

**United's Projected Stimulation Of 33% In The Local Los Angeles -
São Paulo Market Is Unsupported By Historical Performance**

Rebuttal to UA-301



**The Addition Of United's Only New Latin America Service From Los Angeles In
The Past Five Years Not Only Failed To Stimulate The Market, But Actually
Coincided With A Year-Over-Year Decline**

Los Angeles - San Salvador, El Salvador

Before United Service

CRS Bookings February 1994 - January 1995 92,233

After United Service

CRS Bookings February 1995 - January 1996 85,801

**Year Over Year Decline
After United Began Service (7%)**

United Airlines Service Began February 1995

Source: CRS Bookings Feb. 1994 - Jan. 1996

**Continental
Airlines** The logo features a stylized globe with curved lines representing latitude and longitude. A registered trademark symbol (®) is located to the right of the globe.

**United Artificially Inflates Its Passenger Forecast By Applying
The Growth Rate For Total U.S. - GRU Traffic To LAX - GRU,
Which Has Grown At A Lower Rate**

Rebuttal to UA-301



U.S.
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	<u>1999 Adjusted Industry Demand</u>	<u>Annual Growth Rate</u>	<u>2000 Adj. Demand</u>	<u>Stimulation</u>	<u>Stimulated Demand</u>	<u>UA Share</u>	<u>2000 UA Forecast Pax</u>
United's Original Passenger Forecast Los Angeles 1/	90,863	26.3%	114,760	33%	152,631	46.7%	71,279
Corrected Growth Rate Los Angeles 2/	90,863	11.9%	101,676	33%	135,229	46.7%	<u>63,152</u>
							Passenger Total Reduced By: 8,127

1/ UA-301, page 2, U.S. - Brazil traffic average annual growth 1995 - 1998

2/ DOT File IR2ASAO.XLS, Los Angeles - São Paulo traffic average annual growth 1995 - 1999

**Continental Forecasts More Cargo From New York/Newark Than
The Other Carrier/Applicants**

Rebuttal to Applicants' Service Proposal



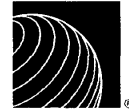
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<u>Applicant</u>	<u>Forecast Cargo Annual Pounds</u>
Continental - New York/Newark	672,302
Delta - New York (JFK)	No Cargo Forecast
American - New York (JFK)	No Cargo Forecast

Source: CO-310

**Continental's New York/Newark Hub Is Far Larger Than
American's New York (JFK) Operation**

Rebuttal to AA-101



U.S.
BRAZIL

	Continental At New York/Newark 1/	American At New York (JFK) 1/	Percent Continental Greater
Average Daily Departures	359	120	199%
Total Nonstop Destinations	113	39	190%
Nonstop Domestic Destinations	77	21	267%
Annual Domestic Departments 2/	7,736,695	2,855,068	171%

Sources: March 2000 OAG

1/ Includes Commuters

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

**Continental
Airlines** 

**Continental's New York/Newark Hub Is Far Larger Than
American's New York (JFK) Operation**

Rebuttal to AA-101



U.S.
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Average Daily Seats 1/</u>	<u>Percent Continental Greater</u>
Continental	New York/Newark	40,634	-
American	New York (JFK)	12,604	222%

Sources: March 2000 OAG
1/ Includes Commuters

**Continental's New York/Newark Hub Is Far Larger Than
American's New York (JFK) Operation**

Rebuttal to AA-101



U.S.
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Destinations Served 1/</u>	<u>Percent Continental Greater</u>
Continental	New York/Newark	113	-
American	New York (JFK)	39	190%

Sources: March 2000 OAG
1/ Includes Commuters

Continental's Houston Hub Is Far Larger Than American's New York (JFK) Operation

Rebuttal to AA-101



U.S.
BRAZIL

	<u>Continental At Houston 1/</u>	<u>American At New York (JFK) 1/</u>	<u>Percent Continental Greater</u>
Average Daily Departures	529	120	341%
Total Nonstop Destinations	141	39	262%
Nonstop Domestic Destinations	107	21	410%
Annual Domestic Enplanements 2/	11,004,879	2,855,068	285%

Sources: March 2000 OAG

1/ Includes Commuters

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

**Continental
Airlines**

**Continental's Houston Hub Is Far Larger Than
American's New York (JFK) Operation**

Rebuttal to AA-101



U.S.
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Average Daily Seats 1/</u>	<u>Percent Continental Greater</u>
Continental	Houston	55,750	-
American	New York (JFK)	12,604	342%

Sources: March 2000 OAG
1/ Includes Commuters

**Continental's Houston Hub Is Far Larger Than
American's New York (JFK) Operation**

Rebuttal to AA-101



U.S.
BRAZIL

<u>Carrier</u>	<u>Gateway</u>	<u>Destinations Served 1/</u>	<u>Percent Continental Greater</u>
Continental	Houston	141	-
American	New York (JFK)	39	262%

Sources: March 2000 OAG
1/ Includes Commuters

**Continental At New York/Newark Operates Many More International
Destinations Nonstop Than American At New York (JFK)**



Rebuttal to AA-101

U.S.
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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

American at New York (JFK)

Aruba, Aruba
Bridgetown, Barbados
Buenos Aires, Argentina
Caracas, Venezuela
Frankfurt, Germany
Hamilton, Bermuda
Kingston, Jamaica
London, England (LHR)
Montego Bay, Jamaica
Montreal, Canada
Paris, France
Port au Prince, Haiti
Puerto Plata, Dominican Republic
Rio de Janeiro, Brazil
Santo Domingo, Dominican Republic
São Paulo, Brazil
St. Maarten, Netherlands Antilles
Vancouver, Canada

Source: Exhibit AA-301
1/ Announced Future Service
2/Routing: EWR-DUB-SNN

**Continental
Airlines** 

Continental At Houston Operates Many More International Destinations Nonstop Than American At New York (JFK)

Rebuttal to AA-101



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

American at New York (JFK)

Aruba, Aruba
Bridgetown, Barbados
Buenos Aires, Argentina
Caracas, Venezuela
Frankfurt, Germany
Hamilton, Bermuda
Kingston, Jamaica
London, England (LHR)
Montego Bay, Jamaica
Montreal, Canada
Paris, France
Port au Prince, Haiti
Puerto Plata, Dominican Republic
Rio de Janeiro, Brazil
Santo Domingo, Dominican Republic
São Paulo, Brazil
St. Maarten, Netherlands Antilles
Vancouver, Canada

Source: Official Airline Guide
1/Announced Future Service

**Continental
Airlines** 

American Controls 44% Of U.S. Flag Carrier - Brazil Frequencies

Rebuttal to AA-601 and AA-602



U.S.
BRAZIL

<u>Airline</u>	<u>Number of Frequencies</u>	<u>Percentage Of Total U.S. - Brazil Frequencies</u>
American	42	44%
All other U.S. Airlines	53	56%

Source: March 2000 OAG, Exhibits AA-601 and AA-602

New York/Newark Is Larger Than Atlanta For Total Cargo

Rebuttal to ATL-209



U.S.
BRAZIL

<u>Rank</u>	<u>City</u>	<u>Cargo</u>
1	Memphis	2,368,973
2	Los Angeles	1,861,049
3	Miami	1,793,015
4	New York (JFK)	1,605,300
5	Chicago	1,440,033
6	Louisville	1,394,999
7	Anchorage	1,387,777
8	New York/Newark	1,095,500
9	Atlanta	907,208
10	Dayton	886,637
11	Indianapolis	814,161
12	Dallas/Ft. Worth	801,830
13	San Francisco	770,403
14	Oakland	707,113
15	Indianapolis	662,923

Source: ATL-209

Despite Having Nonstop São Paulo Service, Atlanta Has Almost No Investment From Brazil

Rebuttal to ATL-703



U.S.

BRAZIL

<u>Country</u>	<u>Foreign Direct Investment (\$MM)</u>
Japan	\$3,517.5
Korea	2,730.7
Canada	2,294.4
United Kingdom	2,083.3
Netherlands	1,159.0
Germany	779.6
Switzerland	675.6
Sweden	553.0
Australia	551.4
France	311.6
Bermuda	301.5
Italy	227.9
Finland	207.0
Belgium	156.8
Denmark	106.2
Ireland	60.0
Taiwan	37.0
Spain	31.4
Hong Kong	17.5
Israel	16.5
Austria	15.9
Mexico	15.0
Thailand	14.0
New Zealand	13.0
Philippines	8.0
Ecuador	1.6
Costa Rica	1.0
India	0.7
Yugoslavia	0.5
South Africa	0.3
Singapore	0.2
Brazil	0.1
Kuwait	0.1
Luxembourg	0.1
Brazil	0.0

Source: ATL-703

Continental Airlines

