

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Joint Application of

**DELTA AIR LINES, INC. and
WESTJET AIRLINES**

Under 49 U.S.C. §§ 41308 and 41309
for Approval of and Antitrust Immunity for
Alliance Agreements

)
)
)
)
) **Docket DOT-OST-2018-0154**
)
)
)
)

**RESPONSE OF SOUTHWEST AIRLINES CO.
AND MOTION FOR LEAVE TO FILE**

Communications with respect to this document should be sent to:

Mark Shaw
Executive Vice President &
Chief Legal and Regulatory Officer
SOUTHWEST AIRLINES CO.
2702 Love Field Drive
Dallas TX 75235

Andrew Watterson
Executive Vice President &
Chief Revenue Officer
SOUTHWEST AIRLINES CO.
2702 Love Field Drive
Dallas, TX 75235

Robert W. Kneisley
Associate General Counsel
Leslie C. Abbott
Assistant General Counsel
SOUTHWEST AIRLINES CO.
Washington, D.C. 20006
bob.kneisley@wnco.com
leslie.abbott@wnco.com
(202) 263-6285

February 14, 2020

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

<hr/>)	
Joint Application of)	
)	
DELTA AIR LINES, INC. and)	
WESTJET)	Docket DOT-OST-2018-0154
)	
Under 49 U.S.C. §§ 41308 and 41309)	
for Approval of and Antitrust Immunity)	
for Alliance Agreements)	
<hr/>)	

**RESPONSE OF SOUTHWEST AIRLINES CO.
AND MOTION FOR LEAVE TO FILE**

Southwest Airlines submits this Response to the WestJet Master Executive Council (MEC) Surreponse filed on February 7, 2020 in this docket.¹ The MEC's filing is in essence a belated complaint about Delta's apparent plans to downgrade service on the LGA-Toronto (YYZ) route to Delta regional jet operations following DOT's approval and grant of ATI to the Delta/WestJet alliance. Whatever its merits, this issue is an internal matter between the two JV partners that is not properly before the Department. In asking the DOT to take the extraordinary step of ordering continuation of WestJet's mainline service on that route, the MEC is seeking to substitute its *private interest* for the *public interest* that the Department must uphold. There is simply no basis for granting the relief that the MEC seeks.

¹ The WestJet MEC comments raise new issues and come 46 days after the comment period closed on December 23, 2019. In fairness to all parties in this proceeding, the Department would have grounds for not accepting these comments. However, if the Department does accept them, Southwest seeks leave to file this document pursuant to Rule 6 of the Department's Rules of Practice (14 CFR § 302.6). Good cause exists as this Response will develop a more accurate and informed basis for the Department's decision.

More importantly, the question of which JV partner intends to operate the current WestJet slots after alliance approval is not pertinent to the central policy issue before the DOT, namely, that an immunized Delta/WestJet alliance without divestiture of WestJet's 16 LGA slots will (1) eliminate the independent competition that WestJet now provides with those slots, and (2) nullify the purpose behind the DOT's 2011 divestiture of those slots from Delta to WestJet in the first place.² For those reasons, and as Southwest demonstrated in prior pleadings, the public interest requires that the slots in question be divested to one or more independent LCCs.

Beyond that, the MEC's focus on the LGA-YYZ market, while understandable, is artificially narrow. Although WestJet is limited to providing trans-border service with its 16 slots, Southwest would be able to use the slots to compete directly with Delta in any domestic market. And in that respect Southwest would generate *much more pilot flying* with those slots than WestJet currently does, based on current averages. As shown in Exhibit 1 hereto Southwest provides more block hours per flight than any airline serving LGA, including WestJet. In fact Southwest provides an average of 82% more block hours per LGA flight than WestJet in the LGA-YYZ market. See Exhibit 2. Thus, if Southwest were able to provide service using the 16 LGA slots it would not only provide far


² See Answer of Southwest Airlines, Sections I and II, filed Dec. 11, 2019 in this docket.

superior public benefits from the use of those slots³ but would also generate considerably more pilot flying, the issue the MEC is concerned with.⁴

CONCLUSION

For the reasons given above and in its prior pleadings, Southwest urges the Department to deny the MEC's request for relief, and to condition any grant of ATI for the proposed Joint Venture on the divestiture of WestJet's 16 LGA slots to one or more independent LCCs.

Respectfully submitted,


Robert W. Kneisley

February 14, 2020

³ As previously demonstrated in this proceeding, Southwest would provide an estimated \$97 million in annual benefits to LGA passengers based on data from its recent LGA market entries. See Southwest Surreply, Section II and Exhibit WN-SR-4.

⁴ Southwest does, however, agree with the MEC that in the event of a divestiture Delta could easily find 16 replacement slots by up-gauging a small number of its existing LGA flights. See WestJet MEC Surreply, p. 8 ("As other commenters have pointed out, it would be possible for Delta to maintain, more or less, its entire LaGuardia network and capacity by substituting larger Delta mainline jets for regional operators in certain smaller, select markets.")

CERTIFICATE OF SERVICE

I, Amanda Hoff, hereby certify that on February 14, 2020, a copy of the foregoing was served via e-mail on the following persons:

Air Carrier	Name	Email Address
Alaska	David Heffernan	dheffernan@cozen.com
Allegiant	Aaron Goerlich	agoerlich@ggh-airlaw.com
American	Robert Wirick	robert.wirick@aa.com
Atlas	Russ Pomer	rpommer@atlasair.com
Atlas	Naveen Rao	Naveen.rao@atlasair.com
Delta	Alex Krulic	alex.krulic@delta.com
Delta	Chris Walker	chris.walker@delta.com
Delta	Steven Seiden	steven.seiden@delta.com
Federal Express	Anne Bechdolt	anne.bechdolt@fedex.com
Federal Express	Sandra Lunsford	slunsford@fedex.com
Frontier	Howard Diamond	howard.diamond@flyfrontier.com
Hawaiian	Parker Erkmann	perkmann@cooley.com
JetBlue	Robert Land	robert.land@jetblue.com
JetBlue	Reese Davidson	reese.davidson@jetblue.com
JetBlue	Evelyn Sahr	esahr@eckertseamans.com
JetBlue	Drew Derco	dderco@eckertseamans.com
Spirit Airlines	David Kirstein	dkirstein@yklaw.com
Spirit Airlines	Joanne Young	jyoung@yklaw.com
United	Dan Weiss	dan.weiss@united.com
United	Steve Morrissey	steve.morrissey@united.com
United	Amna Arshad	aarshad@freshfields.com
UPS	Dontai Smalls	dsmalls@ups.com
WestJet	Robert Cohn	robert.cohn@hoganlovells.com
WestJet	Patrick Rizzi	patrick.rizzi@hoganlovells.com
USDOT	Todd Homan	todd.homan@dot.gov
USDOT	Peter Irvine	peter.irvine@dot.gov
USDOT	Brian Hedberg	brian.hedberg@dot.gov
USDOT	Robert Finamore	robert.finamore@dot.gov
USDOT	Brett Kruger	brett.kruger@dot.gov
USDOT	AJ Muldoon	aj.muldoon@dot.gov
USDOT	Fahad Ahmad	fahad.ahmad@dot.gov

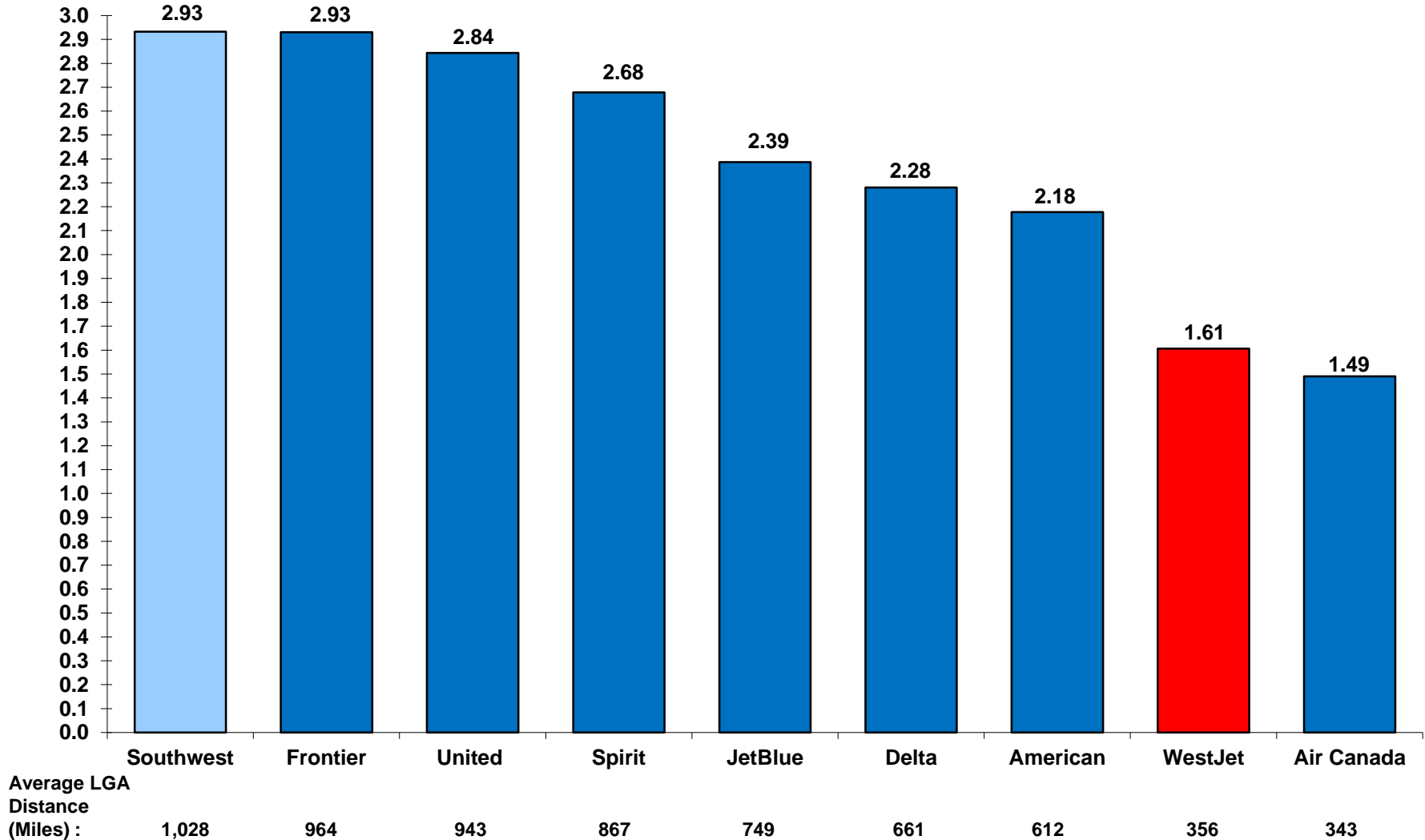
info@airlineinfo.com



Amanda Hoff

Southwest Provides More Block Hours per Flight than Any Other Airline at LGA

**Scheduled Block Hours
Per LGA Flight
(YE March 2020)**

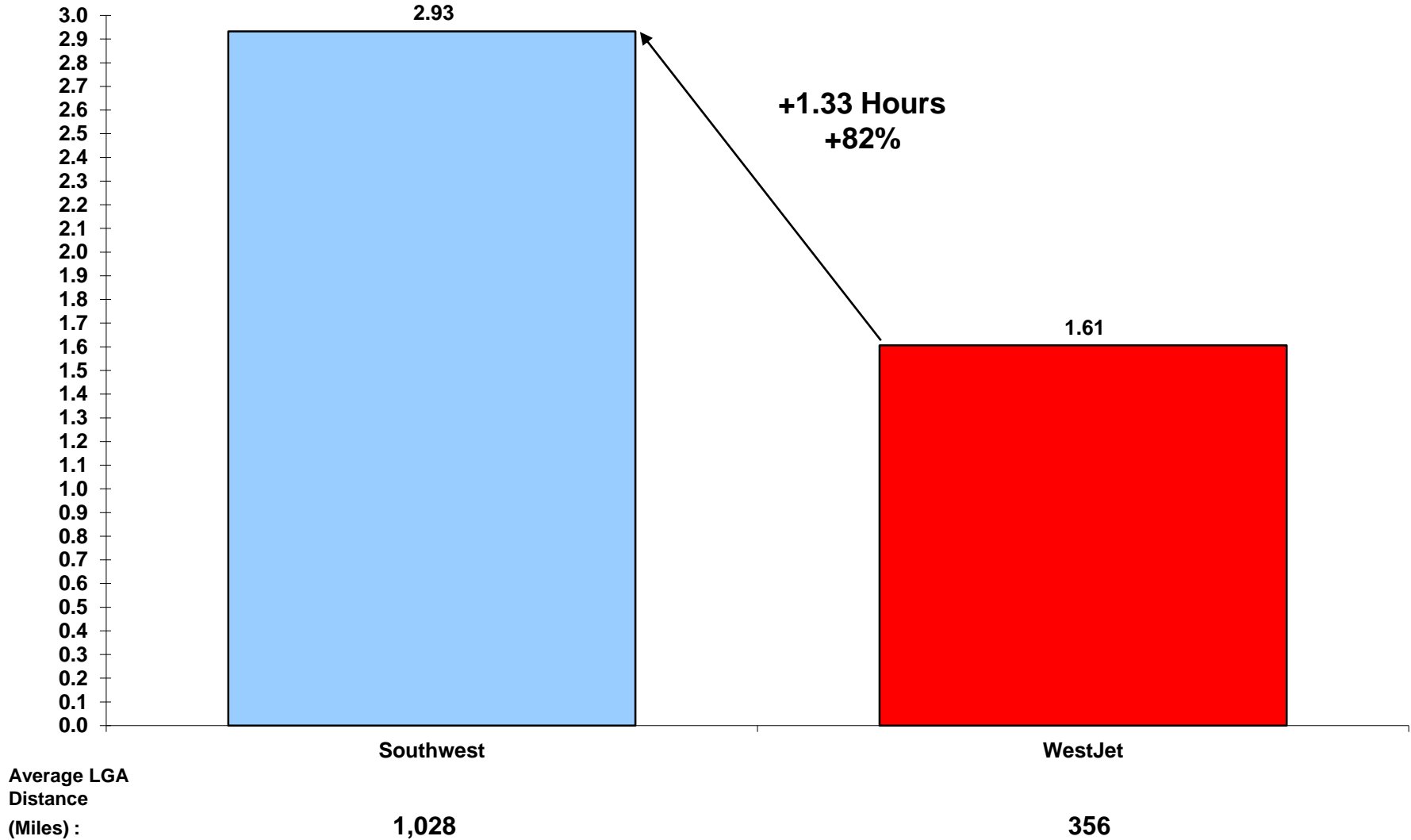


Note: Includes both directions.

Source: Innovata Schedules, YE March 2020.

Southwest Provides 82% More Block Hours per LGA Flight than WestJet

Scheduled Block Hours
Per LGA Flight
(YE March 2020)



Note: Includes both directions.
Source: Innovata Schedules, YE March 2020.