

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D. C.

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Application of :  
 :  
 AMERICAN EAGLE AIRLINES, INC. : OST-99-  
 :  
 for exemption from 14 CFR Part 93, :  
 Subparts K and S, under 49 USC 41714 :  
 for nonstop service to Chicago O'Hare :  
 (Baton Rouge, LA and Huntsville, AL) :  
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APPLICATION OF AMERICAN EAGLE AIRLINES, INC.  
FOR CHICAGO O'HARE EXEMPTION SLOTS

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April 27, 1999

NOTICE: Answers supporting or opposing this application  
are due on May 12, 1999

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FOR CHICAGO O'HARE EXEMPTION SLOTS

American Eagle Airlines, Inc., under 49 USC 41714, hereby applies for an exemption from 14 CFR Part 93, Subparts K and S, in order to provide nonstop service between Chicago O'Hare International Airport, on the one hand, and Baton Rouge, Louisiana and Huntsville, Alabama, on the other, using 50-seat Embraer regional jet aircraft.

American Eagle requests four exemption slots for Baton Rouge service, and four for Huntsville service, or a total of eight slots. American Eagle proposes to operate three daily roundtrips in each market, and will provide the balance of the slots required through self-help means.

On April 12, 1999, the Greater Baton Rouge Airport District (OST-99-5532) and the Huntsville-Madison County Airport Authority (OST-99-5533) filed applications for O'Hare exemption slots, consistent with Order 99-3-12, March 16, 1999, by which the Department awarded O'Hare slots to the communities of Greenville/Spartanburg (SC) and Savannah (GA)/Hilton Head (SC). American Eagle is this day answering in support of the Baton Rouge and Huntsville applications in their respective dockets.

On April 22, 1999, the Mobile (AL) Airport Authority and Atlantic Coast Airlines d/b/a United Express (OST-99-5581) and the Charleston County (SC) Aviation Authority and Atlantic Coast Airlines d/b/a United Express (OST-99-5583) filed joint applications for O'Hare slots, notwithstanding the Department's determination in Order 99-3-12 to make such awards to communities rather than to the operating carriers. In the event, however, that the Department now determines to grant further O'Hare slots directly to American Eagle or United Express, we wish to be considered for such an award, and are consequently submitting this application to parallel the pending applications of Baton Rouge and Huntsville.

The public benefits of nonstop regional jet service in the O'Hare-Baton Rouge and O'Hare-Huntsville markets are fully documented in the applications submitted by the communities in OST-99-5532 and OST-99-5533, which we incorporate herein by reference. In addition, American's network at Chicago (American Airlines and American Eagle) is at a significant slot disadvantage compared to United's network at Chicago (United and its United Express affiliates, including Air Wisconsin, Great Lakes Airlines, Atlantic Coast, and Trans States Airlines). United's network has access to a total of 1,052 O'Hare slots, while American's network has access to 916, resulting in a United network advantage of 136 daily slots.<sup>1</sup> In the interest of fostering two-carrier hub competition at O'Hare, the Department should not grant any additional exemption slots for use by United-affiliated carriers at O'Hare until American and American Eagle have achieved slot parity.

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<sup>1</sup>These figures include Reno Air's five exemption slots (see Order 99-2-26, February 23, 1999) and the six community exemption slots awarded by Order 99-3-12, and exclude the eight exemption slots presently used by American Eagle for service to Shreveport (LA) and Montgomery (AL) that will revert to the Department for reallocation as of June 1, 1999.

WHEREFORE, the Department should award four Chicago O'Hare exemption slots for nonstop regional jet service to Baton Rouge, and four for nonstop regional jet service to Huntsville, either to the community applicants in OST-99-5532 and OST-99-5533, or to directly American Eagle, as requested herein.

Respectfully submitted,

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

On behalf of American Eagle  
Airlines, Inc.

April 27, 1999