

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

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Application of :  
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 :  
 PHILIPPINE AIRLINES, INC. :  
 : Docket DOT-OST-2020-0012  
 for an exemption pursuant to 40 U.S.C. § 40109 :  
 (Manila – Seattle) :  
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ANSWER OF  
UNITED AIRLINES, INC.

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February 10, 2020

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United<sup>1</sup> hereby submits this answer in opposition to the Application of Philippine Airlines, Inc. (“PAL”) for an Exemption from 49 U.S.C. § 41310 to allow PAL to provide scheduled foreign air transportation of persons, property, and mail between Manila, Philippines, and Seattle, Washington. For the reasons set forth below, United urges the Department to defer action on this application until United’s access issues at Manila have been resolved.

1. PAL seeks an exemption from the foreign air carrier permit requirements to enable it to provide Manila—Seattle service. PAL asserts that the requested exemption is in the public interest as it would provide passengers and business with enhanced service options between the Philippines and the United States and would facilitate trade and tourism between the two countries.

2. United has no objection to PAL’s requested authority in principle. United is also interested in furthering the same public interest goals – United’s expansion at Manila will result in greater connectivity for consumers, and equally facilitate trade and tourism. However, both carriers should be given a level playing field when it comes to expanding service between the U.S.

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<sup>1</sup> Common names are used for airlines.

and the Philippines, and that is not the case currently. Accordingly, for the same reasons United previously objected to Air Philippine Corporation's application to codeshare with PAL between Guam and Manila, United objects to any Department action on the forgoing application until its difficulties in obtaining greater access to Manila are resolved.

3. United operates flights between Guam and Manila and has been actively seeking to increase its Philippine service with the addition of a daily Manila flight. However, to date, United has been refused slots and other airport infrastructure necessary for its future flight plans, while Philippine carriers continue to increase capacity to the U.S. As United previously noted,<sup>2</sup> PAL has recently added nonstop service between New York JFK and Manila and has increased frequencies between Los Angeles and San Francisco to Manila. Overall, PAL has increased its U.S.—Manila flights by 25%, seats by 30%, and available seat miles (ASMs) by 35%.

4. United submits that it is in the public interest to grant PAL's application for additional authority to expand service only when United is able to expand service as well. A grant of this application prior to United's slot and infrastructure access issues have been resolved would be counter to the Department's policy and public interest mandates to ensure fair competition and would be contrary to the spirit and intent of the U.S.-Philippines Air Transport Agreement.<sup>3</sup>

5. United's request that the Department defer action on this application is consistent with precedent and squarely within the Department's authority. The Department has similarly withheld action on foreign carriers' applications for various relief from the agency when other

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<sup>2</sup> See, e.g., Answer of United Airlines at 2, Docket DOT-OST-2019-0156 (Nov. 15, 2019).

<sup>3</sup> See 49 U.S.C. § 40101(a)(15) and (e)(1); see also Air Transport Agreement between the U.S. and the Philippines (Sep. 16, 1982), as amended by Protocol of November 20, 1995 ("U.S.-Philippines ATA").

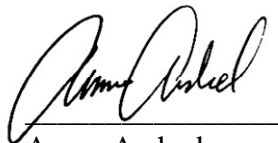
countries' civil aviation authorities have failed to follow through on their bilateral rights at the expense of U.S. carriers.<sup>4</sup>

6. United's proposed service at Manila is pro-consumer, pro-competitive and consistent with the U.S.-Philippines ATA.

7. United reiterates that it is not opposed to PAL's application request and is not asking the Department to deny the application at this time. United is simply asking the Department to defer action until United is able to execute its Manila growth plans via commercially viable slots and necessary airport infrastructure.

WHEREFORE, United respectfully reiterates its request that the Department defer action on the Application of Philippine Airlines for an Exemption until United's difficulties in expanding at Manila have been resolved.

Respectfully submitted,



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February 10, 2020

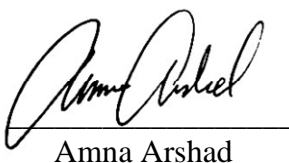
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<sup>4</sup> See Objection of American Airlines, Inc. to Application of Air China Limited d/b/a Air China for Renewal of Exemption Authority (Jan. 30, 2017), Docket DOT-OST-2013-0001; *see also* Conditional Objection of Delta Air Lines (May 4, 2016), Docket DOT-OST-2016-0070.

## CERTIFICATE OF SERVICE

I certify that I have this date served the foregoing document on the following persons by causing a copy to be sent electronically in accordance with the Department's Rules of Practice:

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