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BEFORE THE

DEPARTMENT OF TRANSPORTATION

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WASHINGTON, D. C.

DOCKET SECTION

(QA-841)

OST-95-97-5

U.S.-MONTREAL EXEMPTION PROCEEDING :

Docket [REDACTED]

Application of :

VALUJET AIRLINES, INC. :

Docket [REDACTED]

for an exemption pursuant to 49 USC
40109 (Washington, D.C.-Montreal) :

52078

REPLY OF FLAGSHIP AIRLINES, INC.
d/b/a AMERICAN EAGLE

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January 24, 1995

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d/b/a AMERICAN EAGLE

Flagship Airlines, Inc. d/b/a American Eagle, pursuant to the Department's Notice of December 29, 1994 and Order 95-1-26, January 18, 1995, hereby submits this reply with respect to the competing applications for U.S.-Montreal exemption authority.

Even with ValuJet's late-filed application, a carrier selection decision is still not needed, as there are now six U.S.-Montreal applications (filed by Flagship, Continental, Delta, Northwest, USAir Shuttle, and ValuJet) that are subject to the six-carrier limit in the U.S.-Canada framework document signed on December 22, 1994. See American's consolidated answer in Docket 50050, January 19, 1995, p. 2.

If, however, the Department disagrees and determines that carrier selection is required, ValuJet's application should be dismissed as inexcusably late. Moreover, as shown in Flagship's consolidated answer, pp. 2-3, the application of either Chautauqua or USAir Shuttle should be dismissed as mutually exclusive under Section 1.1.(d) of the framework, since these two applicants are not using different airline codes. And in the event of carrier selection, Chautauqua's application should be denied on the merits for all of the reasons stated in Flagship's consolidated answer, pp. 3-4.

Under any of the foregoing scenarios, the Department should promptly grant Flagship's application for New York-Montreal exemption authority, so that Flagship may inaugurate the first nonstop service via JFK in this large and important market at the earliest possible date.

Respectfully submitted,



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On behalf of Flagship Airlines, Inc.
d/b/a American Eagle

January 24, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by fax or first-class mail on all persons named on the attached list.



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January 24, 1995

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