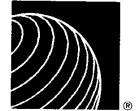


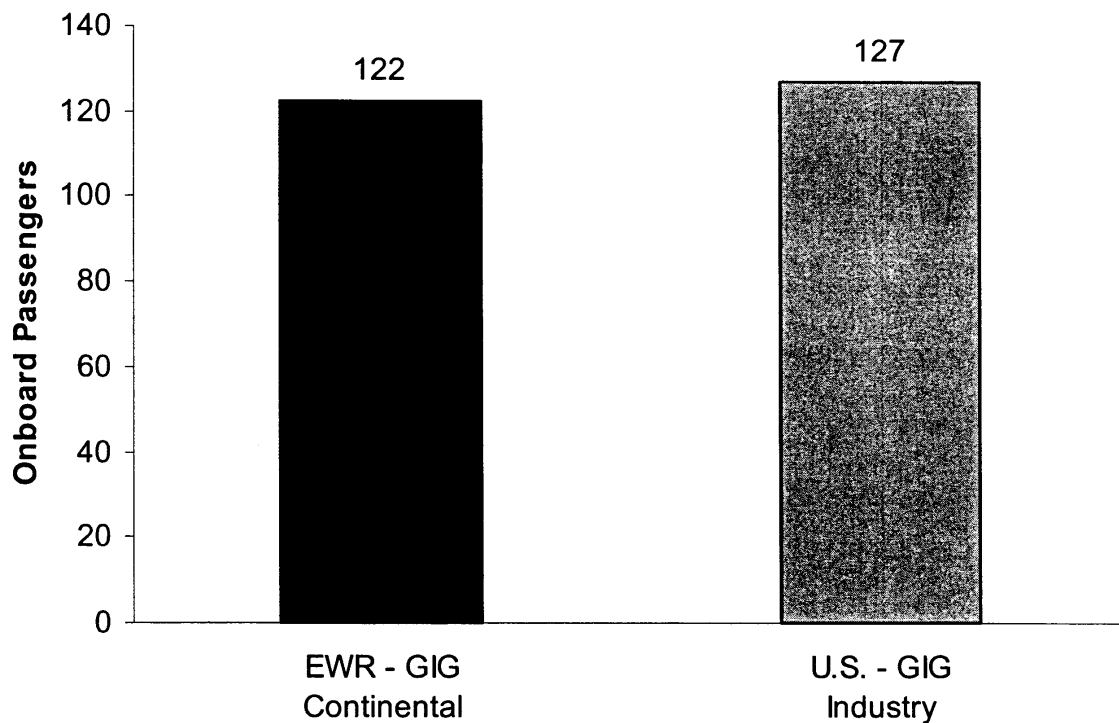
**Continental's New York/Newark - Rio de Janeiro Route Performs Very  
Near The Industry Average In Onboard Passengers Per Departure**

Rebuttal to DL-177



U.S.  
BRAZIL

**Onboard Passengers Per Departure**



Source: DOT T-100 Data YE June 1999, U.S. and Latin American Carrier Scheduled Service

**Continental  
Airlines**



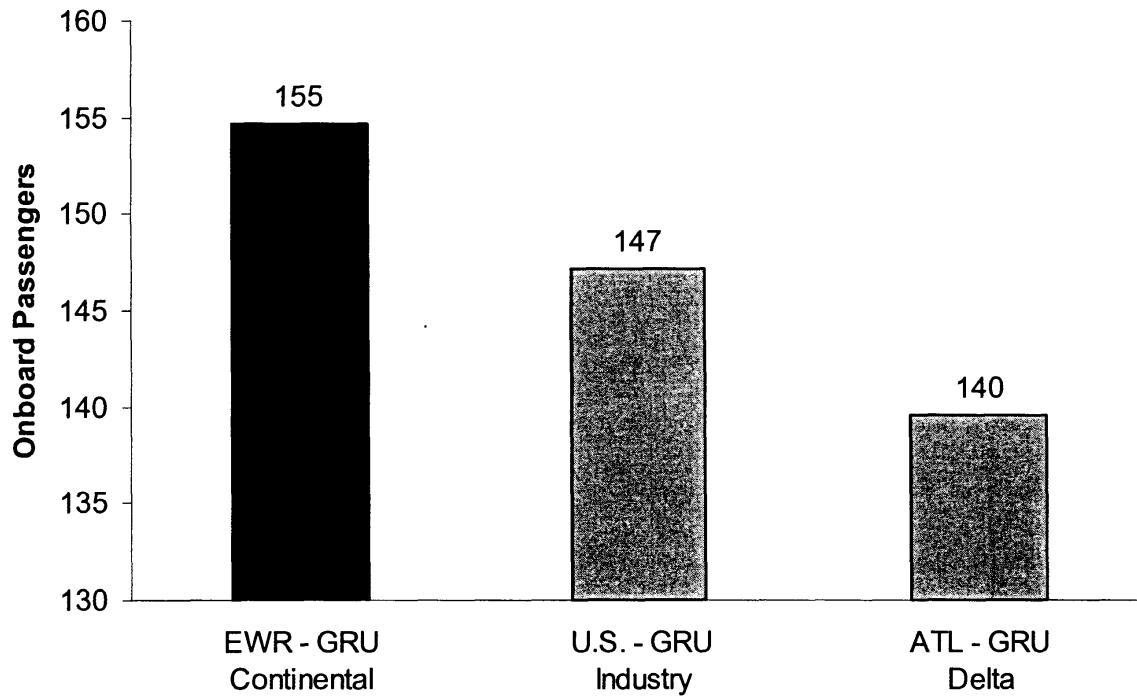
**Continental's New York/Newark - São Paulo Flights Substantially  
Outperform Both Delta And The Industry In Onboard Passengers  
Per Departure**

Rebuttal to DL-177



U.S.  
BRAZIL

**Onboard Passengers Per Departure**



Source: DOT T-100 Data YE June 1999, U.S. and Latin American Carrier Scheduled Service

**Continental  
Airlines**



**Delta's Atlanta - Latin America Flights Introduced Since 1997 Have  
Performed At Load Factors Below the Industry Average**

Rebuttal to DL-177



U.S.  
BRAZIL

Route	Initiation Date	Load Factor YE June 1999	Industry Average From All U.S. Points YE June 1999
Atlanta - Sao Paulo - Rio de Janeiro	Jun-97	67%	64%
Atlanta - Caracas	Apr-98	38%	56%
Atlanta - Guatemala City	Apr-98	51%	65%
Atlanta - Panama City	Apr-98	44%	57%
Atlanta - San Jose	Apr-98	66%	66%
Atlanta - San Salvador	Apr-98	42%	60%
Atlanta - Lima	Jul-98	41%	59%
<b>Weighted Average Of Load Factors</b>		<b>53%</b>	<b>62%</b>

Source: DOT T-100 Data YE June 1999

**Continental  
Airlines**



## **Continental Is Asking For Only One New York/Newark Frequency**

---

Rebuttal to UA Service Proposal, AA Service  
Proposal, and DL Service Proposal



U.S.  
BRAZIL

<u>Carrier</u>	<u>New York/Newark - Brazil Frequencies Requested</u>
American	7
Delta	7
Continental	1

<u>Carrier</u>	<u>Other Cities - Brazil Frequencies Requested</u>
Delta	3
Continental	3
United	7

Source: CO Service Proposal UA Service Proposal, AA Service Proposal, & Delta Service Proposal

---

**Continental  
Airlines** 

**United Already Serves The Los Angeles - São Paulo Route**

Rebuttal to UA-102, UA-104, UA-201



U.S.  
BRAZIL

<b><u>Proposed Service</u></b>	<b><u>Airline</u></b>	<b><u>Weekly Departures</u></b>	<b><u>Weekly Seats (Each Way)</u></b>
Los Angeles - São Paulo	Varig/United	7	1,855

Source: March 2000 OAG

**Continental  
Airlines**



## Continental's Houston Hub Is Far Larger Than United's Los Angeles Operation

Rebuttal to UA-111



U.S.  
BRAZIL

	<u>Continental At Houston 1/</u>	<u>United at Los Angeles</u>	<u>Percent Continental Greater</u>
Average Daily Departures	529	371	43%
Total Nonstop Destinations	141	63	124%
Nonstop Domestic Destinations	107	53	102%
Annual Domestic Enplanements 2/	10,477,790	6,409,485	63%

Sources: March 2000 OAG

1/ Includes Commuters

2/ DOT Form 41, Schedule T-3, year ending Sept. 1999

**Continental  
Airlines**



**Continental At Houston Offers More Domestic Seats Than United  
Offers At Los Angeles**

Rebuttal To UA-111



U.S.  
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Average Daily Seats /1</u>	<u>Percent Continental Greater</u>
Continental	Houston	55,750	-
United	Los Angeles	41,581	34%

Source: March 2000 OAG  
1/ Includes Commuters

**Continental  
Airlines** 

## Continental At Houston Serves More Domestic Destinations Than United Serves At Los Angeles

Rebuttal To UA-111



U.S.  
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Destinations Served 1/</u>	<u>Percent Continental Greater</u>
Continental	Houston	141	-
United	Los Angeles	63	124%

Source: March 2000 OAG  
1/ Includes Commuters

**Continental  
Airlines**





## Continental's New York/Newark Hub Is Larger Than United's Los Angeles Operation

Rebuttal to UA-111



U.S.  
BRAZIL

	<u>Continental At New York/Newark 1/</u>	<u>United at Los Angeles 1/</u>	<u>Percent Continental Greater</u>
Total Nonstop Destinations	113	63	79%
Nonstop Domestic Destinations	77	53	45%
Annual Domestic Enplanements 2/	7,736,695	7,196,357	8%

Source: March 2000 OAG

1/ Includes Commuters

2/ DOT Form 41, Schedule T-3, year ending Sept. 1999

# Continental Airlines



**Continental At New York/Newark Serves Many More Domestic  
Destinations Than United Serves At Los Angeles**

Rebuttal to UA-111



U.S.

BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Domestic Destinations Served 1/</u>	<u>Percent Continental Greater</u>
Continental	New York/Newark	113	
United	Los Angeles	63	79%

Source: March 2000 OAG  
1/ Includes Commuters

**Continental  
Airlines**

## **Continental At New York/Newark Serves Many More International Destinations Than United Serves At Los Angeles**

Rebuttal to UA-111



U.S.  
BRAZIL

### **Continental At New York/Newark**

Antigua, Antigua and Barbuda  
Amsterdam, Netherlands  
Aruba, Aruba  
Birmingham, England  
Bogota, Colombia  
Brussels, Belgium  
Cancun, Mexico  
Caracas, Venezuela  
Cozumel, Mexico  
Dublin, Ireland 2/  
Dusseldorf, Germany  
Frankfurt, Germany  
Glasgow, Scotland  
Guatemala City, Guatemala  
Halifax, Canada  
Hamilton, Bermuda  
Lima, Peru  
Lisbon, Portugal  
London, England (LGW)  
Madrid, Spain  
Manchester, England  
Mexico City, Mexico  
Milan, Italy  
Montreal, Canada  
Nassau, Bahamas  
Ottawa, Canada  
Panama City, Panama  
Paris, France  
Puerto Plata, Dominican Republic 1/  
Quebec, Canada  
Rio de Janeiro, Brazil  
Rome, Italy  
San Jose, Costa Rica  
San Salvador, El Salvador  
Santiago, Chile  
Santo Domingo, Dominican Republic  
São Paulo, Brazil  
Shannon, Ireland  
St. Maarten, Netherlands Antilles  
Tel Aviv, Israel  
Tokyo, Japan  
Toronto, Canada  
Zurich, Switzerland

### **United At Los Angeles**

Auckland, New Zealand  
Guatemala City, Guatemala  
Hong Kong, China  
London, England (LHR)  
Melbourne, Australia  
Mexico City, Mexico  
San Salvador, El Salvador  
Sydney, Australia  
Tokyo, Japan (NRT)  
Vancouver, Canada

Source: March 2000 OAG

1/ Current Routing: EWR - GUA - SAL - EWR

2/ Announced Future Service

# Continental Airlines



## **Continental At Houston Serves Many More International Destinations Than United Serves At Los Angeles**

Rebuttal to UA-111



U.S.  
BRAZIL

### **Continental At Houston**

Acapulco, Mexico  
Aguascalientes, Mexico 1/  
Aruba, Aruba  
Belize City, Belize  
Bogota, Colombia  
Calgary, Canada  
Cancun, Mexico  
Caracas, Venezuela  
Chihuahua, Mexico  
Cozumel, Mexico  
Guadalajara, Mexico  
Guatemala City, Guatemala  
Guayaquil, Ecuador  
Leon/Guanajuato, Mexico  
Lima, Peru  
London, England (LGW)  
Los Cabos, Mexico  
Managua, Nicaragua  
Mazatlan, Mexico  
Merida, Mexico  
Mexico City, Mexico  
Monterrey, Mexico  
Panama City, Panama  
Paris, France  
Puebla, Mexico 1/  
Puerto Vallarta, Mexico  
Quito, Ecuador  
Saltillo, Mexico  
San Jose, Costa Rica  
San Luis Potosi, Mexico  
San Pedro Sula, Honduras  
San Salvador, El Salvador  
São Paulo, Brazil  
Tampico, Mexico  
Tegucigalpa, Honduras  
Tokyo, Japan  
Toronto, Canada  
Torreon, Mexico  
Vancouver, Canada  
Veracruz, Mexico  
Zihuatanejo, Mexico

### **United At Los Angeles**

Melbourne, Australia  
Auckland, New Zealand  
Guatemala City, Guatemala  
Hong Kong, China  
London, England (LHR)  
Mexico City, Mexico  
Tokyo, Japan  
San Salvador, El Salvador  
Vancouver, Canada  
Sydney, Australia

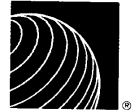
Source: March 2000 OAG  
1/ Announced Future Service

**Continental  
Airlines**



**Many Cities And Carriers Have Daily Nonstop Service Which New  
York/Newark And Houston Would Not Unless Continental Is Awarded  
Four Frequencies**

Rebuttal to DL-142



U.S.  
BRAZIL

<u>Route:</u>	<u>Airline</u>	<u>Daily Service</u>
New York (JFK) - Rio de Janeiro	American	Yes
New York (JFK) - São Paulo	American/United	Yes
Los Angeles - São Paulo 1/	United	Yes
Dallas/Ft. Worth (DFW) - São Paulo	American	Yes
Chicago (ORD) - São Paulo	United	Yes
Atlanta - São Paulo	Delta	Yes
Miami - São Paulo	American/United	Yes
New York/Newark - São Paulo	Continental	Yes
New York/Newark - Rio de Janeiro	Continental	No
Houston - São Paulo	Continental	No

Source: March 2000 OAG  
1/Codeshare with Varig

**Continental  
Airlines**



## Most Of United's Connecting Domestic Cities Provide Little São Paulo Traffic

Rebuttal to UA-204



U.S.  
BRAZIL

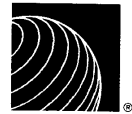
<u>State</u>	<u>City</u>	<u># Of Stops</u>	<u>U.S. - GRU Traffic</u>
California	San Francisco	One-stop	28,990
California	Los Angeles	Nonstop	27,730
Colorado	Denver	One-stop	8,180
Nevada	Las Vegas	One-stop	7,290
California	San Diego	One-stop	6,540
Utah	Salt Lake, City	One-stop	4,920
Washington	Seattle	One-stop	4,220
Arizona	Phoenix	One-stop	3,530
Oregon	Portland	One-stop	3,350
Hawaii	Honolulu	One-stop	3,120
California	San Jose	One-stop	2,850
California	Ontario	One-stop	1,570
California	Sacramento	One-stop	1,330
Colorado	Vail	Two-stop	1,140
Arizona	Tucson	One-stop	940
New Mexico	Albuquerque	Two-stop	690
Nevada	Reno	One-stop	560
Hawaii	Kahului	One-stop	550
Colorado	Aspen	Two-stop	390
California	Oakland	One-stop	380
Colorado	Colorado Springs	Two-stop	370
Idaho	Boise	Two-stop	330
California	Fresno	One-stop	280
California	Santa Barbara	One-stop	270
California	Palm Springs	One-stop	120
Hawaii	Lihue	One-stop	100
Oregon	Eugene	Two-stop	100
Hawaii	Kona	One-stop	90
Montana	Billings	Two-stop	90
California	Monterey	One-stop	80
California	Carlsbad	One-stop	60
California	Redding	Two-stop	60
Wyoming	Jackson Hole	Two-stop	60
California	San Luis Obispo	One-stop	50
Colorado	Hayden	Two-stop	50
Colorado	Grand Junction	Two-stop	40
California	Chico	Two-stop	30

Source: UA-204; R2ASAO.XLS

**Continental  
Airlines**



# Most Of United's Connecting Domestic Cities Provide Little São Paulo Traffic



## Rebuttal to UA-204

<u>State</u>	<u>City</u>	<u># Of Stops</u>	<u>U.S. - GRU Traffic</u>
Colorado	Montrose	Two-stop	30
Oregon	Medford	One-stop	30
California	Bakersfield	One-stop	20
California	Eureka/Arcata	Two-stop	20
New Mexico	Santa Fe	Two-stop	20
Oregon	Redmond	Two-stop	20
California	Modesto	Two-stop	10
California	Santa Rosa	One-stop	10
Colorado	Durango	Two-stop	10
Utah	St. George	One-stop	10
Wyoming	Sheridan	Two-stop	10
Arizona	Yuma	One-stop	-
California	Crescent City	Two-stop	-
California	Imperial	One-stop	-
California	Inyokern	One-stop	-
California	Merced	One-stop	-
California	Oxnard	One-stop	-
California	Santa Ana	One-stop	-
California	Santa Maria	One-stop	-
California	Visalia	One-stop	-
Colorado	Alamosa	Two-stop	-
Colorado	Cortez	Two-stop	-
Colorado	Gunnison	Two-stop	-
Colorado	Pueblo	Two-stop	-
New Mexico	Farmington	Two-stop	-
New Mexico	Pueblo	Two-stop	-
Wyoming	Casper	Two-stop	-
Wyoming	Cheyenne	Two-stop	-
Wyoming	Cody	Two-stop	-
Wyoming	Laramie	Two-stop	-
Wyoming	Riverton	Two-stop	-
Wyoming	Rock Springs	Two-stop	-

110,640

Los Angeles 27,730

San Francisco 28,990

Total Less SFO and LAX 53,920

UA Western Traffic As A Percent of Total GRU Traffic 8%

Source: UA-204; IR2ASAO.XLS

# Continental Airlines



**United/Varig Control 37% Of All U.S. - Brazil Frequencies**

Rebuttal to UA Service Proposal



U.S.  
BRAZIL

<b><u>Airline</u></b>	<b><u>Number Of Frequencies</u></b>	<b><u>Percentage Of Total U.S. - Brazil Frequencies</u></b>
United/Varig	50	37%
All Other U.S. & Brazilian Airlines	85	63%

Source: March 2000 OAG

**Continental  
Airlines**





**Despite United's Claims, The Proposed Los Angeles - São Paulo  
Service Will Provide Minimal Benefit To Connecting Western U.S.  
Cities, Accounting For Only 16% Of United's Total Forecasted Traffic**

Rebuttal to UA-101



Western U.S. Connecting Traffic:	22,375
Total Forecasted Traffic:	143,298

<b>Western U.S. Connecting Traffic As A Percentage of Total Traffic:</b>	<b>16%</b>
--	------------

Source: Exhibits UA-102 and UA-301

---

**United Already Has Ample Brazil Access**

Rebuttal to UA Service Proposal



U.S.  
BRAZIL

**Weekly Seats (Each Way)**

**Current Service**

**United**

Miami - Brazil	7,155
Chicago - Brazil	2,044
New York/Newark - Brazil	3,332
Total Before Proposed United Service	12,531

**Proposed United Service**

Los Angeles - Brazil	1,855
----------------------	-------

Total After Proposed United Service	14,386
-------------------------------------	--------

---

## **United Already Has Ample São Paulo Access**

Rebuttal To UA Service Proposal



U.S.  
BRAZIL

### **Weekly Seats (Each Way)**

#### **Current Service**

#### **United**

Miami - São Paulo	2,044
Chicago - São Paulo	2,044
New York/Newark -São Paulo	1,477
Total Before Propsed United Service	5,565

#### **Proposed United Service**

Los Angeles - São Paulo	1,946
-------------------------	-------

Total After Proposed United Service	7,511
-------------------------------------	-------

Source: March 2000 OAG, UA Service Proposal

---

# **Continental Airlines**



**A Conservative Re-Forecasting Of United's LAX - GRU Proposal  
Reduces United's Projected Load Factor By Nearly 7 Points**

Rebuttal to UA-301



U.S.  
BRAZIL

<u>Issue</u>	<u>Forecast Annual Passengers</u>	<u>Corrected Passengers</u>	<u>Difference</u>
United Applies Higher U.S. - GRU Growth Rate To Slower-Growing LAX - GRU 1/	71,279	63,152	(8,127)
United Applies U.S. - GRU Foreign Flag Adjustment and Stimulation to SFO 2/	16,916	11,857	(5,059)
Total Online Connect Passengers 3/	22,375	22,375	-
Total Brazil Passengers 3/	15,606	15,606	-
Total Asia Connect Passengers 3/	17,172	17,172	-
<b>Net Effect -- All Corrections</b>	<b>143,348</b>	<b>130,162</b>	<b>(13,185)</b>
Total Annual Seats	202,940	202,940	202,940
<b>Load Factor</b>	<b>70.6%</b>	<b>64.1%</b>	<b>-6.5 pts</b>

1/ R-1176  
2/ R-1174  
3/ Source UA-301

# United Over-Stimulates The SFO Market and Incorrectly Applies A Foreign Flag Adjustment

Rebuttal to UA-301



U.S.  
BRAZIL

	UA's Original Forecast								Corrected			
	US Industry Demand	For. Flag Demand	Adj. Industry Demand	Expected Growth	Industry Demand	Expected Stimulation	Industry Demand	Market Share	Passengers / Year	For. Flag Demand	Expected Stimulation	Passengers / Year
Nonstop (LAX)	27,730	63,133	90,863	26.3%	114,760	33.0%	152,631	46.7%	71,229	63,133	33.0%	71,229
Nonstop (SFO)	28,990	6,973	35,963	39.4%	50,146	15.0%	57,668	29.3%	16,916	0	0.0%	11,857
									88,145			83,086
Passenger Total Reduced By:										5,059		

Source: UA-301

Continental  
Airlines

