now lacking such a convenience. By contrast, United's DCA-LAX service would generate new, non-circuitous, one-stop connecting service to 16 cities in the western United States. Exhibits UA-R-4, UA-24.

Frontier's application also is questionable from the perspective of the Washington-Denver nonstop city-pair market. Frontier, which already operates service between Denver and BWI, fails to set forth a case for adding service to a second Washington area airport.⁶² BWI, which

⁶¹ See Exhibit UA-R-8.

⁶² Frontier's proposal to introduce nonstop DCA-Denver service inevitably raises the question whether, if selected, Frontier would maintain its existing Denver-BWI services. United would note in this regard that for calendar year 1999, Frontier reported on Form T100 only a 61.6% load factor on its Denver-BWI service. It is also worth noting that the Department previously granted Frontier six exemption slots to serve the Denver-LGA route.

has an established track record of attracting discretionary passengers, as exemplified by Southwest's substantial BWI operations,⁶³ is a better fit for Frontier's off-price product. DCA caters primarily to the needs of the business traveler bound for downtown Washington rather than the more price-sensitive leisure passenger market associated with BWI and Frontier. The benefit to Washington-Denver passengers of Frontier service at DCA in addition to BWI

Even though the Department acted to grant Frontier these six slot exemptions in 1997, Frontier never operated more than two daily roundtrips between Denver and LGA until April 1999; published schedules indicate Frontier will again reduce Denver-LGA service to two roundtrips daily next month. For the U-months ended December 1999, Frontier reported on Form T100 an average load factor of just 55.8% on its Denver-LGA services. Frontier's performance on the Denver-LGA route, and its relatively low load factor on its existing Denver-BWI service, strongly suggest Frontier will be unable to sustain four roundtrips per day between Denver and Washington if granted exemption slots in this proceeding and could, as a result, reduce or even discontinue its Denver-BWI service. Were that to occur, as seems highly likely, the net increase in capacity and frequency available between Denver and Washington from an award to Frontier in this proceeding would be very limited indeed. Nowhere in its application does Frontier address any of these critical questions.

⁶³ Southwest (and the so-called "Southwest effect") clearly provides the model for Frontier's business plan ~~see~~ Frontier Application, at 7 (touting the "Frontier factor"). Unlike Frontier, however, Southwest's business plan apparently does not involve operating service from more than one of the Washington area airports.

would be duplicative -- and Frontier fails to define what that benefit might be.⁶⁴

Frontier's rationale for an allocation of beyond-perimeter slot exemptions reflects its own narrow corporate interest at the expense of the consumer interests at stake in this proceeding." Frontier's proposed DCA-Denver service would benefit fewer passengers than would United's DCA-LAX service, based both on the significantly greater size of the local LAX market and the inherent capacity limitations of Frontier's smaller aircraft? Moreover, Frontier's

⁶⁴ The Denver-Washington market currently has a higher level of capacity in terms of available seats per passenger than does the Los Angeles-Washington market. See Exhibit UA-R-19.

⁶⁵ Frontier devotes much of its application to issues that are irrelevant to this proceeding. For example, Frontier offers a discourse on why it would be pro-competitive for the Department to grant additional slot exemptions. See Frontier Application, at 3-6. This proceeding, however, is about how to allocate 12 beyond-perimeter slots in order to maximize consumer benefits, and not with the merits of the High Density rule itself.

⁶⁶ As is true of Northwest (see, supra, at 42 n.40), Frontier is likely to incur a significant payload penalty whenever taking off from DCA's runway 01, which currently is being used for approximately 60% of takeoffs. According to published information, the highest rated engine Frontier uses on its B737-300 series aircraft is the CFM56-3C-1(BB). In United's experience, B737-300 aircraft equipped with that engine type operating nonstop to Denver would be limited to a maximum of about 90 passengers per departure when using runway 01, assuming passenger and bag weight of

negligible capacity to offer ancillary connecting services pales in comparison to the superior network benefits on offer from United at its LAX hub.

5. National's Las Vegas Proposal

National proposes three daily nonstop flights between DCA and Las Vegas, the seventh largest beyond-perimeter market.⁶⁷ The consumer benefits of National's proposed

211 pounds per passenger, reserve fuel of 7,500 pounds, and 85% winds. (On days with higher headwinds, the payload penalty Frontier would suffer would be even greater.) During the period from June through September, Frontier's maximum available payload when using runway 01, is likely to be limited to an average of only about 85 passengers per departure, or less than 65% of the aircraft's seating capacity, under the same assumed conditions. Frontier's available capacity would be even less whenever the route was scheduled to be flown with one of the many B737-300 series aircraft in its fleet with engines with less rated take-off power than the CFM56-3C-1(BB). In Frontier's case, moreover, the carrier will also face payload restrictions when taking off on DCA's runway 19, although less serious than those it will face on runway 01, and it may be unable to utilize its B737-300 aircraft's full payload capacity on nonstop flights from Denver to DCA as well. As with Northwest, to avoid having to off-load passengers on outbound flights from DCA, Frontier will either have to restrict the number of seats it offers for sale, or operate with an unscheduled fuel stop en route to ensure safe operations with an adequate fuel reserve. These operating restrictions make Frontier a very poor choice to be granted any slot exemptions at DCA ahead of United at LAX.

⁶⁷ See Exhibits UA-R-12, 13. Las Vegas generates fewer than 35 percent of the number of passengers to DCA that currently originate at Los Angeles. In terms of DCA

service, however, are limited both in terms of the nonstop city-pair market and potential one-stop connecting opportunities.

Las Vegas is the quintessential leisure destination, to which Southwest already provides off-price service at BWI. National argues that it needs six slots in order to remedy "stagnant passenger capacity levels in the DCA-LAS market." Application of National Airlines, Inc., May 3, 2000 ("National Application"), at 3. However, National's own exhibits show that the total number of Washington-Las Vegas O&D passengers increased by 17.7 percent in the year ended September 1999, far outstripping growth in the overall Las Vegas market, which has averaged 6.5 growth percent per year. See id. at 5, Exhibit NA-4. In other words, the lack of nonstop DCA service clearly is not constraining market growth."

Rather than compete head-to-head with Southwest at BWI or United at Dulles, National apparently wishes to launch

passengers, Las Vegas is the smallest market in this proceeding. See Exhibits UA-R-12, 13.

⁶⁸ It is worth noting that, even though demand for travel between Washington and Las Vegas is growing, National has not indicated any plans to start nonstop service to Las Vegas from either BWI or Dulles.

nonstop service at DCA.⁶⁹ But National fails to justify its claim that the Las Vegas market cannot be adequately served from BWI or Dulles. In fact, DCA, as a downtown airport catering to the needs of business travelers, is particularly ill-suited for nonstop service to Las Vegas because the majority of Las Vegas-bound travelers in the Washington area are discretionary leisure passengers who reside in the suburbs and for whom BWI and Dulles are more conveniently located than DCA.

Like Frontier at Denver, National's proposed service to the relatively small Las Vegas market might generate some minor incremental benefit, but the case is not nearly compelling enough to justify allocating any of the 12 slots available in this proceeding to National in preference to United. The Los Angeles-Washington market, which includes substantial numbers of both business and leisure travelers, **is almost three times** larger than the heavily leisure-oriented Las Vegas market."

⁶⁹ In addition to the existing nonstop services referenced above, Las Vegas also enjoys over 200 daily, one-stop, connecting service options to Washington. Exhibit UA-R-8.

⁷⁰ See Exhibit UA-R-2.

National's proposal offers no more than de minimis network benefits. National serves Los Angeles and San Francisco beyond Las Vegas, but both of those markets already enjoy hundreds of daily one-stop options to DCA and would derive little benefit from receiving three additional such options from National." The priority for the Los Angeles market in particular is to obtain nonstop DCA service from its hub carrier rather than three additional daily one-stop flights via Las Vegas or elsewhere. National also claims that it can achieve network benefits by connecting its proposed DCA service with flights operated by "carriers with which National has entered into ticketing and baggage arrangements," to Portland, Palm Springs, Seattle, Grand Canyon, and Fresno. National Application, at 9-10. Interlining arrangements, however, offer passengers less valuable network benefits than do online services, which Congress in Air 21 clearly intended the Department to favor; indeed, if Congress intended the term "domestic network benefits" to include interline connections, all carriers would be able to claim such

⁷¹ See Exhibit UA-R-8.

benefits on an almost unlimited basis, making the term wholly superfluous.

National claims that it may add service of its own from Las Vegas to Portland, San Diego, San Jose and Seattle over the next four years. Id. Even if those services were already in place, however, the network benefits of connections to those major markets would be equally as marginal as those offered by National's proposed one-stop connections to Los Angeles and San Francisco. The 12 available DCA slots are far too scarce for the Department to justify taking any account of alleged potential network benefits based on interlining arrangements and hypothetical future services. Instead, the Department should prioritize applications, such as United's, that offer service to the largest western city in conjunction with a substantial and immediately available hub network of connecting services.

National's case essentially is a plea for the Department to further National's own narrow corporate agenda rather than the broader public interest. See id. at 15 ("National will use its new nonstop DCA-LAS service as a springboard for providing new . . . services"). The Department should not use this proceeding as an instrument

of corporate welfare for start-up carriers -- or indeed any carrier.

III. CONCLUSION

In deciding how to allocate the 12 slot exemptions available for beyond-perimeter operations at DCA authorized by Congress in Air 21, the Department must focus on a fundamental question: which carrier can realize the maximum consumer benefits? There are two key elements to that analysis: first, which proposal would offer the best service to the nonstop city-pair market with the greatest need for nonstop service to DCA; and, second, which carrier can deliver the most network benefits by offering a wide range of new one-stop, non-circuitous, connecting services to other cities beyond a western hub?

The answer to both of those questions leads to the inevitable conclusion that Los Angeles is the city with the greatest need for nonstop service to DCA, and United, the only carrier operating a hub at LAX, is the best choice to provide that service. Los Angeles is the largest potential nonstop market beyond the DCA perimeter, and United is the only applicant with a hub at LAX offering more connections to more cities and communities in the western states, including Hawaii, than any other carrier.

Congress has charged the Department with responsibility to allocate the available slot exemptions in a manner that will deliver the maximum range of new and enhanced service options to as many U.S. cities and communities as possible. That is what Congress had in mind when it instructed the Department to prioritize new services that will generate "domestic network benefits in areas beyond the perimeter." 49 U.S.C. § 41718 (a).

Certain applicants have urged the Department to grant them slots in order to promote their own corporate interest in developing a network or at least a presence in the Washington market. Those arguments are irrelevant, for numerous reasons. First, Congress has mandated that the Department prioritize general consumer, not individual corporate, benefits. Second, with no prospect of additional beyond-perimeter slots becoming available in the foreseeable future, DCA, unlike Dulles or BWI, offers those applicants no opportunity to increase their presence by subsequently adding more flights.

Third, those applicants uniformly have failed to justify why they need to develop services at DCA rather than at either of the Washington area's two open-entry airports, Dulles and BWI. Given the lack of any

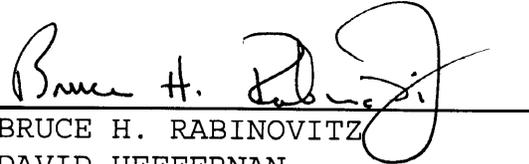
significant access or capacity restrictions at Dulles and BWI, the Department should not allocate DCA slot exemptions to any carrier that has failed to demonstrate a prior commitment to implementing Washington, D.C. service from its proposed nonstop destination beyond the DCA perimeter. Instead, the Department should use this proceeding as an opportunity to enable carriers already serving their proposed market to enhance and expand their existing range of services.

This proceeding is not a stepping stone, but strictly a one-time opportunity to add a small number of beyond-perimeter flights at DCA , and it is essential that the Department ensure that each one of the carriers selected can immediately maximize the consumer benefits from those services. United's application uniquely reflects Congress' intent by proposing nonstop service to Los Angeles, the city in greatest need of such service, from United's LAX hub, where it can provide non-circuitous connecting services between DCA and the many smaller western cities and communities that are linked to United's national and international network at LAX.

United therefore urges the Department to allocate four of the 12 available slots to United so that it can

introduce twice-daily nonstop service between DCA and Los Angeles.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce H. Rabinovitz", is written over a horizontal line.

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***LOS ANGELES IS BY FAR THE LARGEST
WESTERN U.S. CITY IN THE BEYOND-PERIMETER
CATCHMENT AREA BY POPULATION***

<u>City</u>	<u>Population</u>
Los Angeles	9,213,533
Phoenix	2,931,004
Seattle	2,312,978
Denver	1,938,642
San Francisco	1,683,309
Las Vegas	1,321,546
Salt Lake City	1,267,745

Source: U.S. Census Bureau, (MA-98-1) Metropolitan Area Population Estimates for July 1, 1998, internet release date December 1999 (www.census.gov).

***LOS ANGELES IS BY FAR THE LARGEST
U.S.- WASHINGTON* BEYOND-PERIMETER MARKET***

<u>Rank</u>	<u>Market</u>	<u>Passengers Per Day Each Way</u>
1	Los Angeles	1,851
2	San Francisco	1,353
3	Denver	1,099
4	Phoenix	740
5	San Diego	721
6	Seattle	697
7	Las Vegas	662
8	Salt Lake City	412

*Includes BWI, DCA and IAD

Source: DOT O&D Survey (DB1A), Year Ended 3Q99; Exhibit UA-8.

***UNITED WILL PROVIDE CONNECTING SERVICE
 TO ALL OF THE CITIES THAT AMERICAN, TWA
 AND ATA ARE PROPOSING TO SERVE, AS
 WELL AS TO 18 OTHER CITIES BEYOND LAX***

<u>United (32)</u>	<u>American (13)</u>	<u>TWA</u>	<u>ATA</u>
Kona*		Kona	
Bakersfield*	Bakersfield	Bakersfield	
Monterey*	Monterey	Monterey	
San Luis Obispo*	San Luis Obispo	San Luis Obispo	
Santa Barbara*	Santa Barbara	Santa Barbara	
Palm Springs	Palm Springs	Palm Springs	
Honolulu	Honolulu		Honolulu
Maui (OGG)	Kahului (OGG)		Maui (OGG)
Las Vegas	Las Vegas		
Fresno	Fresno		
Reno	Reno		
San Diego	San Diego		
San Francisco	San Francisco		
San Jose	San Jose		
Carlsbad*			
Imperial*			
Inyokern*			
Lihue*			
Medford			
Merced*			
Oakland			
Ontario			
Orange County			
Oxnard*			
Phoenix			
Sacramento			
St. George*			
Santa Maria*			
Santa Rosa*			
Tucson			
Visalia*			
Yuma*			

*Denotes first one-stop connection to LAX

Source: Applications of United, American, TWA and ATA, Docket OST-00-7181.

***NO OTHER APPLICANT WOULD PROVIDE
FIRST ONE-STOP CONNECTING SERVICES
TO MORE WESTERN CITIES THAN UNITED***

<u>Carrier</u>	<u>First One-Stop Connections</u>	<u>Competitive One- Stop Connections</u>	<u>Total One-Stop Connections</u>
United	16	16	32
Northwest	16	22	38
America West	15	27	42
Delta	10	30	40
TWA	5	1	6
American	4	9	13
ATA	0	2	2
Frontier	0	10	10
National	0	6	6

Source: Applications of United, Northwest, America West, Delta,
TWA, American, ATA, Frontier and National, Docket OST-00-7181.

***UNITED WILL OFFER FIRST ONE-STOP CONNECTIONS
TO OVER THREE TIMES MORE COMMUNITIES
BEYOND LAX THAN ANY OTHER LAX APPLICANT***

<u>Carrier</u>	<u>First One-Stop Connections</u>
United	16
TWA	5
American	4
ATA	0

Source: Applications of United, TWA, American and ATA, Docket OST-00-7181.

***UNITED WILL OFFER MORE ONE-STOP
CONNECTIONS THAN THE OTHER
THREE LAX APPLICANTS COMBINED***

<u>Carrier</u>	<u>Total One-Stop Connections</u>
United	32
American	13
TWA	6
ATA	2

Source: Applications of United, TWA, American
and ATA, Docket OST-00-7181.

***UNITED IS THE ONLY APPLICANT THAT CURRENTLY SERVES
ITS PROPOSED BEYOND-PERIMETER NONSTOP
DESTINATION FROM BOTH DULLES AND B WI***

<u>Carrier</u>	<u>City</u>	<u>Existing Service to Washington, D.C.</u>
United	Los Angeles	IAD and BWI
American	Los Angeles	IAD only
Delta	Salt Lake City	IAD only
America West	Phoenix Las Vegas	BWI only BWI only
Frontier	Denver	BWI only
ATA	Los Angeles San Francisco	None None
TWA	Los Angeles	None
Northwest	Seattle	None
National	Las Vegas	None

***THE LARGEST CITIES IN THE WESTERN STATES,
INCLUDING LOS ANGELES, HAVE AMPLE ONE-STOP
SERVICE TO WASHINGTON AND NEED NONSTOP,
NOT MORE ONE-STOP, SERVICE***

<u>City</u>	<u>Daily One-Stops</u>
SFO	307
LAX	295
PHX	233
DEN	227
SEA	217
SAN	202
LAS	201
PDX	136
SLC	116

Source: DOT (T-3); OAG, July 2000.

¹ Wednesdays in July 2000. Includes online connections within a 4-hour connecting window.

UNITED WILL OFFER OVER THREE TIMES MORE DAILY SCHEDULING OPTIONS IN ITS PROPOSED NONSTOP CITY PAIR THAN ANY OTHER APPLICANT

<u>Carrier/Market</u>	<u>Current No. of Daily Roundtrips in Nonstop City Pair¹</u>	<u>No. of Daily Roundtrips Requested in Application</u>	<u>No. of Daily Proposed Roundtrips in Nonstop City-Pair</u>	<u>No. of Daily Scheduling Options Proposed in Nonstop City-Pair</u>
United (LAX-WAS)	10.5	2	12.5	156
America West (PHX-WAS)	4	3	7	49
American (LAX-WAS)	4	2	6	36
America West (LAS-WAS)	3	2	5	25
Delta (SLC-WAS)	2	2	4	16
Frontier (DEN-WAS)	2	2	4	16
TWA (LAX-WAS)	0	3	3	9
ATA (LAX-WAS)	0	1	1	1
ATA (SFO-WAS)	0	1	1	1
Northwest (SEA-WAS)	0	1	1	1
National (LAS-WAS)	0	1	1	1

Source: OAG, July 2000
 Applications of United, American, TWA, Northwest, Frontier, National, America West, Delta and ATA, Docket OST-00-7181.

¹ Includes existing services to both IAD and BWI.

***AMERICA WEST'S WASHINGTON-COLUMBUS
SERVICES HAVE PERFORMED POORLY***

<u>Market</u>	<u>PLF</u>
DCA-CMH	39.9%
BWI-CMH	26.6%
IAD-CMH	21.6%

Source: T100, CY, 1999.

***AMERICA WEST'S AVERAGE YIELD IN DCA-LAX
IS HIGHER THAN THE INDUSTRY AVERAGE***

DCA-LAX YIELD

America West	9.51¢/RPM
Industry Average	8.26¢/RPM

Source: T100, 12 ME Sept. 1999;
DOT O&D Survey (DB1A 12 ME Sept. 1999).

***AMERICAN CARRIES MORE DCA
PASSENGERS FROM LAX THAN UNITED***

LAX-DCA

<u>AIRLINE</u>	<u>NUMBER OF PAX</u>	<u>PERCENT</u>
CO	26340	19.21%
AA	21670	15.81%
us	20580	15.01%
UA	18160	13.25%
DL	16920	12.34%
TW	15040	10.97%
NW	14900	10.87%
HP	2720	1.98%
YX	<u>770</u>	<u>0.56%</u>
Total	137100	100.00%

Source: DOT O&D SURVEY (DB1A by Carrier 3Q98-4Q99).

***AMERICAN CARRIES MORE DCA PASSENGERS
FROM SLC, SEA, LAS, SFO AND PHX THAN UNITED***

AIRLINE NUMBER PERCENT
 OF PAX

SLC-DCA

AA	12750	20.20%
co	4590	7.27%
DL	19420	30.77%
NW	5760	9.13%
TW	11260	17.84%
UA	9330	14.78%
Total	63110	100.00%

SEA-DCA

AA	32390	34.72%
co	4940	5.29%
DL	8200	8.79%
HP	110	0.12%
NW	20270	21.73%
TW	6900	7.40%
UA	13520	14.49%
us	6970	7.47%
Total	93300	100.00%

LAS-DCA

AA	8210	16.84%
co	7680	15.76%
DL	8780	18.01%
HP	2660	5.46%
NW	4200	8.62%
TW	11500	23.59%
UA	3890	7.98%
us	1790	3.67%
YX	30	0.06%
Total	48740	100.00%

***AMERICAN CARRIES MORE DCA PASSENGERS
 FROM SLC, SEA, LAS, SFO AND PHX THAN UNITED***

<u>AIRLINE</u>	<u>NUMBER OF PAX</u>	<u>PERCENT</u>
SFO-DCA		
AA	24090	19.54%
co	24040	19.50%
DL	12950	10.51%
F9		0.00%
HP	130	0.11%
NW	14220	11.54%
TW	9870	8.01%
UA	18170	14.74%
us	19550	15.86%
YX	240	0.19%
Total	123260	100.00%

PHX-DCA		
AA	25470	37.17%
co	4460	6.51%
DL	9210	13.44%
HP	11580	16.90%
NW	4660	6.80%
TW	5580	8.14%
UA	3250	4.74%
us	4060	5.93%
YX	250	0.36%
Total	68520	100.00%

Source: DOT O&D SURVEY (DB1A by Carrier 3Q98-4Q99)

***FAR MORE LAS VEGAS AND PHOENIX
PASSENGERS USE B WI THAN DCA***

<u>AIRPORT</u>	<u>NUMBER OF PAX</u>	<u>PERCENT</u>
Las Vegas		
BWI	321,990	73.2
DCA	48,740	11.1
I AD	<u>68,870</u>	<u>15.7</u>
Total	439,600	100.0
Phoenix		
BWI	346,270	70.3
DCA	68,520	13.9
I AD	<u>77,380</u>	<u>15.7</u>
Total	492,170	100.0

Source: DOT O&D SURVEY (DB1A by Carrier 3Q98-4Q99).

AFTER ADJUSTING TO ELIMINATE ALL CONNECTIONS EXCEEDING 25% CIRCUITY, NO OTHER APPLICANT WOULD PROVIDE MORE FIRST ONE-STOP CONNECTING SERVICES THAN UNITED

<u>Carrier</u>	<u>First One-Stop Connections</u>	<u>Competitive One-Stop Connections</u>	<u>Total One-Stop Connections</u>
United	15	14	29
Northwest	15	9	24
America West (PHX)	13	14	27
Delta	8	24	32
TWA	5	1	6
American	4	8	12
ATA	0	2	2
Frontier	0	10	10
National	0	6	6

Source: Apollo; Applications of United, Northwest, America West, Delta, TWA, American, ATA, Frontier and National, Docket OST-00-7181.

***UNITED WILL PROVIDE MORE FIRST ONE-STOP
 CONNECTING SERVICES WITH SIGNIFICANTLY
 LESS CIRCUITY THAN ANY OTHER APPLICANT***

<u>Applicant</u> ¹	<u>First One-Stop Connections</u>	<u>Average Circuits of FOSC</u>	<u>Total OSC</u>	<u>Average Circuity of All OSC</u>
United	16	6.7%	32	8.9%
America West	15	9.1%	42	16.7%
Delta	10	12.8%	40	14.3%
Northwest	16	13.6%	38	24.4%

Source: Apollo.

¹ American, TWA and ATA not listed because all beyond-LAX one-stops proposed by those carriers are to be operated by United. Frontier and National not included because they are not proposing any first one-stop connections.

UNITED CIRCUITY FACTOR

	NONSTOP	1st Leg	2nd Leg	ONE STOP	ONE STOP	
	ORIG-DCA	ORIG-LAX	LAX-DCA	ORIG-LAX-DCA	CIRCUITY	Circuitv F a c t o r
First One-stop Service						
Bakersfield, CA (BFL)	2311	109	2311	2420	109	4.7%
Carlsbad, CA (CLD)	2271	86	2311	2397	126	5.5%
Imperial, CA (IPL)	2186	181	2311	2492	306	14.0%
Inyokern, CA (IYK)	2241	123	2311	2434	193	8.6%
Kona, HI (KOA)	4805	2505	2311	4816	11	0.2%
Lihue, HI (LIH)	4889	2615	2311	4926	37	0.8%
Merced, CA (MCE)	2351	259	2311	2570	219	9.3%
Monterey, CA (MRY)	2435	267	2311	2578	143	5.9%
Oxnard, CA (OXR)	2348	49	2311	2360	12	0.5%
St. George, UT (SGU)	1986	348	2311	2659	673	33.9%
San Luis Obispo, CA (SBP)	2400	155	2311	2466	66	2.8%
Santa Barbara, CA (SBA)	2376	89	2311	2400	24	1.0%
Santa Maria, CA (SMX)	2398	135	2311	2446	48	2.0%
Santa Rosa, CA (STS)	2448	400	2311	2711	263	10.7%
Visalia, CA (VIS)	2310	173	2311	2484	174	7.5%
Yuma, CA (YUM)	2139	237	2311	2548	409	19.1%
Simple Average	2618	483	2311	2794	176	6.7%
Competitive One-stop Service						
San Francisco, CA (SFO)	2442	337	2311	2648	206	8.4%
Phoenix, AZ (PHX)	1979	370	2311	2681	702	35.5%
San Diego, CA (SAN)	2276	109	2311	2420	144	6.3%
Las Vegas, NV (LAS)	2089	236	2311	2547	458	21.9%
San Jose, CA (SJC)	2424	308	2311	2619	195	8.0%
Sacramento, CA (SMF)	2381	373	2311	2684	303	12.7%
Honolulu, HI (HNL)	4840	2556	2311	4867	27	0.6%

UNITED CIRCUITY FACTOR

Oakland, CA (OAK)	2432	337	2311	2648	216	8.9%
Orange County, CA (SNA)	2288	36	2311	2347	59	2.6%
Ontario, CA (ONT)	2265	47	2311	2358	93	4.1%
Tucson, AZ (TUS)	1955	451	2311	2762	807	41.3%
Reno, NV (RNO)	2273	390	2311	2701	428	18.8%
Palm Springs, CA (PSP)	2211	110	2311	2421	210	9.5%
Maui, HI (OGG)	4778	2486	2311	4797	19	0.4%
Fresno, CA (FAT)	2318	209	2311	2520	202	8.7%
Medford, OR (MFR)	2393	630	2311	2941	548	22.9%
Simple Average	2584	562	2311	2873	289	11.2%

Overall
Average
Circuitry: 8.9%

AMERICA WEST CIRCUITY FACTOR

	NONSTOP ORIG-DCA	1st Leg ORIG-PHX	2nd Leg PHX-DCA	ONE STOP ORIG-PHX-DCA	ONE STOP CIRCUITY	Circuity Factor
First One-stop Service						
Bakersfield, CA (BFL)	2311	425	1979	2404	93	4.0%
Carlsbad, CA (CLD)	2271	306	1979	2285	14	0.6%
Eugene, Oregon (EUG)	2392	952	1979	2931	539	22.5%
Ft. Huachuca, Arizona (FHU)	1938	160	1979	2139	201	10.4%
Flagstaff, Arizona (FLG)	1921	119	1979	2098	177	9.2%
Farmington, New Mexico (FMN)	1705	313	1979	2292	587	34.4%
Grand Junction, Colorado (GJT)	1686	438	1979	2417	731	43.4%
Lake Havasu City, Arizona (HII)	2078	156	1979	2135	57	2.7%
Laughlin, Nevada (IFP)	2077	188	1979	2167	90	4.3%
Monterey, CA (MRY)	2435	598	1979	2577	142	5.8%
Oxnard, CA (OXR)	2348	417	1979	2396	48	2.0%
Prescott, Arizona (PRC)	1972	87	1979	2066	94	4.8%
Santa Barbara, CA (SBA)	2376	455	1979	2434	58	2.4%
San Luis Obispo, CA (SBP)	2400	509	1979	2488	88	3.7%
Yuma, Arizona (YUM)	2139	160	1979	2139	0	0.0%
Simple Average	2137	352	1979	2331	195	9.1%
First Competitive One-stop Service						
Burbank, CA (BUR)	2302	369	1979	2348	46	2.0%
Fresno, CA (FAT)	2318	493	1979	2472	154	6.6%
Long Beach, CA (LGB)	2300	355	1979	2334	34	1.5%
Simple Average	2307	406	1979	2385	78	3.4%
Other Competitive One-stop Service						
Anchorage, Alaska (ANC)	3375	2551	1979	4530	1155	34.2%

AMERICA WEST CIRCUITY FACTOR

Seattle, Washington (SEA)	2329	1107	1979	3086	757	32.5%
Spokane, Washington (GEG)	2105	1020	1979	2999	894	42.5%
Portland, Oregon (PDX)	2350	1009	1979	2988	638	27.1%
Boise, Idaho (BOI)	2049	735	1979	2714	665	32.5%
Salt Lake City, Utah (SLC)	1851	507	1979	2486	635	34.3%
Sacramento, CA (SMF)	2381	647	1979	2626	245	10.3%
Reno, Nevada (RNO)	2273	601	1979	2580	307	13.5%
Aspen Colorado (ASE)	1598	491	1979	2470	872	54.6%
Denver, Colorado (DEN)	1476	602	1979	2581	1105	74.9%
Colorado Springs, Colorado (COS)	1487	551	1979	2530	1043	70.1%
San Francisco, CA (SFO)	2442	651	1979	2630	188	7.7%
Montrose, Colorado (MTJ)	1661	418	1979	2397	736	44.3%
Durango, Colorado (DRO)	1673	351	1979	2330	657	39.3%
Oakland, CA (OAK)	2432	646	1979	2625	193	7.9%
San Jose, CA (SJC)	2424	621	1979	2600	176	7.3%
Ontario, CA (ONT)	2265	325	1979	2304	39	1.7%
Los Angeles, CA (LAX)	2311	370	1979	2349	38	1.6%
Santa Ana, CA (SNA)	2288	338	1979	2317	29	1.3%
Palm Springs, CA (PSP)	2211	261	1979	2240	29	1.3%
San Diego, CA (SAN)	2276	304	1979	2283	7	0.3%
El Paso, Texas (ELP)	1719	347	1979	2326	607	35.3%
Tucson, Arizona (TUS)	1955	110	1979	2089	134	6.9%
Albuquerque, New Mexico (ABQ)	1650	328	1979	2307	657	39.8%
Simple Average	2108	620	1979	2599	492	23.3%

Overall
Average
Circuitry: **16.7%**

DELTA CIRCUITY FACTOR

	NONSTOP ORIG-DCA	1st Leg ORIG-SLC	2nd Leg SLC-DCA	ONE STOP ORIG-SLC-DCA	ONE STOP CIRCUITY	Circuitv Factor
First One-stop Online Service						
Butte, MT (BTM)	1862	358	1851	2209	347	18.6%
Caspar, WY (CPR)	1558	320	1851	2171	613	39.3%
Elko, NV (EKO)	2049	200	1851	2051	2	0.1%
Idaho Falls, ID (IDA)	1840	189	1851	2040	200	10.9%
Lovell/Powell, WY (POY)	1678	325	1851	2176	498	29.7%
Pocatello, ID (PIH)	1869	150	1851	2001	132	7.1%
St. George, UT (SGU)	1986	269	1851	2120	134	6.7%
Sun Valley, ID (SUN)	1953	223	1851	2074	121	6.2%
Twin Falls, ID (TWF)	1967	175	1851	2026	59	3.0%
Vernal, UT (VEL)	1726	131	1851	1982	256	14.8%
Simple Average	1849	234	1851	2085	236	12.8%
First Competitive One-stop Online Service						
Billings, MT (BIL)	1671	387	1851	2238	567	33.9%
Bozeman, MT (BZN)	1797	347	1851	2198	401	22.3%
Fresno, CA (FAT)	2318	501	1851	2352	34	1.5%
Grand Junction, CO (GJT)	1686	216	1851	2067	381	22.6%
Great Falls, MT (GTF)	1817	464	1851	2315	498	27.4%
Jackson Hole, WY (JAC)	1773	205	1851	2056	283	16.0%
Kalispell, MT (FCA)	1956	532	1851	2383	427	21.8%
Missoula, MT (MSO)	1941	436	1851	2287	346	17.8%
Pasco, WA (PSC)	2180	521	1851	2372	192	8.8%
Simple Average	1904	401	1851	2252	348	18.3%
Additional One-stop Service						
Albuquerque, New Mexico (ABQ)	1650	492	1851	2343	693	42.0%

DELTA CIRCUITY FACTOR

Anchorage, Alaska (ANC)	3375	2125	1851	3976	601	17.8%
Boise, Idaho (BOI)	2049	291	1851	2142	93	4.5%
Cody, WY (COD)	1689	298	1851	2149	460	27.2%
Colorado Springs, Colorado (COS)	1487	409	1851	2260	773	52.0%
Denver, Colorado (DEN)	1476	391	1851	2242	766	51.9%
Fairbanks, AK (FAI)	3285	2184	1851	4035	750	22.8%
Helena, MT (HLN)	1840	402	1851	2253	413	22.4%
Las Vegas, NV (LAS)	2089	368	1851	2219	130	6.2%
Los Angeles, CA (LAX)	2311	590	1851	2441	130	5.6%
Ontario, CA (ONT)	2265	558	1851	2409	144	6.4%
Palm Springs, CA (PSP)	2211	541	1851	2392	181	8.2%
Phoenix, AZ (PHX)	1979	507	1851	2358	379	19.2%
Portland, Oregon (PDX)	2350	630	1851	2481	131	5.6%
Reno, Nevada (RNO)	2273	422	1851	2273	0	0.0%
Sacramento, CA (SMF)	2381	532	1851	2383	2	0.1%
San Diego, CA (SAN)	2276	626	1851	2477	201	8.8%
San Francisco, CA (SFO)	2442	599	1851	2450	8	0.3%
San Jose, CA (SJC)	2424	585	1851	2436	12	0.5%
Santa Ana, CA (SNA)	2288	588	1851	2439	151	6.6%
Seattle, Washington (SEA)	2329	689	1851	2540	211	9.1%
Spokane, Washington (GEG)	2105	547	1851	2398	293	13.9%
Simple Average	2208	653	1851	2504	296	13.4%

**Overall Average
Circuitry: 14.3%**

NORTHWEST CIRCUITY FACTOR

	NONSTOP ORIG-DCA	1st Leg ORIG-SEA	2nd Leg SEA-DCA	ONE STOP ORIG-SEA-DCA	ONE STOP CIRCUITY	Circuity Factor
First One-stop to DCA						
Fairbanks, AK (FAI)	3285	1533	2329	3862	577	17.6%
Eugene, OR (EUG)	2392	234	2329	2563	171	7.1%
Kalispell, MT (FCA)	1956	379	2329	2708	752	38.4%
Simple Average	2544	715	2329	3044	500	19.7%
First Competitive One-stop to Washington (DCA/IAD)						
Great Falls, MT (GTF)	1817	512	2329	2841	1024	56.4%
Helena, MT (HLN)	1840	491	2329	2820	980	53.3%
Pasco, WA (PSC)	2180	172	2329	2501	321	14.7%
Butte, MT (BTM)	1862	477	2329	2806	944	50.7%
Sun Valley (SUN)	1953	474	2329	2803	850	43.5%
Simple Average	1930	425	2329	2754	824	42.7%
First One-stop to Washington (DCA/IAD)						
Juneau, AK (JNU)	2848	909	2329	3238	390	13.7%
Medford, OR (MFR)	2393	352	2329	2681	288	12.0%
Bellingham, WA (BLI)	2337	94	2329	2423	86	3.7%
Yakima, WA (YKM)	2247	103	2329	2432	185	8.2%
Pullman, WA (PUW)	2084	250	2329	2579	495	23.8%
Redmond, OR (RDM)	2289	228	2329	2557	268	11.7%
Lewiston, ID (LWS)	2079	261	2329	2590	511	24.6%
Wenatchee, WA (EAT)	2230	99	2329	2428	198	8.9%
Ketchikan, AK (KTN)	2733	680	2329	3009	276	10.1%
Port Angeles, WA (CLM)	2382	72	2329	2401	19	0.8%

NORTHWEST CIRCUITY FACTOR

Sitka, AK (SIT)	2875	862	2329	3191	316	11.0%
Walla Walla, WA (ALW)	2141	212	2329	2541	400	18.7%
Moses Lake, WA (MWH)	2188	142	2329	2471	283	12.9%
Simple Average	2371	328	2329	2657	286	12.1%

Other Competitive One-stop Service to DCA

San Francisco, CA (SFO)	2442	678	2329	3007	565	23.1%
Honolulu, HI (HNL)	4840	2677	2329	5006	166	3.4%
Phoenix, AZ (PHX)	1979	1107	2329	3436	1457	73.6%
Portland, OR (PDX)	2350	129	2329	2458	108	4.6%
Las Vegas, NV (LAS)	2089	866	2329	3195	1106	52.9%
Sacramento, CA (SMF)	2381	605	2329	2934	553	23.2%
Anchorage, AK (ANC)	3375	1448	2329	3777	402	11.9%
Reno, NV (RNO)	2273	564	2329	2893	620	27.3%
San Jose, CA (SJC)	2424	697	2329	3026	602	24.8%
Spokane, WA (GEG)	2105	224	2329	2553	448	21.3%
Ontario, CA (ONT)	2265	956	2329	3285	1020	45.0%
Oakland, CA (OAK)	2432	671	2329	3000	568	23.4%
Boise, ID (BOI)	2049	399	2329	2728	679	33.1%
Billings, MT (BIL)	1671	664	2329	2993	1322	79.1%
Bozeman, MT (BZN)	1797	543	2329	2872	1075	59.8%
Fresno, CA (FAT)	2318	748	2329	3077	759	32.7%
Burbank, CA (BUR)	2302	937	2329	3266	964	41.9%
Simple Average	2417	818	2329	3147	730	30.2%

Overall
Average
Circuitry: **24.4%**

***UNITED'S FIRST ONE-STOP CONNECTIONS
GENERATE ALMOST EIGHT TIMES MORE
DAILY PASSENGERS TO WASHINGTON THAN
DELTA'S FIRST ONE-STOP CONNECTIONS***

	<u>No. of FOSC</u>	<u>No. Daily Pax</u>
United	16	144
Delta	10	18.5

Source: CRS 1999

***UNITED'S FIRST ONE-STOP CONNECTIONS
GENERATE ALMOST EIGHT TIMES MORE
DAILY PASSENGERS TO WASHINGTON THAN
DELTA'S FIRST ONE-STOP CONNECTIONS***

UNITED

<u>City</u>	<u>DCA+IAD</u>
Bakersfield	2,529
Carlsbad	2,425
Imperial	228
Inyokern	3,316
Kona	3,273
Lihue	2,504
Merced	69
Monterey	13,147
Oxnard	4,276
St. George	345
San Luis Obispo	3,337
Santa Barbara	12,433
Santa Maria	2,225
Santa Rosa	482
Visalia	138
Yuma	<u>1,990</u>
Total	52,717 or 144 pax per day

***UNITED'S FIRST ONE-STOP CONNECTIONS
GENERATE ALMOST EIGHT TIMES MORE
DAILY PASSENGERS TO WASHINGTON THAN
DELTA'S FIRST ONE-STOP CONNECTIONS***

DELTA

<u>City</u>	<u>DCA+IAD</u>
Butte	1.9
Caspar	2.3
Elko	0.5
Idaho Falls	8.4
Lovell/Powell	N/A
Pocatello	1.5
St. George	0.5
Sun Valley	2.0
Twin Falls	1.3
Vernal	<u>0.1</u>
Total	18.5

**AVERAGE FARES AT DCA ARE 23 PERCENT HIGHER THAN AT DULLES,
REFLECTING DCA'S STATUS AS THE PREFERRED WASHINGTON
AIRPORT FOR TIME-SENSITIVE BUSINESS TRAVELERS***

<u>MARKET</u>	<u>DCA FARE</u>	<u>IAD FARE</u>	<u>DCA FARE AS % OF IAD FARE</u>
ABE	259	166	56.3
ALB	201	191	5.3
ATL	220	106	108.1
BNA	153	151	1.0
BOS	195	89	118.4
BTV	186	156	19.4
BUF	169	120	40.9
CAE	189	199	(4.7)
CHS	194	178	8.8
CLE	129	137	(5.9)
CLT	212	206	2.9
CMH	140	92	52.6
CRW	250	171	46.0
CVG	203	173	17.4
DAY	214	203	5.3
DFW	246	237	3.6
DTW	194	185	4.6
EWR	171	151	13.2
FLL	131	107	22.2
GSO	186	134	39.5
GSP	165	169	(2.4)
HPN	213	218	(2.2)
IAH	284	240	18.1
IND	185	150	22.8
JAX	138	124	11.2
JFK	100	101	(1.1)
LGA	125	109	15.5
MCO	134	105	27.6
MIA	168	135	25.2
MSP	246	197	25.3
MSY	154	165	(6.4)
ORD	194	183	6.0
ORF	192	166	16.1
PHL	174	167	3.9
PIT	225	203	10.6
PVD	145	131	10.8
PWM	189	179	5.9
RDU	169	61	177.0
RIC	173	262	(33.9)
ROA	183	160	14.1

**AVERAGE FARES AT DCA ARE 23 PERCENT HIGHER THAN AT DULLES,
REFLECTING DCA'S STATUS AS THE PREFERRED WASHINGTON
AIRPORT FOR TIME-SENSITIVE BUSINESS TRAVELERS***

ROC	169	177	(4.5)
STL	194	146	32.4
SYR	201	147	36.9
TPA	139	112	24.6
TYS	191	130	47.1
AVERAGE			23.0

*Includes all cities with nonstop service to both DCA and IAD.

Source: DB1 A 12ME Q3 1999

***PHOENIX AND DENVER CURRENTLY HAVE
MORE AVAILABLE SEATS PER PASSENGER TO
WASHINGTON, D.C. * THAN DOES LOS ANGELES***

<u>City</u>	<u>Available Seats Per Pax</u>
Denver	2.3
Phoenix	1.6
Los Angeles	1.4
San Francisco	1.30
Salt Lake City	1.0
Seattle	0.7
Las Vegas	0.6

*Includes BWI and IAD

Source: T100 12 ME Sept. 1999
DB1A 12 ME Sept. 1999

LETTERS IN SUPPORT OF UNITED

LETTERS OF SUPPORT

State	Category	Organization/Business/Other Name	Letter Author's Name	Date Received
CA	State Official	U.S. Senate	Barbara Boxer, Senator	05/12/00
CA	State Official	U.S. Congress	Howard L. Berman, Member of Congress	05/12/00
CA	State Official	U.S. Congress	Ken Calvert, Member of Congress	05/19/00
CA	State Official	U.S. Congress	Lois Capps, Member of Congress	05/09/00
CA	State Official	U.S. Congress	Grace F. Napolitano, Member of Congress	05/12/00
CA	State Official	State Assembly	Antonio R. Villarreal, Speaker Emeritus	05/18/00
CA	Local Official	City of Fresno	Jim Patterson, Mayor	05/05/00
CA	Local Official	City of Los Angeles	Hal Bernson, Councilman, 12th District	05/04/00
CA	Local Official	City of Los Angeles	Rudy Svorinich, Jr., Councilman, 15th District	05/04/00
CA	Local Official	City of Los Angeles	Laura Chick, Councilmember, 3rd District	05/03/00
CA	Local Official	City of Merced	Mary Jo Knudsen, Mayor	05/05/00
CA	Local Official	City of Sacramento	Jimmie R. Yee, Mayor	05/03/00
CA	Local Official	City of San Luis Obispo	Allen K. Settle, Mayor	05/16/00

BARBARA BOXER
CALIFORNIA

COMMITTEES:
BUDGET
ENVIRONMENT
AND PUBLIC WORKS
FOREIGN RELATIONS

United States Senate

HART SENATE OFFICE BUILDING
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May 11, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
400 Seventh Street, SW
Room 10200
Washington, DC 20590

Dear Mr. Secretary:

Under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, the Department of Transportation (DOT) can award six new round trip flights between Washington's Reagan National Airport (DCA) and cities located outside the current 1,250-mile perimeter limit on operations at that airport. I understand that United Airlines has applied for two of these round trip flights to serve Los Angeles International Airport (LAX). I urge your strongest consideration of United Airlines' application.

Los Angeles is currently the largest U.S. city without nonstop service to DCA. Indeed, far more consumers would benefit from a nonstop route between DCA and LAX than between DCA and other competing cities, such as Phoenix or Salt Lake City. DOT's data for 1999 show that the Washington-Los Angeles air market is five times the size of the Washington-Phoenix market (2,308 passengers per day versus 466 passengers per day) and over four times the size of the Washington-Salt Lake City market (526 passengers per day).

As such, the introduction of new nonstop service from DCA to LAX would clearly increase competition for the most nonstop air travelers possible. United's proposal will not only benefit consumers and business travelers in the Los Angeles metropolitan area but scores of air travelers on the West Coast as well.

Thank you for your consideration.

Sincerely,

Barbara Boxer
United States Senator

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1130 'D' STREET
SUITE 2040
FRESNO, CA 93721
(549) 497-8109

800 'F' STREET
SUITE 2240
SAN DIEGO, CA 92101
(619) 239-3884

281 NORTH 'E' STREET
SUITE 210
SAN BERNARDINO, CA 92401
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28TH DISTRICT, CALIFORNIA

COMMITTEES:

JUDICIARY

RANKING MEMBER, SUBCOMMITTEE ON COURTS AND INTELLECTUAL PROPERTY

INTERNATIONAL RELATIONS

STANDARDS OF OFFICIAL CONDUCT

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**Congress of the United States
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HOWARD L. BERMAN

May 10, 2000

The Honorable **Rodney E. Slater**
Secretary of Transportation
400 Seventh St., S.W.
Washington, DC 20590

RE: Docket **OST-2000-7181**

Dear **Secretary Slater**:

I am writing to express my support for a proposal submitted by United Airlines to provide nonstop service between Los Angeles and Washington National Airport.

Under the recently passed Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, the Department of Transportation can award six new roundtrip flights between National Airport and cities located outside the current 1,250 mile perimeter limit on operations at that airport.

Los Angeles is by far the largest U.S. city without nonstop service to National Airport. Indeed, far more consumers would benefit from a nonstop route between National and Los Angeles than between National and other competing cities, such as Phoenix or Salt Lake City.

Through their hub at Los Angeles International Airport, United would offer significant network benefits. United currently serves 59 destinations from LAX, including many small communities in California. Awarding roundtrip flights to United would also complement investments the airline is already making at LAX, including \$260 million for terminal expansions and improvements, a new cargo facility, and a new Federal Inspections Service facility.

The introduction of new nonstop service from DCA to LAX will clearly increase competition for the most air travelers possible. In that context, I urge you to give the proposal submitted by United Airlines every consideration.

Sincerely,



HOWARD L. BERMAN
Member of Congress

HLB/djc

COMMITTEE ON SCIENCE

CHAIRMAN

SUBCOMMITTEE ON ENERGY AND ENVIRONMENT

SUBCOMMITTEE

SPACE AND AERONAUTICS

COMMITTEE ON RESOURCES

SUBCOMMITTEE

WATER AND POWER

COMMITTEE ON AGRICULTURE

SUBCOMMITTEE

LIVESTOCK AND HORTICULTURE



**Congress of the United States
House of Representatives
Washington, DC 20515-0543**

KEN CALVERT

43RD DISTRICT, CALIFORNIA

WASHINGTON OFFICE:

2201 FAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-0543

(202) 225-1180

DISTRICT OFFICE:

3400 CENTRAL AVENUE

SUITE 280

RIVERBIDG, CA 92504

(909) 704-4300

<http://www.house.gov/calvert>

May 16, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW
Room 10200
Washington, DC 20590

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to express my strong support for United Airlines' proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport.

As a result of the dedicated work by you, your department and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. Among the many features of that important legislation is a provision allowing you to award six new roundtrip flights between Washington's Reagan National Airport and domestic hub airports located beyond the current 1,250 mile perimeter limit on operations at National.

Los Angeles is by far the largest U.S. city without nonstop service to Reagan National Airport. Indeed, far more consumers would benefit from a nonstop route between Los Angeles and Reagan National than between Reagan National and any other eligible city. For example, the Los Angeles-Washington market is much larger than either the Phoenix-Washington market or the Salt Lake City-Washington market. Consequently, the introduction of the first nonstop service from Los Angeles to National would benefit the most nonstop travelers possible.

Furthermore, United Airlines is the air carrier at Los Angeles International Airport that offers the largest domestic network benefits. United, with its hub at LAX, will link passengers to a vast network of domestic and international communities. United serves 59 destinations from LAX. It offers daily nonstop flights from 48 domestic and 11 international destinations.

Also, with this proposal for two daily roundtrips, United will offer new single-connection service between Reagan National and 17 small communities in California and other western states. Improved air service to small communities has been a policy priority for you. United's proposal helps to achieve that goal.

Finally, an award of two roundtrips for United would complement the investments that United is making at Los Angeles International. United employs almost 30,000 men and women in California, with 8,500 in Los Angeles alone. United is investing \$260 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new Federal Inspection Services facility. With these investments, United is clearly well poised to bring the benefits of new Washington, D.C. service to the most passengers in California and throughout the west.

Thank you for giving United Airlines' proposal your highest consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Calvert", written in a cursive style.

Ken Calvert
Member of Congress

LOIS CAPPS
22^D DISTRICT, CALIFORNIA

1111 LINCOLN CENTER BUILDING
WASHINGTON, DC 20015-0622
(202) 346-3601

COMMITTEE ON COMMERCE



Congress of the United States
House of Representatives

May 9, 2000

DISTRICT OFFICES

- 1411 MARSH STREET, STE 200
SAN LEUIS OBISPO, CA 93401
(805) 548-8348
- 1428 CANTALE STREET
SANTA BARBARA, CA 93101
(805) 730-1710
- 810 E STOWELL ROAD, STE 111
SANTA MARIA, CA 93454
(805) 348-0313

The Honorable Rodney Slater
U.S. Department of Transportation
400 7th Street, SW
Washington, DC 20590

Dear Mr. Secretary:

I am writing you in support of United Airlines' application to provide twice daily nonstop service between Washington's Reagan National Airport (DCA) and Los Angeles International Airport (LAX).

As you know, recently passed legislation allows the Department of Transportation to award 6 new roundtrip flights from DCA to cities located outside the current 1,250 mile perimeter limit on operations at the airport. This new legislation provides the Department with an opportunity to help west coast citizens get access to cheaper and more convenient flights to our nation's capital.

Los Angeles is currently the largest U.S. city without nonstop service to DCA. Clearly, millions of west coast citizens would benefit from direct service between LAX and DCA. In addition, millions more, including my constituents on the Central Coast of California, would benefit from the one-stop service that would be available to them through this new, convenient connection.

I respectfully urge you to give United's application full consideration, consistent with all relevant rules and regulations. Thank you for attention to this request.

Sincerely,

LOIS CAPPS
Member of Congress

□ WASHINGTON OFFICE:
1407 LONGWORTH BUILDING
WASHINGTON, DC 20515-0634
(202) 225-6258
FAX: (202) 225-0027
e-mail: grace@mail.house.gov
website: http://www.house.gov/napolitano



COPY

COMMITTEES:
RESOURCES
WATER AND POWER
FORESTS AND FOREST HEALTH
SMALL BUSINESS
TAX, FINANCE AND EXPORTS

cl DISTRICT OFFICE:
1712 W. BEVERLY BLVD., #201
MONTEBELLO, CA 90640
(323) 728-0112
FAX: (323) 728-4113

Congress of the United States
House of Representatives

GRACE F. NAPOLITANO
34TH DISTRICT OF CALIFORNIA

May 10, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW
Room 10200
Washington, DC 20590

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to express my **strong** support for United Airlines' proposal to **provide** the first ever nonstop **service** between **Los Angeles** and Washington's **National Airport**.

As a result of **the dedicated** work by **you**, your department and the **Congress**, the President was **recently** able to **sign** the **Wendell H. Ford Aviation Investment and Reform Act for the 21st Century**. Among the many features of that important legislation is a **provision** allowing you to award six new **roundtrip** flights **between** Washington's **National Airport** and domestic hub **airports** located beyond **the** current **1,250 mile** perimeter limit on operations at **National**.

Los Angeles is **by far the largest** US city without **nonstop service** to **National Airport**. Indeed, **far more** consumers would benefit **from** a nonstop route between **Los Angeles** and **Washington National** than between **National** and any other **eligible city**. For example, the **Los Angeles-W&Aton market** is much **larger** than **either the Phoenix-Washington market** or the **Salt Lake City-Washington market**. Consequently, **the introduction** of the **first** nonstop service from **Los Angeles** to **National** would benefit the most nonstop travelers possible.

Furthermore, **United Airlines** is **the air carrier** at **Los Angeles International Airport** that offers the largest domestic **network benefits**. **United**, **with** its hub at **LAX**, will link passengers to a vast **network of** domestic and **international communities**. **United** serves **59 destinations from LAX**. It offers daily nonstop flights from **48** domestic and **11** international destinations.

The Honorable Rodney Slater
Secretary of Transportation
Page Two

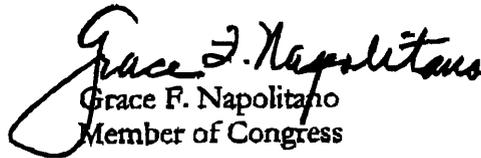
Also, with this proposal for 2 daily roundtrips, United will offer new single-connection service between National and 17 small communities in California and other western states. Improved air service to small communities has been a policy priority for you. United's proposal helps to achieve that goal.

An award of 2 roundtrips for United would complement the investments that United is making at Los Angeles International. United employs almost 30,000 men and women in California, with 8,500 in Los Angeles alone. United is investing \$260 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new Federal Inspection Services facility. With these investments, United is clearly the airline best poised to bring the benefits of new Washington, D.C. service to the most passengers in California and throughout the west,

Finally, and of considerable importance, the Members of Congress who would substantially benefit from direct non-stop service between National and LAX are in significantly greater number than the combined delegations from the two competing cities! It makes far more sense to accommodate those Members representing districts farthest from Washington, which makes Los Angeles International the obvious choice,

For all these reasons, I strongly urge you to select LAX and United for this important new nonstop service from Washington National.

Kindest regards,


Grace F. Napolitano
Member of Congress



ANTONIO R. VILLARAIGOSA
SPEAKER EMERITUS

A. B. Wayne
MAY 18 2000
LAXGR

May 18, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW, Room 10200
Washington, DC 20590

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to express my support for United Airlines' proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport.

As a result of the dedicated work by you, your department and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. Among the many features of that important legislation is a provision allowing you to award six new roundtrip flights between Washington's Reagan National Airport and domestic hub airports located beyond the current 1,250-mile perimeter limit on operations at National.

Los Angeles is by far the largest U.S. city without nonstop service to Reagan National Airport. Indeed, far more consumers would benefit from a nonstop route between Los Angeles and Reagan National than between Reagan National and any other eligible city. For example, the Los Angeles-Washington market is much larger than either the Phoenix-Washington market or the Salt Lake City-Washington market. Consequently, the introduction of the first nonstop service from Los Angeles to National would benefit the most nonstop travelers possible.

Furthermore, United Airlines is the air carrier at Los Angeles International Airport that offers the largest domestic network benefits. United, with its hub at LAX, will link passengers to a vast network of domestic and international communities. United serves 59 destinations from LAX. It offers daily nonstop flights from 48 domestic and 11 international destinations.

Of particular note, along with their proposal for two daily roundtrips, United will offer new single-connection service between Reagan National and 17 small communities in California and other western states. Improved air service to small communities has been a policy priority for you. United's proposal helps to achieve that goal.

CAPITOL HILL - STATE CAPITOL FROM DE - SACRAMENTO, CA 95834 - PHONE 916 319 2145 - FAX 916 319 2145
DISTRICT OFFICES - 210 WEST SECOND AVENUE, SUITE 400 - LOS ANGELES, CA 90012 - PHONE 213 455 2740 - FAX 213 455 2740
100 S. WASHINGTON ST., SUITE 1000 - SACRAMENTO, CA 95833 - PHONE 916 319 2145 - FAX 916 319 2145

The Honorable Rodney Slater
May 16, 2000
Page 2

Finally, an award of two roundtrips for United would complement the investments that United is making at Los Angeles International. United employs almost 30,000 men and women in California, with 8,500 in Los Angeles alone. United is investing \$260 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new Federal Inspection Services facility. With these investments, United is clearly poised to bring the benefits of new Washington, DC service to the most passengers in California and throughout the West.

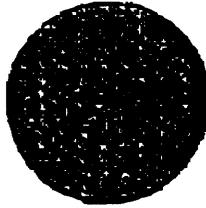
Thank you for giving United Airlines' proposal serious consideration.

Sincerely,



ANTONIO R. VILLARAIGOSA
Speaker Emeritus

ARV/rv



MAY 5 2000
LAXGR

MAYOR JIM PATTERSON

May 5, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
U.S. Department of Transportation
400 Seventh Street, SW Room 10200
Washington, DC 20590

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to express my support for United Airlines' proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport.

As a result of the dedicated work by you, your department and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. Among the many features of that important legislation is a provision allowing you to award six new roundtrip flights between Washington's Reagan National Airport and domestic hub airports located beyond the current 1,250 mile perimeter limit on operations at National.

Proposing to fly 2 daily roundtrips, United would offer new single connection service between Reagan National and 17 small communities in California and other western states. Improved air service to small communities has been a policy priority for you. United's proposal helps to achieve that goal. Los Angeles is by far the largest U.S. city without nonstop service to Reagan National Airport. United Airlines is one of the major air carriers at Los Angeles International Airport that offers the largest domestic network benefits. United, with its hub at LAX, will link passengers to a vast network of domestic and international communities. United currently serves 18 daily roundtrips from LAX to Fresno Yosemite International Airport.

The award of 2 roundtrips for United would complement the investments that United is making at Los Angeles International. United employs almost 30,000 men and women in California, with 8,500 in Los Angeles alone. United is investing \$260 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new Federal Inspection Services facility. With these investments, United is clearly an excellent choice to bring the benefits of new Washington, D.C. service to passengers in California and throughout the west.

Thank you for giving United Airlines' proposal your highest consideration.

Sincerely,

Jim Patterson
Mayor

CITY OF FRESNO



HAL BERNSON
COUNCILMAN
TWELFTH DISTRICT

City Council
of the
City of Los Angeles
City Hall

April 29, 2000

Room 310, City Hall
200 N. MAIN ST.
LOS ANGELES 90012-4070
(213) 488-3240

DISTRICT OFFICES
18017 NORBROOK ST., STE. 10
NORTHROCK 91324-3700
(818) 720-0201
(818) 800-0210

12517 MURBARD STREET
SULBAC 91342-4419
(818) 750-0204

MAY 4 2000

LAXGR

Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW, Room 10200
Washington, D.C. 20590

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to express my strong support for United Airlines' proposal to provide the first nonstop service between Los Angeles and Washington's Reagan National Airport (WRNA).

As a result of the dedicated work by you, your department and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. Among the many features of that important legislation is a provision allowing you to award six new round-trip flights between WRNA and domestic hub airports located beyond the current 1,250 mile perimeter limit on operations at WRNA.

Los Angeles is by far the largest United State city without nonstop service to WRNA. Indeed, far more consumers would benefit from a nonstop route between Los Angeles and WRNA than between WRNA and any other eligible city.

Furthermore, United Airlines (UA), with its hub at LAX, will link passengers to a vast network of domestic and international communities. UA serves 59 destinations from LAX. It offers daily nonstop flights from 48 domestic and 11 international destinations.

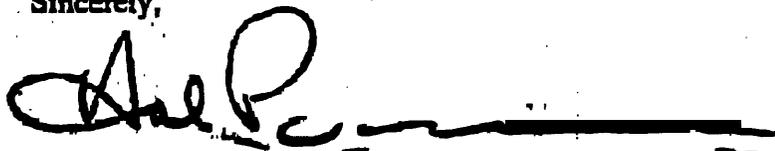
Also, with this proposal for two daily round-trips, UA will offer new single-connection service between WRNA and 17 small communities in California and other western states. I know that improved air service to small communities has been a policy priority for you. UA's proposal helps to achieve that goal.

Honorable Rodney E. Slater
April 29, 2000
Page 2

Finally, an award of two round-trips for UA would complement the investments that UA is making at LAX. UA employs almost 30,000 men and women in California, with 8,500 in Los Angeles alone. UA is investing \$260 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new Federal Inspection Services facility.

Thank you for giving UA's proposal your consideration.

Sincerely,

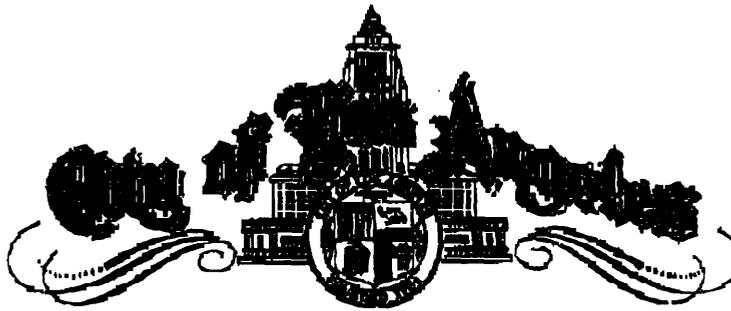


HALBERN SON
Councilman, 12th District

HB:FO/te

MAILING ADDRESS:

City Hall
208 North Main Street
Room 807
Los Angeles, CA 90012
Tel: (213) 473-7015
Fax: (213) 629-0431
TDD: (213) 473-8849
E-Mail: svorinich@cityofla.com



COUNCILMAN
Rudy Svorinich, Jr.
Fifteenth District

Assistant President Pro Tempore

May 1, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 - Seventh Street, SW
Room 10200
Washington, DC 20590

MAY 4 2000
LAXGR

DISTRICT OFFICES:

Harbor Office
830 South Bascom Street
Room 582
San Pedro, CA 90731
Tel: (310) 799-4616
Fax: (310) 732-4500

West Office
18221 Compton Avenue
Suite 200
Los Angeles, CA 90002
Tel: (310) 473-8199
Fax: (310) 473-8192

Dear Secretary Slater:

I am writing to express my strong support for United Airlines' proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport.

As a result of the dedicated work by you, your department and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. Among the many features of that important legislation is a provision allowing you to award six new round trip flights between Washington's Reagan National Airport and domestic hub airports located beyond the current 1,250 mile perimeter limit on operations at National.

Los Angeles is by far the largest U.S. City without nonstop service to Reagan National Airport. Indeed, far more consumers would benefit from a nonstop route between Los Angeles and Reagan National than between Reagan National and any other eligible City. For example, the Los Angeles-Washington market or the Salt Lake City-Washington market. Consequently, the introduction of the first nonstop service from Los Angeles to national would benefit the nonstop travelers possible.

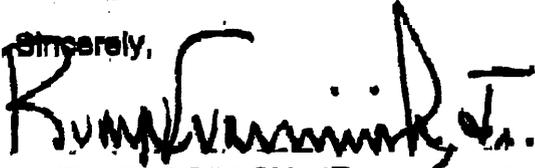
Furthermore, United Airlines is the air carrier at Los Angeles International Airport that offers the largest domestic network benefits. United, with its hub at LAX, will link passengers to a vast network of domestic and international communities. United serves 59 destination from LAX. It offers daily nonstop flights from 48 domestic and 11 international destinations.

Also, with this proposal for 2 daily round trips, United will offer new single-connected service between Reagan National and 17 small communities in California and other western states. Improve air to small communities has been a policy priority for you. United's proposal helps to achieve that goal for several communities.

Finally, an award of 2 round trips for United would complement the investments that United is making at Los Angeles International. United employs almost 30,000 men and women in California, with 8500 in Los Angeles alone. United is investing \$30 million in improvements at LAX including terminal expansions and improvements, a new, state-of-the-art cargo facility, and a new federal Inspection Services facility. With these investments, United is clearly the airline best poised to bring the benefits of new Washington, D.C. service to the most passengers in California and throughout the west.

Thank you for giving United Airlines' proposal your highest consideration.

Sincerely,



RUDY SVORINICH, JR.
Assistant President Pro Tempore
Councilman, 15th District
City of Los Angeles

RS:gmh

May-03-00 09:53pm From-



LAURA CHICK
CITY OF LOS ANGELES
COUNCILMEMBER, THIRD DISTRICT

CITY HALL
200 N. Main Street, Room 415
Los Angeles, CA 90012
(213) 486-8488
(213) 485-8988 Fax
TDD (213) 478-5971

DISTRICT OFFICE
19040 Vanowen Street
Reseda, CA 91536
(818) 756-8548
(818) 758-9179 Fax
TDD (818) 345-8624

Email address:
lchick@009.ci.la.ca.us

May 3, 2000

The Honorable Rodney E. Slater
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW
Room 10200
Washington, DC 20590

Alan Wayne
MAY 4 2000
LAXGR

Re: Docket OST-2000-7181

Dear Secretary Slater:

I am writing to add my support to the others who have contacted you for the United Airlines' proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport.

With the third busiest airport in the nation, Los Angeles is currently the largest U.S. city without nonstop service to Regan National Airport. I understand that important legislation was recently signed by President Clinton which would allow you to award six new roundtrip flights between National Airport and Domestic hub airports beyond the current 1,250 mile perimeter. I believe that many consumers would benefit from a nonstop route between Los Angeles and Reagan National airport.

In addition, the award of 2 roundtrips for United Airlines, which has its hub at LAX, would compliment the investments that United is making at Los Angeles International. The airline employs about 8,500 in Los Angeles and is investing \$260 million in improvements to the airport. With the investments that United is making in Los Angeles, it is clearly the airline which would be the best choice to bring the benefits of new Washington, D.C. service to the most passengers in California and throughout the west.

thank you in advance for your consideration of this matter.

Sincerely,

LAURA CHICK
Councilmember
Third District

CITY OF MERCED

"Gateway to Yosemite"



(209) 385-6834 ● (209)723-1780 FAX

May 2, 2000

A 2 1012111111
 MAY 5 2000
 LAXGR

The Honorable Rodney E. Slater
 Secretary of Transportation
 Department of Transportation
 400 Seventh Street, SW
 Room 10200
 Washington, DC 20590

RE: Docket OST-2000-7181

Dear Secretary Slater:

I am **writing** to express my strong support for **United Airlines'** proposal to provide the first ever nonstop service between Los Angeles and Washington's Reagan National Airport,

As a result of the dedicated work by you, your department, and the Congress, the President was recently able to sign the Wendell H. Ford Aviation Investment and Reform Act for the **21st** Century. Among the many features of that Important **legislation** is a **provision** allowing you to award six new roundtrip flights between Washington's Reagan National Airport and domestic hub airports located beyond the current **1,250** mile perimeter **limit** on operations at National,

Los Angeles is by **far** the largest U.S. **city** without nonstop service to Reagan National Airport. Indeed, far more consumers would benefit from a nonstop route between Los Angeles and Reagan National than between Reagan **National** and any other eligible city. For example, the Los Angeles-Washington market **is** much larger than either the Phoenix-Washington market or the Salt Lake **City-Washington** market. Consequently, the introduction of the first nonstop service from Los Angeles to National would benefit the most nonstop travelers **possible**.

The Honorable Rodney E. Slater

Page 2

May 2, 2000

Furthermore, United Airlines is the **air** carrier at Los Angeles International Airport that offers the largest **domestic** network benefits, United, with its hub at **LAX**, will **link** passengers to a vast network of **domestic and** International communities. United **serves 59** destinations from LAX, It offers daily nonstop flights **from 48** domestic and **11** International **destinations**.

Also, with this proposal for two daily roundtrips, United will **offer new single-connection service between** Reagan National **and 17** small **communities** in California (including **Merced**) **and other** western states., Improved **air service** to **small** communities has been a policy priority for **you**. United's proposal helps to achieve that goal.

Finally, an award of two **roundtrips** for United **would** complement the investments that United is making at Los Angeles International. United employs almost **30,000** men and women In California, with **8,500** in Los Angeles **alone**. **United** is investing **\$260 million** in Improvements at LAX, **including terminal** expansions and Improvements, **a new**, state-of-the-art **cargo** facility, and a new Federal **Inspection** Services facility. With these **investments**, United **is** clearly the **airline** best poised to bring the benefits of new Washington, **D.C. service** to the most **passengers** in California and **throughout the west**.

Thank you for giving United Airlines' proposal your **highest** consideration.

Sincerely,



MARY JO KNUDSEN

Mayor

MJK:nr

Cc: ✓ United Airlines, Alan B. Wayne, Regional Director, **Governmental & Public** Affairs
Lee Pevsner, **Director** of Housing and Transportation
Dan Oaks, Airport Superintendent



A. Wayne
MAY 3 2000
LAXGF

OFFICE OF THE
MAYOR

JIMMIE R. YEE
MAYOR

CITY OF SACRAMENTO
CALIFORNIA

May 2, 2000

CITY HALL
ROOM 205
915 I STREET
SACRAMENTO, CA
95814-2672

PH 916-264-5500
FAX 916-264-7680
TDD (ONLY) 264-5819
E-MAIL: mayor@cityofsacramento.org

The Honorable Rodney Slater
Secretary of Transportation
400 7th Street S.W. Room 10200
Washington, D.C. 20590

Dear Secretary Slater:

I am writing to express my support for United Airlines' application to the U.S. Department of Transportation to propose nonstop service between Los Angeles International Airport (LAX) and Washington D.C.'s Ronald Reagan National Airport (DCA).

This application is important to the City of Sacramento as well as the entire Greater Sacramento Metropolitan Area. United provides extensive connecting service between Sacramento International Airport (SMF) and LAX. The Greater Sacramento area is rapidly growing. The number of new and existing businesses requiring access to connecting hubs and destination cities from SMF continues to grow. As the Capitol City of the State of California, I do not need to tell you how important increased service to Washington D.C. is to both our businesses and our residents.

Our City's growth and the potential of increased service into DCA will hopefully mean increased air service and access at competitive prices into the Washington D.C. area. The availability of flights between SMF and LAX offers a great opportunity to realize the benefits of increased service by United Airlines.

Thank you for the opportunity to state my support for United Airlines' proposed nonstop service between LAX and DCA. The proposed service is important to Sacramento, as well as it is to residents of California.

Sincerely,

JIMMIE R. YEE
MAYOR

JY:ad



city of san luis obispo

OFFICE OF THE CITY COUNCIL
990Palm ♦♦♦□□□□♦ ♦ SanLuisObispo, CA 93401-3249 ■ 805/781-7119

May 8, 2000

Alan B. Wayne
MAY 15 2000
LAXGR

Honorable Rodney E. Slater, *Secretary* of Transportation
Department of Transportation
400 Seventh Street, SW, Room 10200
Washington, DC 20590

RE: Support for United Airlines' Service between Los Angeles and Washington

Dear Secretary Slater:

I am writing to express the City of **San Luis Obispo's** support for United Airlines' proposal to provide nonstop air service **between Los Angeles** and Washington's Reagan National Airport,

As you know, President Clinton recently signed the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, This legislation, that you, your department and Congress worked so hard on allows you to award new **roundtrip** flights between Washington's **Reagan National Airport and domestic** hub airports beyond the current **1,250 mile perimeter** limit (like Los Angeles International).

With this new service, United will be able to serve **small communities like San Luis Obispo**. **Improved air** service between San **Luis Obispo** and other parts of our **Country** is a high priority, This new service would benefit our developing high-tech industries as **well** as our significant tourism industry, It would also make it very convenient for residents of San **Luis Obispo** to travel to the East Coast.

On **behalf** of the City, I strongly urge you to add this service.

Sincerely,

Allen K. Settle
Mayor

AKS:SS:ss

cc: Congresswoman Lois Capps
✓ Alan B. Wayne

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Comments of United Air Lines, Inc. on all persons named on the attached Service List by causing copies to be sent via first-class mail, postage prepaid.


Kathryn Dionne North

DATED: May 22, 2000

R. Bruce Keiner
Crowell & Moring LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Megan Rae Rosia
Associate General Counsel
Northwest Airlines, Inc.
90115th Street, N.W.
Suite 310
Washington, DC. 20005

Robert E. Cohn
Shaw Pittman
2300 N Street, N.W.
Washington, D.C. 20037

Glenn P. Wicks
The Wicks Group, Inc.
1700 N. Moore Street
Suite 1700
Arlington, VA 22209

Carl B. Nelson, Jr.
Associate General Counsel
American Airlines, Inc.
110117th Street, N.W.
Suite 600
Washington, D.C. 20036

Marshall S. Sinick
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