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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKET SECTION
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Application of
UNITED AIR LINES, INC.
for Renewal of a Certificate of
Public Convenience and Necessity,
pursuant to 49 U.S.C. 41101
(U.S.-Italy on Route 624)

Docket OST-96-1888-1

APPLICATION OF UNITED AIR LINES, INC.
FOR RENEWAL OF A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

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UNITED AIR LINES, INC.
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DATED: October 22, 1996

NOTICE: United Air Lines, Inc. requests that this application be processed by nonhearing procedures pursuant to Subpart Q, 14 C.F.R. 302.1750(a)(4). Any person who wishes to support or oppose this application must file an answer by November 19, 1996, and serve that answer on United Air Lines, Inc., and all persons served with this application.

11 pages

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Application of

UNITED AIR LINES, INC.

for Renewal of a Certificate of
Public Convenience and Necessity,
pursuant to 49 U.S.C. 41101
(U.S.-Italy on Route 624)

Docket OST-96-

DATED: October 22, 1996

APPLICATION OF UNITED AIR LINES, INC.
FOR RENEWAL OF A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

United Air Lines, Inc. ("United"), pursuant to 49 U.S.C. § 41101, Part 210 of the Economic Regulations of the Department of Transportation (the "Department"), and Subpart Q of the Department's Procedural Regulations, hereby applies for renewal of authority to serve Italy in its Certificate of Public Convenience and Necessity for Route 624. This authority is due to expire on April 26, 1997. United invokes the procedures of Part 377 of the Department's Special Regulations to continue its temporary certificate authority in effect pursuant to 5 U.S.C. § 558(c) pending final Department action on this application.¹ In support of its application, United submits the following:

¹ This renewal application is timely filed under the provisions of Part 377 to ensure automatic extension pending issuance of a final order.

Application of United
Page 2

1. Applicant. United is a Delaware corporation with its principal place of business at 1200 East Algonquin Road, Elk Grove Village, Illinois 60007. United's mailing address is P.O. Box 66100, Chicago, Illinois 60666.

2. Citizenship. United is a wholly owned subsidiary of UAL Corporation ("UAL"). Both United and UAL are citizens of the United States of America within the meaning of 49 U.S.C. § 40102. Based on its investigation, United has determined the following: The Chief Executive Officer and more than two-thirds of the officers and directors of United and UAL are citizens of the United States. All of the capital stock and voting interest in United is owned by UAL. At least 75 percent of the capital stock and the voting interest in UAL is owned by citizens of the United States. United is prepared to provide additional evidence or affidavits in support of the facts set forth above.

3. Renewal Authority Requested. United seeks a 5 year renewal of the authority to serve Italy on its Certificate of Public Convenience and Necessity for Route 624. That Route authorizes United, to operate scheduled foreign air transportation of persons, property and mail between Washington, D.C., and Milan and Rome, Italy.

The Department limited the term for this authority to serve Italy on this Route to a period of five years. See Order 92-3-48. That limited-term authority will expire on April 26, 1997, unless renewed pursuant to this application.

4. Fitness. United holds various certificates of public convenience and necessity and exemptions authorizing it to engage, inter alia, in scheduled foreign air transportation of persons, property and mail. United is fit, willing, and able to perform the scheduled foreign air transportation it seeks and is well-suited to provide such service in the future. United requests that the Department take official notice pursuant to Rule 24 of its Procedural Regulations of all data filed to establish such fitness. See, e.g., United Air Lines, Inc., Route 703, Order 96-7-33 (Miami-Lima); United Air Lines, Inc. Route 588, Order 96-5-9 (Chicago-Tokyo renewal); United Air Lines, Inc., Route 675, Order 95-9-16 (San Francisco-Vancouver).

5. Service Proposal. United presently operates service in the U.S.-Italy market as illustrated in its schedules attached as Exhibit UA-1.

6. Aircraft. United will operate its services with B767, B777, B747, DC10 or other suitable aircraft from its fleet or to be acquired.

7. Map. A map depicting United's service over the route to be renewed is attached as Exhibit UA-2.

8. Fuel. United anticipates no substantial change in its fuel consumption and anticipates no difficulty in continuing to obtain adequate supplies of fuel for this service.

9. Opening Argument

a. Renewal Of United's Route 624 Temporary Authority
Is Fully Consistent With The Department's Policy

The Department has adopted a "rebuttable presumption" in favor of renewal of temporary certificate authority for limited-entry international routes such as that which is the subject of this application:

In cases where an incumbent carrier seeks to renew an international certificate in a limited-designation market, and where that carrier has performed well, taking into account all relevant factors (including fare and/or capacity restrictions in the market that have been imposed by foreign governments or bilateral agreements), there will be a presumption that the incumbent carrier will be the best applicant to provide service during the next five years.

51 Fed. Reg. at 43187 (December 1, 1986).

Renewal of United's Route 624 authority to serve Italy is fully consistent with this policy. United has operated service over this route at all times since it was first granted authority to operate it.²

² United originally served both Rome and Milan from Washington (Dulles) consistent with its service proposal in Docket 47654. In response to marketplace considerations, United's U.S.-Italy service presently operates exclusively to Milan. Although United has requested authority to offer services to Rome under its code share with Lufthansa, the Department recently dismissed United's request. Order 96-7-44.

b. Renewal Of United's Route Authority Is Fully Consistent With The Public Convenience and Necessity

United has invested millions of dollars in developing services over this important transatlantic route. So long as the services in the U.S.-Italy market remains subject to entry and other restrictions, United will continue to operate consistent with applicable international agreements and will seek renewal for temporary five-year periods so long as that comports with applicable Departmental policy.

10. Expedited Procedures. United requests that its certificate be renewed by simplified, nonhearing procedures. Given the presumption in favor of renewal in the circumstances presented by United's application, a formal proceeding is not necessary and a renewed certificate should be issued without undue delay.

WHEREFORE, for the reasons set forth herein, United Air Lines, Inc., respectfully requests that the Department of Transportation grant its application to renew the authority to serve Italy on United's Certificate of Public Convenience and Necessity for Route 624 for an additional five year period and

that it grant United such other or different relief as the
Department finds to be consistent with the public convenience and
necessity.

Respectfully submitted,



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Counsel for
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DATED: October 22, 1996
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**UNITED AIRLINES SERVICE BETWEEN
THE UNITED STATES AND ITALY**

October 15, 1996

Daily Frequency

Flight 970

Depart Washington DC	1720
Arrive Milan	0740 +1

Flight 971

Depart Milan	1200
Arrive Washington DC	1520

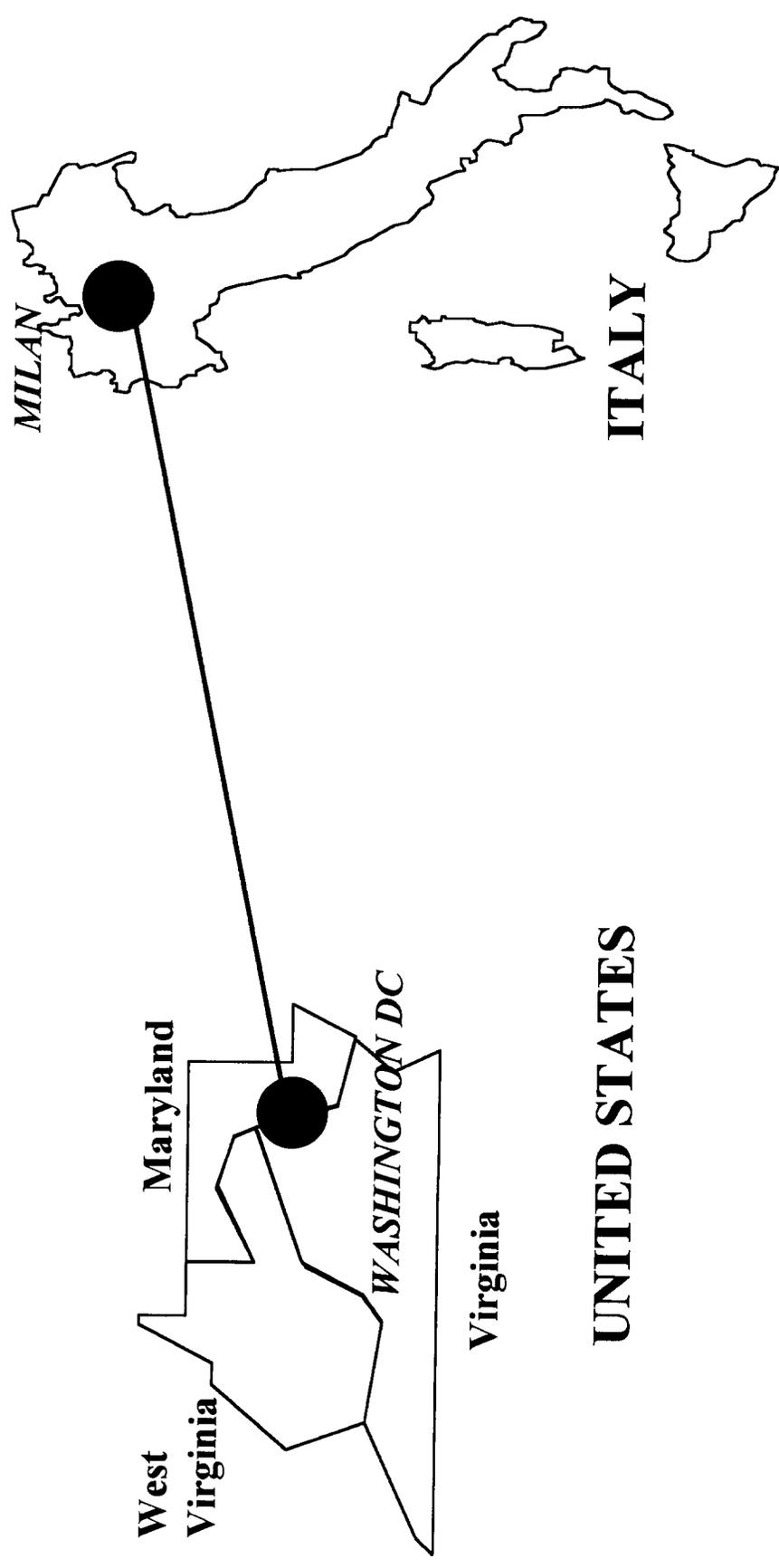
Equipment Type:

B767-300

Seating Configuration:

First Class	10
Connoisseur Class	38
Economy Class	<u>158</u>
Total	206

MAP OF UNITED AIRLINES U.S.-ITALY SERVICE



CERTIFICATE OF SERVICE

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

A handwritten signature in cursive script that reads "Brenda Gardner". The signature is written in black ink and is positioned above a horizontal line.

Brenda Gardner

DATED: October 22, 1996

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