

ANSWER/REBUTTAL EXHIBITS OF AMERICAN AIRLINES 2010 U.S.-HANEDA COMBINATION SERVICES ALLOCATION PROCEEDING (HANEDA 2014)

Docket DOT-OST-2010-0018

January 12, 2015

Tokyo Haneda



Los Angeles



**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

Motion and Application of

AMERICAN AIRLINES, INC.

Motion of

HAWAIIAN AIRLINES, INC.

in the matter of 2010 U.S.-Haneda
Combination Services Allocation Proceeding

Docket DOT-OST-2010-0018

**CONSOLIDATED ANSWER OF AMERICAN AIRLINES, INC.
TO APPLICATIONS OF
DELTA AIR LINES, INC. AND HAWAIIAN AIRLINES, INC.**

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American Airlines, Inc. (“American”) hereby submits its consolidated answer to the applications of Delta Air Lines, Inc. (“Delta”) and Hawaiian Airlines, Inc. (“Hawaiian”) in the above-captioned proceeding.

American has proposed a solid, credible Los Angeles-Haneda service that will put the Haneda slot pair to its highest and best use to the benefit of U.S. consumers and shippers by:

- benefiting more U.S. O&D passengers than other applicants;
- offering better passenger service and more cargo capacity than other applicants;
- addressing the unmet demand at Los Angeles, the largest U.S.-Tokyo market in the continental United States and the largest one in this proceeding;
- distributing the public benefits of this scarce national resource among more States than the other applicants; and
- promoting competition—among carriers, gateways and alliances.

In order to achieve these benefits, American asked the Department to review Delta's use of the slot pair. As American's President Scott Kirby testified in this proceeding, a strong Tokyo service is a key part of American's Asia strategy and, to "have a meaningful presence in Tokyo, service to Haneda is a necessity."¹

Part I of this answer addresses Delta's application, Part II addresses Hawaiian's application, and Part III explains why American's proposal is substantially superior.

I. Seattle-Haneda for Delta Has Not Worked and Delta's Proposed Fix Is Not Going to Make It Work

As an initial matter, American recognizes that Seattle is a dynamic city with a strong airline market. Indeed, American operates 30 daily flights at Seattle and in the past has operated service between Tokyo and Seattle. However, it is clear that, for whatever reason, the Seattle market is not responding well to Delta's Seattle-Haneda service. As we show below, the reasons Delta attributes for the route's poor performance do not withstand even cursory scrutiny.

In normal market conditions, there would be no reason for Department involvement. Delta would be free to take market risk and support the service for as long as it wanted. However, Haneda is not at this time an open market. Flight and slot availability is extremely limited, with only four daily flights available for U.S. carriers within certain limited curfew hours. As long as Haneda remains restricted, the public interest requires that this scarce national resource be fully used and that the Haneda slot

¹ American Application Ex. AA-T-1 at 2. The company is entirely committed to making this Haneda service work for the benefit of U.S. consumers.

pair be allocated to the highest and best use. That highest and best use in this case is American's Los Angeles-Haneda service.

Delta's (re)application² requests that the Department affirm its 2012 allocation of Haneda slots to Delta to operate Seattle-Haneda service, an allocation premised on Delta's commitment to operate that service daily, year-round. Delta now (again) promises to operate Seattle-Haneda on a daily, year-round basis. The Department is left to assess the veracity of a carrier that has failed to honor its many commitments. Delta's statements are the same statements it previously made in seeking a Haneda allocation for Detroit and again when Delta asked to move the Detroit service to Seattle.³ For this reason, Delta's commitment to provide daily year-round service is no more ironclad than its previous daily year-round service commitments for this slot pair, which it has repeatedly broken.

Even Delta seems to agree that its Seattle-Haneda service has not performed well. Delta says as much by describing the primary problem (in its view) and the proposed solutions (again, in its view) for improving its service. Delta's position can be reduced to three points:

- 1) We need our own aircraft ("metal") because the incentives of Alaska Airlines, Inc. ("Alaska") as a domestic competitor are not aligned with Delta's;
- 2) As we have added our own metal, we have had "astounding" results; and

² Delta's Petition for Reconsideration should be promptly denied. The Department's Instituting Order is lawful as demonstrated by the January 2, 2015, Answers of American and Hawaiian.

³ Answer Ex. AA-R-101.

3) Seattle-Haneda will work now that we have our own metal.⁴

Upon examination of the facts, Delta's excuses and solutions simply fall flat. As noted above, Seattle is a great community with much to offer. Yet, Delta squarely points the finger of blame to Seattle's hometown carrier, Alaska, for the Haneda service's poor performance. As is well known, Alaska is widely regarded as a first-rate airline with first-rate service. It code shares with many airlines, both domestic and international carriers, none of which have complained as Delta has done here. Indeed, American, also a substantial code-share partner of Alaska, has had and continues to have a great experience working with Alaska. American has experienced none of the alleged Alaska failings about which Delta now complains.

Even if Alaska were the problem, and it most certainly is not, Delta's complaints about Alaska obfuscates the real issues. Of the 61 markets that Delta claims it will connect to its "New Own-Metal Enhanced Seattle-Haneda Service," 41 of those markets—or slightly more than two-thirds—have had and will continue to have "supplemental codeshare service on Alaska Airlines."⁵ Of the remaining 20 markets, not counting existing Delta hubs, all of those markets except for Jackson Hole, Wyoming, overlap with Alaska.⁶

Contrary to Delta's argument that it needs its own aircraft to mount a successful Seattle-Haneda service is the unassailable fact that Delta, today, successfully operates

⁴ Delta Application 2-3.

⁵ Delta Application 5, Ex. DL-401

⁶ Answer Ex. AA-R-102.

transpacific services between Seattle and Beijing, Hong Kong, Seoul, Shanghai, and Tokyo-Narita (in addition to transatlantic services to Amsterdam, London, and Paris).⁷ The build-up of these Asian services, which began decades ago, were successful before Delta's introduction of new own-metal domestic services, and all of these services operate year-round with exceedingly high load factors. Thus, even without a build-up of own-metal domestic services, Delta has experienced excellent results between Seattle and the other Asia markets, including of course, exceptional results between Seattle and Tokyo-Narita.

Notwithstanding Delta's assertion, the problem is not Seattle as a hub, or which carrier's metal operates the connecting service to/from Seattle. And, the problem cannot be explained away as a Haneda problem, because all other current U.S. services to Haneda, including Delta's Los Angeles-Haneda service, have performed with strong load factors year-round.⁸ The problem is indeed limited to one and only one route—Seattle-Haneda.⁹ In short, for whatever reason, the empirical evidence compels a finding that the Seattle market has not responded well to nonstop Haneda service.¹⁰

⁷ Answer Ex. AA-R-105.

⁸ Answer Exs. AA-R-103 to -104.

⁹ Answer Ex. AA-R-108, -126.

¹⁰ Answer Ex. AA-R-107.

Unfortunately, Delta's proposed solutions are the wrong solutions for the wrong problem. As American's Answer exhibits demonstrate, Delta's proposed fixes will not and cannot fix the unique problems it has with Seattle-Haneda service.¹¹

A. Delta's Public Interest Claims About Why It Should Retain Its Haneda Slot Allocation Benefit Delta's Interests Only

Delta's other arguments about why it should retain the Seattle-Haneda service should be no more appealing to the Department.

1. Seattle Will Continue to Enjoy Twice-Daily Tokyo Service

There is no disputing Seattle's geographic location as a well-positioned gateway to Asia. One need only look to Delta's own success in developing several Asia routes. However, as noted earlier, Haneda is one of the most restrictive airports in Asia and one where the Department is forced to allocate U.S.-carrier access to maximize the public benefits. The Department should not experiment again based on promises from a carrier (for a third time) about a gateway (for a second time). It is a difficult decision, admittedly, but the Department should take heart that, even if the slot pair currently used for Seattle-Haneda service is reallocated, Seattle will still retain competitive Tokyo service with two daily nonstops to Narita on All Nippon Airways Co., Ltd. ("ANA") and Delta.¹² In fact, Seattle will still be one of only six continental U.S. gateways with two-carrier service to Tokyo—a benefit that super hubs like Atlanta, Dallas/Fort Worth, Detroit, and Houston do not enjoy.

¹¹ Answer Exs. AA-R-107 to -108, -126.

¹² Answer Exs. AA-R-124 to -125.

2. Delta's Attempts to Portray Itself As "Disadvantaged" in the U.S.-Japan Market Are Laughable and Factually Inaccurate

Since 2010, when U.S. carrier access to Haneda first became available, Delta has complained in the Haneda carrier-selection cases, at the bilateral negotiation table, and to Congress about its disadvantaged position relative to the immunized alliances of American and Japan Airlines Co. Ltd. ("JAL"), on the one hand, and United Airlines, Inc. ("United") and ANA, on the other.¹³ Delta makes this argument by explaining that, because of the metal-neutrality provisions in those alliance agreements,¹⁴ the partner airlines should be viewed as one airline vis-à-vis Delta.

Delta, with its own long history of immunized alliances, is correct that metal-neutrality does benefit both consumers and airlines. However, the economic indifference created by the metal-neutrality clause does not and cannot account for passenger preferences. In many parts of the world where culture, customs, and interpersonal actions are very different from culture, customs, and interpersonal actions in the United States, passengers from one culture simply feel more comfortable traveling on airlines operated by companies that share their culture and customs. Metal neutrality, however economically beneficial it may be, simply cannot overcome that social/cultural preference. That is why, in any antitrust-immunized alliance, airlines from both cultures operate flights. And, while not every airline has a partner in every country (*e.g.*,

¹³ Answer Exs. AA-R-112 to -113.

¹⁴ The metal-neutrality provisions create an economic indifference between the airlines as to whose metal operates the route because of revenue-sharing agreements.

American in China, Delta in Japan, United in Australia), where there are two partners, both airlines usually operate between the two countries, wherever possible.

Delta knows this very well. In its purchase of 49 percent of Virgin Atlantic Airways Ltd. (“Virgin”) and its commercial tie-up (including an antitrust immunized relationship resulting in a route swap), Virgin’s CEO recently made clear that the Delta-Virgin Atlantic joint venture benefits from both airlines flying the same route, irrespective of metal-neutrality, because of the passenger preference:

There are people who prefer the Virgin Atlantic airplane. Having a Virgin Atlantic airplane in the mix to Atlanta will help us sell Heathrow to . . . all the various places you go to via Atlanta

It's a lot of new markets that we think having a mix of Delta airplanes and Virgin Atlantic airplanes will do better than just having all Delta. . . . This combination of offering mixed metal in these different markets gives customers the ability to choose if they have a preference.¹⁵

Thus, Delta’s insistence that American is already in Haneda by virtue of its relationship with JAL is not true. Just as Virgin was not operating in the Atlanta or Detroit markets before adding the service, American cannot be said to be in Haneda if it is not an operating carrier at Haneda, and its absence deprives consumers of a real and beneficial travel option.

¹⁵ Interview: Virgin Atlantic CEO Craig Kreeger and Founder Richard Branson, Bus. Travel News, Nov. 11, 2014, <http://tinyurl.com/ktk3uyv>. *See also* Dennis Schall, Interview: Virgin Atlantic CEO on Going All-In with Delta and the Dreamliner, Skift, Oct. 28, 2014, <http://tinyurl.com/q7fk25r>.

II. American's Los Angeles-Haneda Service Will Produce Public Benefits Superior to Hawaiian's Kona-Haneda Service

American acknowledges that Hawaiian has done an excellent job of delivering on its Honolulu-Haneda commitment.¹⁶ The Honolulu-Haneda service has performed as promised by Hawaiian, and Hawaiian and its employees should be proud of the route's success. However, Hawaiian's success in one already-proven market does not translate automatically into success in an unproven market—in this case, Kona-Haneda. As the Department states in its Instituting Order:

[C]onsideration will be given to the proposal most likely to result in service that best meets the needs of the traveling and shipping public. The Department will also consider the effects of each service proposal on the overall competitive environment, including effects on the market structure and on competition in the U.S.-Japan market.¹⁷

In this case, Kona is simply too small and the public benefits too limited, both in size and scope, for the Department to select a Kona-Haneda service over American's Los Angeles-Haneda proposal.¹⁸

The beneficiaries of the proposed Hawaiian Kona-Haneda service would be almost exclusively Japanese tourists—96 percent according to Hawaiian's own estimate.¹⁹ The number of passengers originating travel in Kona is projected to be fewer

¹⁶ Answer Ex. AA-R-202.

¹⁷ 2010 U.S.-Haneda Allocation Services Proceeding, Docket DOT-OST-2010-0018, Order 2014-12-9 at 6.

¹⁸ Answer Exs. AA-R-203 to -205.

¹⁹ Answer Exs. AA-R-206 to -207.

than nine per day each way.²⁰ As a result, Japanese travelers, not U.S. travelers, will be the overwhelming beneficiaries of any Hawaiian Haneda service to Kona.

Moreover, all of the public benefits of a Hawaiian Kona-Haneda service would accrue exclusively to the State of Hawaii, which already enjoys three of the eight frequencies available for U.S.-Haneda service. When compared with American's proposed Los Angeles-Haneda service, the level of public benefits offered by Hawaiian's proposed Kona-Haneda service is clearly inferior:

Comparison of Key Public-Benefit Criteria between American and Hawaiian²¹

Public Benefit Criteria	Hawaiian	American
Population of Gateway Airport CSA	185,079	18,351,929
Number of U.S. Communities Served	2	23 Winter; 30 Summer
Communities' Population	1.4 million	194.6 million
Communities' Tokyo O&D (HND & NRT)	57,301	432,525
Number of States Served	1 Summer; 1 Winter	15 Summer; 16 Winter
States' Population	1.4 million (HI)	38.8 million (CA)

²⁰ Answer Ex. AA-R-206.

²¹ Answer Exs. AA-R-201, -203 to -205; Hawaiian Application Ex. HA-App2015-3; MIDT YE Nov. 2014; U.S. Census.

As for local tourism, Hawaiian acknowledges that Los Angeles also attracts a very large number of Japanese tourists,²² with nearly 300,000 Japanese visitors in 2013.²³ But, in addition to inbound tourism, Los Angeles is a leading global city for business and commerce with hundreds of Japanese firms located in Los Angeles and throughout Southern California. Kona simply cannot meet the level of public benefits that an additional Los Angeles-Haneda service brings to the U.S.-Haneda market.

It should also be noted that the Kona-Tokyo market has had service before. JAL started the service in 1996—but never daily as Hawaiian proposed. After 14 years, numerous attempts to make this service work, an average load factor of only 61.7 percent, and load factors as low as the mid-30s, JAL finally gave up in October 2010.²⁴ If a Japanese airline with close connections to the Japanese tour operators in a market that is 96 percent Japanese-originating cannot make it, one questions how Hawaiian realistically could.

In addition, in many ways, those 14 years were the good (or best) years for Japanese tourists because of the high value and purchasing power of the yen versus the U.S. Dollar. But, times have changed and so has the yen-dollar exchange rate. For years, the yen had incredible purchasing power vis-à-vis the dollar. In 2013, however, the yen fell relative to the dollar, and this was reflected in spending by Japanese visitors to

²² See Hawaiian Application 3 n.4.

²³ Los Angeles Tourism & Convention Bd., Los Angeles Tourism by Numbers: 2013 Quick Facts 3 (Aug. 2014), <http://www.discoverlosangeles.com/tourism/research>.

²⁴ Answer Ex. AA-R-208. JAL intermittently substituted its low-cost subsidiary, JALways in this service.

Hawaii, which decreased by over 11 percent from 2012 to 2013.²⁵ Then, just last year, the dollar appreciated almost another 15 percent versus the yen.²⁶ This trend is likely to continue as Japanese economic growth remains sluggish and the dollar continues to appreciate, driving the yen to lows versus the dollar not seen in over ten years.²⁷ This will, in turn, affect both Japanese travel and spending habits.

While Kona is a scenic, beautiful place to visit, it does not offer all the amenities of Honolulu, which has a much broader selection of activities important to Japanese visitors, including shopping, dining, and resorts. Japanese travelers might want to spend part of their vacation time in Kona, but it is likely that such a visit would involve a short time in Kona as an add-on, island hop to a Honolulu “base.” In fact, the average Japanese visitor stay in Hawaii is 5.94 nights and, in Honolulu, is 5.49 nights, while Kona is considerably less, at 3.85 nights.²⁸ In short, Kona may be part of a Japanese visitor’s Hawaiian Islands itinerary, but it is not likely to be their gateway to Hawaii, or the destination. Moreover, given limited convenient intra-island airlinks from Kona (to just two markets), for most visitors, Honolulu is a far better gateway to see all of Hawaii than Kona.

²⁵ Hawaiian Tourism Auth., 2013 Annual Visitor Research Report 43 tbl. 20, <http://tinyurl.com/kmcjheu> (last visited Jan. 12, 2015).

²⁶ Federal Reserve System, Historical Rates for the Japanese Yen; Foreign Exchange Rates-H.10, http://www.federalreserve.gov/releases/h10/hist/dat00_ja.htm (last visited Jan. 11, 2015).

²⁷ Trading Economics, Japanese Yen: 1972-2015, <http://www.tradingeconomics.com/japan/currency> (last visited Jan. 11, 2015).

²⁸ Hawaiian Tourism Auth., 2013 Annual Visitor Research Report 43 tbl. 20, <http://tinyurl.com/kmcjheu>.

Finally, Hawaiian has not addressed an important challenge that threatens to delay start-up for many months:²⁹ the lack of a U.S. Customs and Border Protection (“CBP”) Federal Inspection Services (“FIS”) facility at Kona. Kona lost all international commercial air service more than five years ago with the 2010 exit of JALways from the Kona-Japan market. Today, CBP does not support commercial air service at the airport—not even for big charters—except private flights that presumably pay for the service on an *ad hoc* basis.

Before it could start Kona-Haneda service, Hawaiian would therefore have to work with U.S. authorities to develop the necessary facilities, services, and staffing. CBP has told Hawaiian and the State and County of Hawaii that it needs to build a new FIS facility before it can operate international service. The State and County have asked CBP for a five-year exemption from this requirement, but so far, to our knowledge, this request has been rejected.³⁰ Hawaiian cannot, of course, operate a Kona-Haneda service without CBP/FIS facilities.

²⁹ For the purpose of this paragraph, American assumes Hawaiian would be prepared to start up earlier than its reservation-of-rights declaration to postpone a start-up until the judicial resolution of any court challenge to the Department’s decision. *See* Answer Ex. AA-R-210.

³⁰ Answer Ex. AA-R-211. The requests of the State and County of Hawaii to CBP and the responses thus far from CBP are not readily available. It would behoove Hawaiian, which surely knows the status of these requests, to inform the Department and the applicants in this proceeding of the current status.

III. American's Proposal Will Best Serve the Public Interest and Is Substantially Superior to the Other Applicants' Proposals

Throughout this proceeding, which began in 2010, the Department has placed a high priority on using the four slot pairs to improve the competitive structure in the U.S.-Haneda market, and also in the U.S.-Japan and U.S.-Asia markets.³¹ In 2010, the Department also placed great weight on achieving a geographic distribution of services, although time and experience have shown that geographic distribution may not be easily achieved beyond U.S. west coast gateways in light of the curfews in existence at Haneda.

Adding American to the U.S.-Haneda market is the best way to achieve the goals of enhancing competition and making sure that the rest of the country has access to Haneda. American is the largest carrier at Los Angeles. Its network will enable it to compete very effectively with Delta at Los Angeles as well as with United at San Francisco. It would also improve head-to-head competition with the Star and SkyTeam alliances both by increasing the intra- and inter-gateway competition among the alliances in the U.S.-Haneda market, and by increasing the overall level of competition in U.S.-Japan and U.S.-Asia markets.³² Moreover, by offering greater capacity than Delta can, it would enable the Department to address the unmet demand for U.S.-Haneda access that exists in both passenger and cargo services.³³

³¹ 2010 U.S.-Haneda Allocation Services Proceeding, Docket DOT-OST-2010-0018, Order 2014-4-6 at 3; *Id.* Order 2010-7-2 at 5-8; *Id.* Order 2010-5-7 at 8-11; *Id.* Order 2010-1-17 at 2.

³² Answer Ex. AA-R-209 (showing competition benefits).

³³ American Application Exs. AA-209 to -211.

American's exhibits demonstrate that its proposed Los Angeles-Haneda service would offer a large and broad range of service benefits to U.S. passengers and shippers as well as economic benefits to all regions of the United States—*benefits substantially superior* to those that Hawaiian and Delta propose. Among these benefits, which American fully describes in its exhibits, are:

- American will serve the largest U.S.-Tokyo market in the continental United States, Los Angeles.³⁴
- American will serve not just the 18.3 million people living in the Greater Los Angeles Metropolitan Area,³⁵ but it will also offer convenient one-stop connecting services to millions more people in 25 cities through its west coast gateway, Los Angeles, in the summer season, and 32 cities in the winter season.³⁶
- American's Los Angeles-Haneda service would directly benefit travelers and shippers in 16 states.³⁷
- American's Los Angeles-Haneda service will serve almost 10 times as many unique connecting markets as Hawaiian's proposed Kona-Haneda service and more than Delta's.³⁸ Its Los Angeles-Haneda connecting markets will

³⁴ Answer Ex. AA-R-118 to -123; American Application Exs. AA-201 to -202.

³⁵ Answer Ex. AA-R-120.

³⁶ American Application Ex. AA-107.

³⁷ Answer Ex. AA-R-203.

³⁸ Answer Ex. AA-R-203.

generate 87 percent more O&D passengers than Hawaiian's Kona connecting markets.³⁹

- American's proposed B777 Los Angeles-Haneda service will provide 37 more seats per flight than Delta's B767 service.⁴⁰
- American's Los Angeles-Haneda service will provide unquestionably superior cargo capacity to Delta's B767 service—over 18.1 metric tons per flight versus Delta's 9.5 metric tons—translating into more than 3.1 million pounds of cargo capacity annually.⁴¹
- American's proposed Los Angeles-Haneda service will provide intergateway, intragateway, and first-time three-way alliance competition:
 - intergateway with United at San Francisco;
 - intragateway with Delta at Los Angeles;
 - three-way alliance competition with Star (ANA) and SkyTeam (Delta) at Los Angeles.
- Finally, American is the only U.S. airline serving Tokyo that is not currently authorized to serve Haneda. Allocating this Haneda slot pair to American will inject robust, vigorous competition, itself a consumer benefit, but also open an entirely new array of travel options for consumers and shippers—an undeniable substantial public benefit. As the Department noted in 2010,

³⁹ Answer Ex. AA-R-205.

⁴⁰ Answer Ex. AA-R-109 to -111; American Application Ex. AA-213; Delta Application Ex. DL-103.

⁴¹ $(365 \text{ days}) * (18.1 \text{ mt} - 9.5 \text{ mt}) = 3,146.3 \text{ mt}$.

awarding American U.S.-Haneda service will “enhance alliance competition by improving the competitive posture of American and oneworld in the U.S.-Asia market as compared to the SkyTeam and Star alliances.”⁴²

IV. Conclusion

For the foregoing reasons, the Department should reject the Delta and Hawaiian requests for allocation of the Haneda slot pair and select the substantially superior American proposal.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Howard Kass", with a stylized flourish at the end.

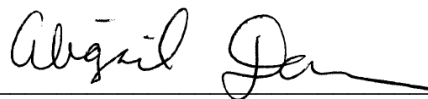
Howard Kass
Robert A. Wirick
Abigail Donovan

⁴² 2010 U.S.-Haneda Allocation Services Proceeding, Docket DOT-OST-2010-0018, Order 2010-5-7 at 11.

CERTIFICATE OF SERVICE

I, Abigail Donovan, certify that, on January 12, 2015, I caused to be served a copy of the foregoing Answer of American Airlines, Inc. to Applications of Delta Air Lines, Inc. and Hawaiian Airlines, Inc. by email upon those addressees listed below:

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Abigail Donovan

[Answer/Rebuttal Exhibits of American Airlines](#)

Exhibit Number	Title
	Answer/Rebuttal Exhibits to Delta's Seattle-Haneda Service
AA-R-100	Narrative to 100 Series Exhibits
AA-R-101	Delta Has Repeatedly Made Promises to the Department and to the Public and Has Repeatedly Failed to Deliver on Those Promises
AA-R-102	Delta's Alleged Service Build-Up at Seattle Is Not a Build-Up of New Services, But, Rather, a Duplication and Almost Total Overlap of Pre-Existing Alaska Services on Which Delta Code-Shared
AA-R-103	Despite Delta's Build-Up of Its Own Seattle Hub, Which Added Only One New Service (Jackson Hole), Its Seattle-Haneda Load Factor (When it Operates) Is the Lowest of Any U.S. Carrier Serving Haneda
AA-R-104	Despite Delta's Build-Up of Its Own Seattle Hub, Which Added Only One New Service (Jackson Hole), Its Seattle-Haneda Load Factor (When it Operates) Is the Lowest of Any Carrier Serving Haneda
AA-R-105	The Load Factors of All of Delta's Other Long Haul International Services at Seattle Are Substantially Higher than Its Seattle-Haneda Route . . . without Delta's Own Service Build-Up Benefit . . . And Tokyo-Narita Has the Highest Load Factor
AA-R-106	If Delta's Build-Up at Seattle Were as Successful as It Claims, Why Did Delta Abandon the Seattle-Haneda Market Starting This Winter When Its Seattle Hub Was Increasing by 50%?
AA-R-107	For Whatever Reason, Seattle Has Demonstrably Not Responded Well to Delta's Haneda Service
AA-R-108	. . . And Delta's Seattle-Haneda Load Factor Is the Lowest, By Far, of All of the International Routes Delta Operates (excluding Transborder) and 20% Lower Than the Load Factor of the Next Lowest Route's Load Factor

Answer/Rebuttal Exhibits of American Airlines

Exhibit Number	Title
AA-R-109	Delta's B767 Aircraft Are the Smallest of Any Airline Operating U.S.-Haneda Service
AA-R-110	In Terms of Seats Offered, Delta's B767 Does Not Maximize the Public Benefit – American's B777 Would
AA-R-111	American's B777 Aircraft Would Provide the Equivalent of 125 Additional Delta B767 Flights Annually
AA-R-112	Delta's Strained Attempt to Portray Itself as Disadvantaged in Japan Is Ironic and Fanciful
AA-R-113	Delta's Strained Attempt to Sell Itself as Disadvantaged in Japan vis-à-vis American Is Fanciful – If Anything It is American That is Disadvantaged
AA-R-114	Delta's Strained Attempt to Portray Itself as Disadvantaged in Japan vis-à-via the oneworld Alliance Is Ironic and Fanciful
AA-R-115	Delta's Reliance on Overall Haneda Slot Pair Holdings Ignores the Facts
AA-R-116	"Disadvantaged Delta" Is Not "Locked Out" of Haneda. To the Contrary, It Has Had the Opportunity to Utilize Two Haneda Slot Pairs at, Now, Three Gateways – Triple the Opportunities Made Available to Any Other U.S. Airline
AA-R-117	"Disadvantaged Delta" Suffers No Disadvantage at Haneda Versus Other U.S. Airlines. Indeed, It Is American Which Is Both Disadvantaged and Locked Out
AA-R-118	Los Angeles Has Over 3.2 Times the GDP of the Seattle Area
AA-R-119	Los Angeles Outranks Seattle by a Wide Margin on the Critical Factors for Air Service Success

[Answer/Rebuttal Exhibits of American Airlines](#)

Exhibit Number	Title
AA-R-120	Los Angeles Has Over Four Times the Population of the Seattle Area
AA-R-121	California Has 5.5 Times the Population of Washington State
AA-R-122	Los Angeles Has Nearly Four Times the Japanese-American Population of Seattle
AA-R-123	California Has Over Seven Times the Japanese-American Population of Washington
AA-R-124	Even Without Haneda Service, Seattle Is Over-Served Relative to Los Angeles, Even With American's Los Angeles-Haneda Service
AA-R-125	Seattle Enjoys, and Will Continue to Enjoy, Double Daily Service to Tokyo
AA-R-126	Why Is Delta Consistently Holding on to This Haneda Slot Pair When Delta Has Cancelled Routes with Substantially Higher Load Factors?
	Answer/Rebuttal Exhibits to Hawaiian Airlines' Proposed Kona-Haneda Service
AA-R-200	Narrative to 200 Series Exhibits
AA-R-201	American's Proposed Los Angeles-Haneda Service Offers Substantially Superior Public Benefits to Hawaiian's Proposed Kona-Haneda Service
AA-R-202	Hawaiian Has Done a Commendable Job of Fully Utilizing Its Allocated Haneda Slot Pair
AA-R-203	Hawaiian's Proposed Kona Service Benefits Only One U.S. State and 2 U.S. Communities; American's Proposed LAX Service Benefits 15 States and 23 U.S. Communities in the Summer and 16 States and 30 Communities in the Winter
AA-R-204	The Public Benefits Substantially Favor American's 15/16 States Over Hawaiian's One State
AA-R-205	American's Proposed Los Angeles-Haneda Service Will Benefit Almost Double the O&D Passengers of Hawaiian's Proposed Kona-Haneda Service

[Answer/Rebuttal Exhibits of American Airlines](#)

Exhibit Number	Title
AA-R-206	Kona Is Almost Exclusively an All-Japanese Originating Market Benefitting Less Than 9 U.S. PDEWS
AA-R-207	Hawaiian's Proposed Kona-HND Service Provides Practically No Benefits to the U.S. Traveling Public
AA-R-208	Nonstop Kona-Tokyo Service Has Been Tried Before... and Failed
AA-R-209	American's Los Angeles-Haneda Service Provides Substantially More Competition Benefits Than Hawaiian's Kona-Haneda Service
AA-R-210	Hawaiian's Soft and Changing Start-Up Date Commitment Could, Literally, Be Years Away
AA-R-211	Kona: A No Fly Zone
	Letters of Support

Answer/Rebuttal Exhibits to Delta's Seattle-Haneda Service

NARRATIVE TO SERIES 100 REBUTTAL EXHIBITS

Delta's application in this proceeding is initially focused on its presumptive legal challenge to the Department's perfectly lawful decision to review the highest and best use of the unused/underutilized slot pair currently allocated to Delta for Seattle-Haneda. American's full support of the Department's legal position can be found in American's January 2, 2015 filing in this Docket.

With respect to Delta's arguments concerning the substance and merits of the issues involved in this proceeding, it is clear that Delta's most current application for Seattle-Haneda service is a far cry from the substantial effort that Delta undertook to, first, receive its initial Detroit-Haneda allocation or even its efforts to persuade the Department to allow it to shift its unsuccessful Detroit service to Seattle. Based on the application effort alone, one can fairly ask: "Is Delta really committed to making Seattle-Haneda work for the long-term?"

American's 100 Series Rebuttal Exhibits focus on the inconsistencies and inaccuracies in Delta's (re)application for Seattle-Haneda service. From a questionable service commitment to Seattle, to low historical load factors on the Seattle-Haneda route, to the smallest aircraft operating in the U.S.-Haneda market, Delta's application pales in comparison to the application of American for Los Angeles-Haneda service.

Starting with AA-R-101, American reviews the seven promises that Delta has made to the Department in past Haneda cases. As the Department is aware, this proceeding arose in part, because of Delta's virtual cessation of service between Seattle and Haneda during winter 2014-15. In fact, since this Proceeding began on December 15 through the final submissions on January 20, Delta will not have operated a single Seattle-Haneda flight (and that will continue through February 13, by which time, hopefully, a decision in this case will be rendered).

In its application, Delta points to the lack of Delta's own aircraft in markets behind/beyond Seattle as a reason the Seattle-Haneda service has performed so poorly. However, Exhibit AA-R-102 shows that, with one small exception (involving a market with less than one PPDEW), almost all of the markets where Delta is adding its own aircraft are markets where Delta had an existing (and longstanding) codeshare relationships with Alaska, Seattle's hometown carrier. Yet, despite Delta's build-up of its own services, which Delta labels as "astonishing," Exhibit AA-R-103 illustrates how Delta's Seattle-Haneda service, when it does operate, has the lowest load factor of any U.S. carrier's Haneda service for which data is available. Looking at the load factors of all U.S.-Haneda services, Exhibit AA-R-104 demonstrates that Delta's Seattle-Haneda load factor is over 22 load factor points below the service with the next lowest load factor.

Notwithstanding, Delta's half-hearted assertion that its Seattle-Haneda service is harmed by its reliance on Alaska service for traffic flows, Delta's other international services at Seattle which rely upon those same Alaska traffic flows are quite successful, with load factors averaging between 78 and 88 percent on a year-round basis. Most telling is Exhibit AA-R-105 that shows that the Seattle Asian route with the highest load factor is Tokyo-Narita, again without the benefit (or need) of Delta's own metal.

Exhibits AA-R-106-108 demonstrate that:

- despite Delta adding more of its own domestic feed aircraft to Seattle (overlapping with Alaska);
 - despite Delta having abundant feed from Alaska;
 - despite overall Seattle-Tokyo traffic increasing;
 - despite stable U.S.-Haneda traffic ; and,
 - despite Delta's troubles with the Seattle-Haneda route,
- all of its other Seattle-Asia routes have performed exceeding well.

Delta's Seattle-Haneda service not only experiences the lowest load factor of all of Seattle's Asia routes and of all the U.S.-Haneda routes, but, as Exhibit AA-R-108 so graphically shows as you unfold it, Seattle-Haneda has the lowest load factor of all of Delta's current intercontinental flights.

Exhibits AA-R-109-111 focus on Delta's aircraft proposal – B767 – which is the smallest aircraft proposed in this case and one of the smallest aircraft in Delta's fleet that can fly nonstop to Haneda. AA-R-110 is a comparison of American's proposed aircraft versus Delta's. The issue of capacity has always been an important decisional criterion used by the Department in route case proceedings as a measure of public benefits. In this case, American proposes to launch its own Los Angeles-Haneda service with an aircraft with 36 more seats than Delta, which is shown on Exhibit AA-R-110. Over the course of one year, Exhibit AA-R-111 shows that American's larger capacity equates to an additional 125 B767 flights over what Delta would operate (assuming, of course, it lived up to its most recent "daily, year-round" service commitment).

In Exhibits AA-R-112-114, Delta tries (to again) convince the Department that it is a "Japan have-not," disadvantaged against the American/JAL and United/ANA alliances. Yet, the reality is much different. With more routes, destinations and flights to/from Tokyo, Delta is hardly a "Japan have-not." Exhibits AA-R-116 and 117 amplify the fact that Delta is actually a "Japan have and had have for decades," with more opportunities to serve Haneda and more slots at Haneda than any other U.S. carrier. As part of its effort to distract the Department from its underperforming Seattle-Haneda service, Delta again shows what the slot holdings at Haneda are by carrier and by alliance. The comparison is not relevant, because slots at Haneda are not freely transferable between carriers as shown in Exhibit AA-R-115. What is relevant is that Delta is a leading holder of Haneda slots that are eligible for U.S. service and it is the largest airline in the U.S.-Japan market – larger than United, JAL or ANA, and about the same size as JAL and American combined.

Exhibits AA-R-118-123 show the demographic comparison between Los Angeles and Seattle. Through every statistical measurement including population, regional gross domestic product, O&D passengers to Tokyo and residents of Japanese ancestry, Los Angeles is superior. These exhibits are important because they demonstrate that, even with existing levels of Los Angeles-Tokyo air service, the Los Angeles region is still underserved as shown specifically in Exhibits AA-R-124-125.

Finally, Exhibit AA-R-126 shows all the cancelled intercontinental routes by Delta in recent years, and that all of these 34 routes except one had load factors higher than Delta has experienced on the Seattle-Haneda route. Based on this conduct of cancelling by Delta, it is fair to ask the motivation behind Delta continuing to operate this route and whether its motivation is to keep the route out of the hands of other airlines like American, whose proposal is substantially superior to Delta's and could put this scarce resource to a much higher and better use.

Delta Has Repeatedly Made Promises to the Department and to the Public and Has Repeatedly Failed to Deliver on Those Promises

In Rebuttal to Exhibit DL-101 and DL-102

Delta's Seven Failed Promises

Delta's Promise	Delta's Delivery on that Promise
1) Detroit Promise #1: B747 service	
2) Detroit Promise #2: Daily year-round service	
3) Los Angeles Promise #1: B747 service	
4) Seattle Promise #1: A330-300 service	
5) Seattle Promise #2: B767 service with 225 seats	
6) Seattle Promise #3: Daily service	
7) Seattle Promise #4: Year-round service	

Delta's Alleged Service Build-Up at Seattle Is Not a Build-Up of New Services, But, Rather, a Duplication and Almost Total Overlap of Pre-Existing Alaska Services on Which Delta Code-Shared

In Rebuttal to Exhibit DL-202 and DL-401

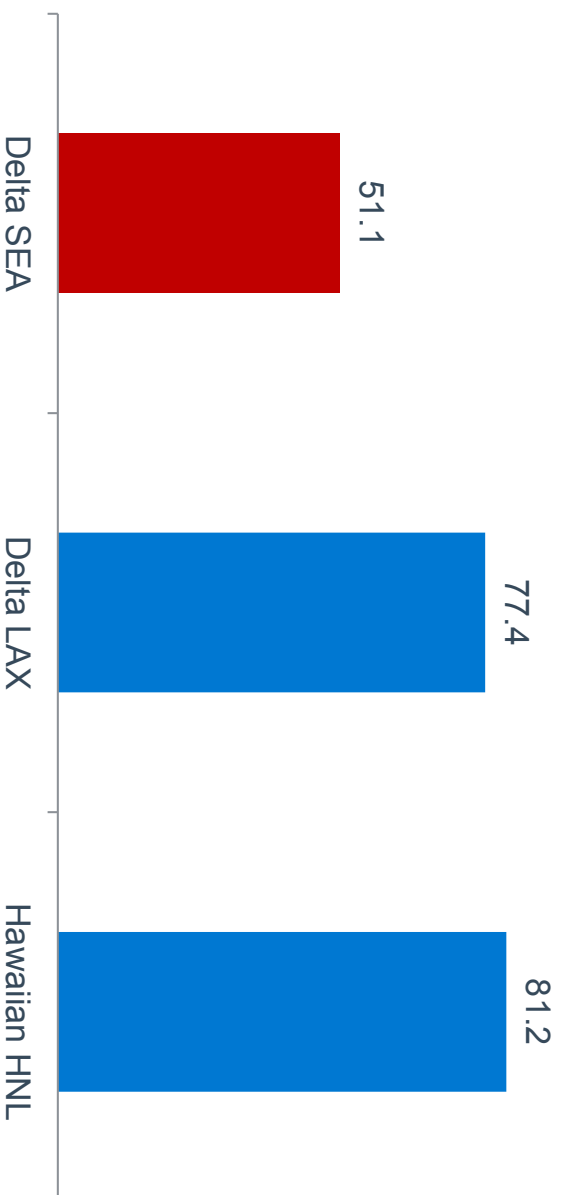
"New Services" Added by Delta's "Build Up"	Date Added	Previous/Pre-Existing Delta Code Share on Alaska?
Anchorage	June '13	Yes
Las Vegas	June '13	Yes
San Diego	June '13	Yes
San Jose	June '13	Yes
Jackson Hole	Dec '13	No
Los Angeles	Apr '14	Yes
San Francisco	Apr '14	Yes
Ketchikan	May '14	Yes
Fairbanks	June '14	Yes
Juneau	June '14	Yes
Portland	Aug '14	Yes
Spokane	Nov '14	Yes
Bozeman	Dec '14	Yes
Maui	Dec '14	Yes
Palm Springs	Dec '14	Yes
Phoenix	Dec '14	Yes
Tucson	Dec '14	Yes
Sacramento	May '15	Yes
Sitka	May '15	Yes
Boise	May '15	Yes
Denver	June '15	Yes

The Only New Delta Market – Jackson Hole – Has a TYO PPDEW of 0.8 and a Haneda PPDEW of 0.1.

Despite Delta's Build-Up of Its Own Seattle Hub, Which Added Only One New Service (Jackson Hole), Its Seattle-Haneda Load Factor (When it Operates) Is the **Lowest** of Any U.S. Carrier Serving Haneda

In Rebuttal to Exhibit DL-401 and Delta Application at page 2

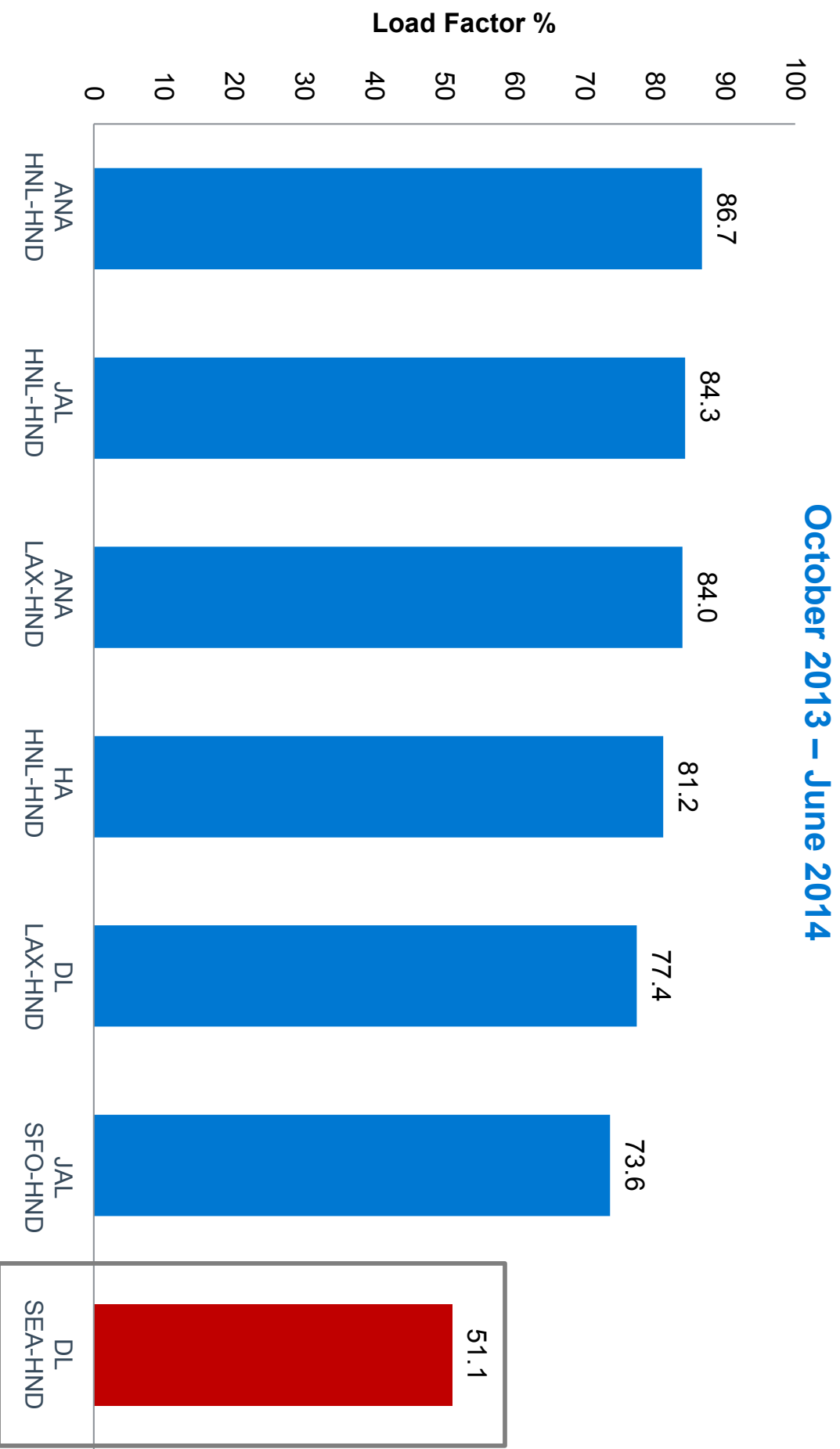
Load Factor for all U.S. Carrier-Haneda Flights for Oct 2013 – Jun 2014



Note: United currently operating SFO-HND service but no publicly available information because of the recent inauguration of that service
Source: U.S. DOT T100, OAG flight schedules

Despite Delta's Build-Up of Its Own Seattle Hub, Which Added Only One New Service (Jackson Hole), Its Seattle-Haneda Load Factor (When it Operates) Is the **Lowest** of Any Carrier Serving Haneda

In Rebuttal to Delta Application at Page 2 and 3

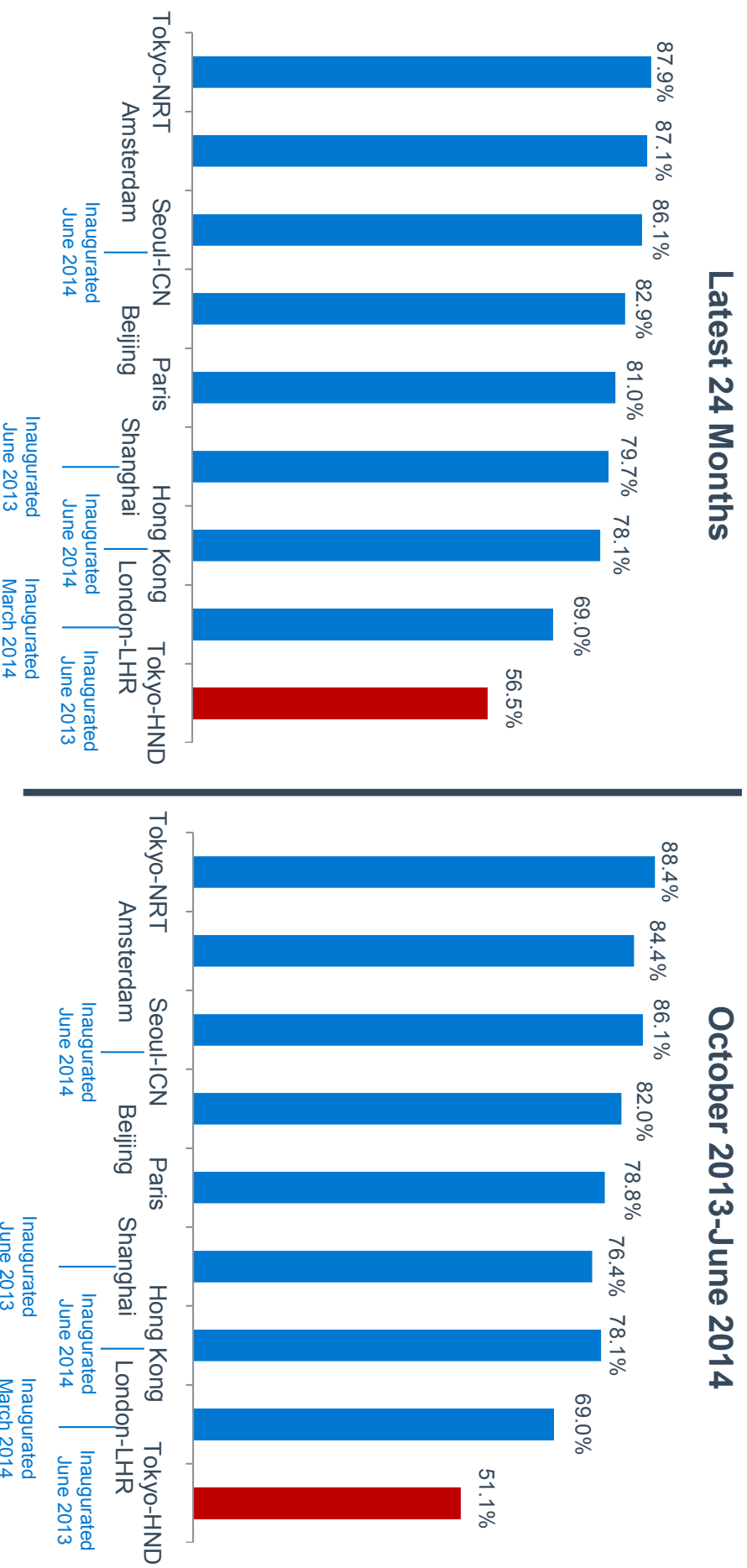


Note: United currently operating SFO-HND service but no publicly available information because of the recent inauguration of that service
Source: U.S. DOT T100, OAG flight schedules

The Load Factors of All of Delta's Other Long Haul International Services at Seattle Are Substantially Higher than Its Seattle-Haneda Route . . . without Delta's Own Service Build-Up Benefit . . . And Tokyo-Narita Has the Highest Load Factor

In Rebuttal to Delta Application at Page 2 and 3

Delta SEA Long-Haul Load Factors:

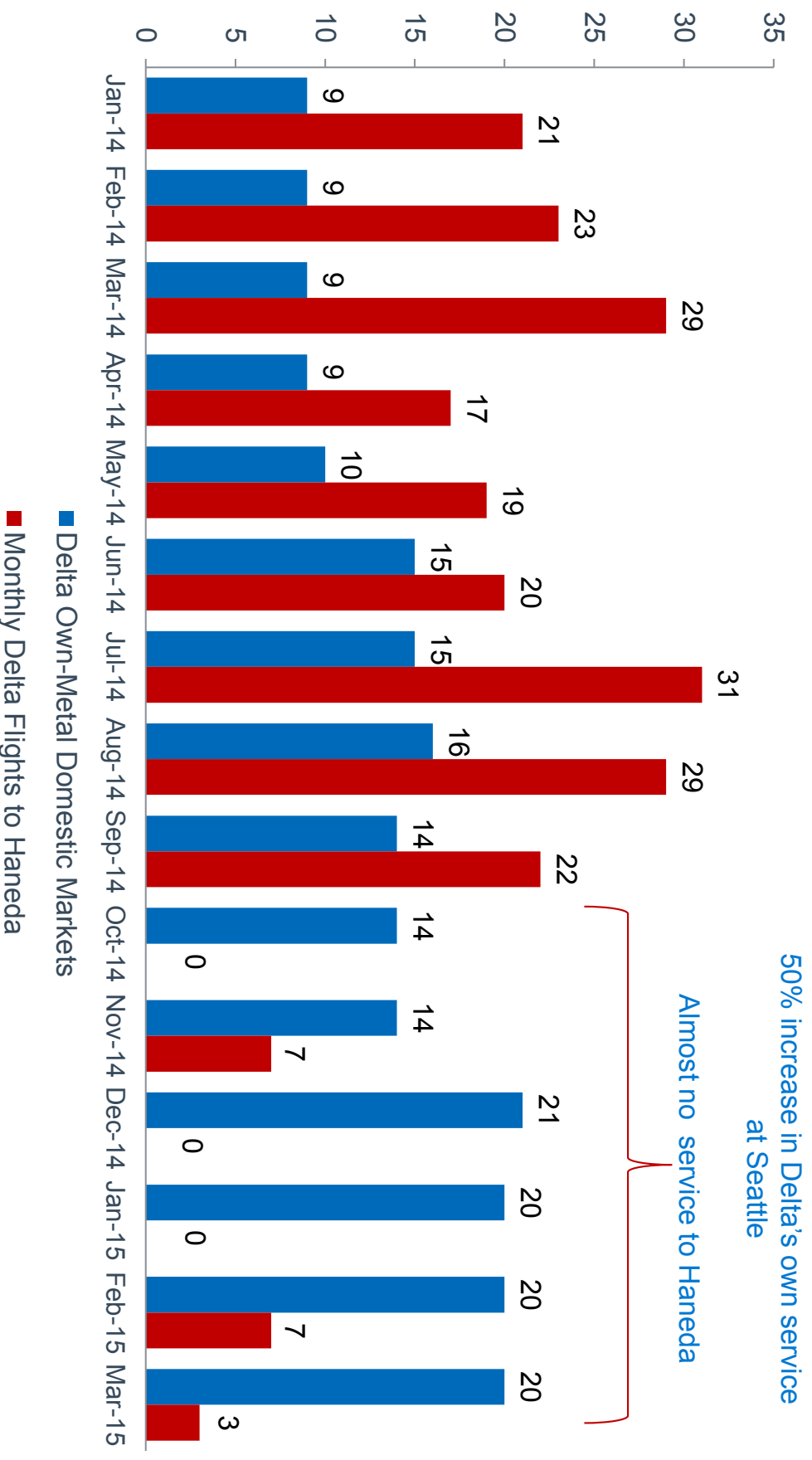


Source: U.S. DOT T100, OAG flight schedules

#LetAFlyHaneda

If Delta's Build-Up at Seattle Were as Successful as It Claims, Why Did Delta Abandon the Seattle-Haneda Market Starting This Winter When Its Seattle Hub Was Increasing by 50%?

In Rebuttal to Delta Application at Page 2 and 3



For Whatever Reason, Seattle Has Demonstrably Not Responded Well to Delta's Haneda Service

In Rebuttal to Exhibit DL-401

It Is Not Because of a Lack of Connections -- They are Abundant

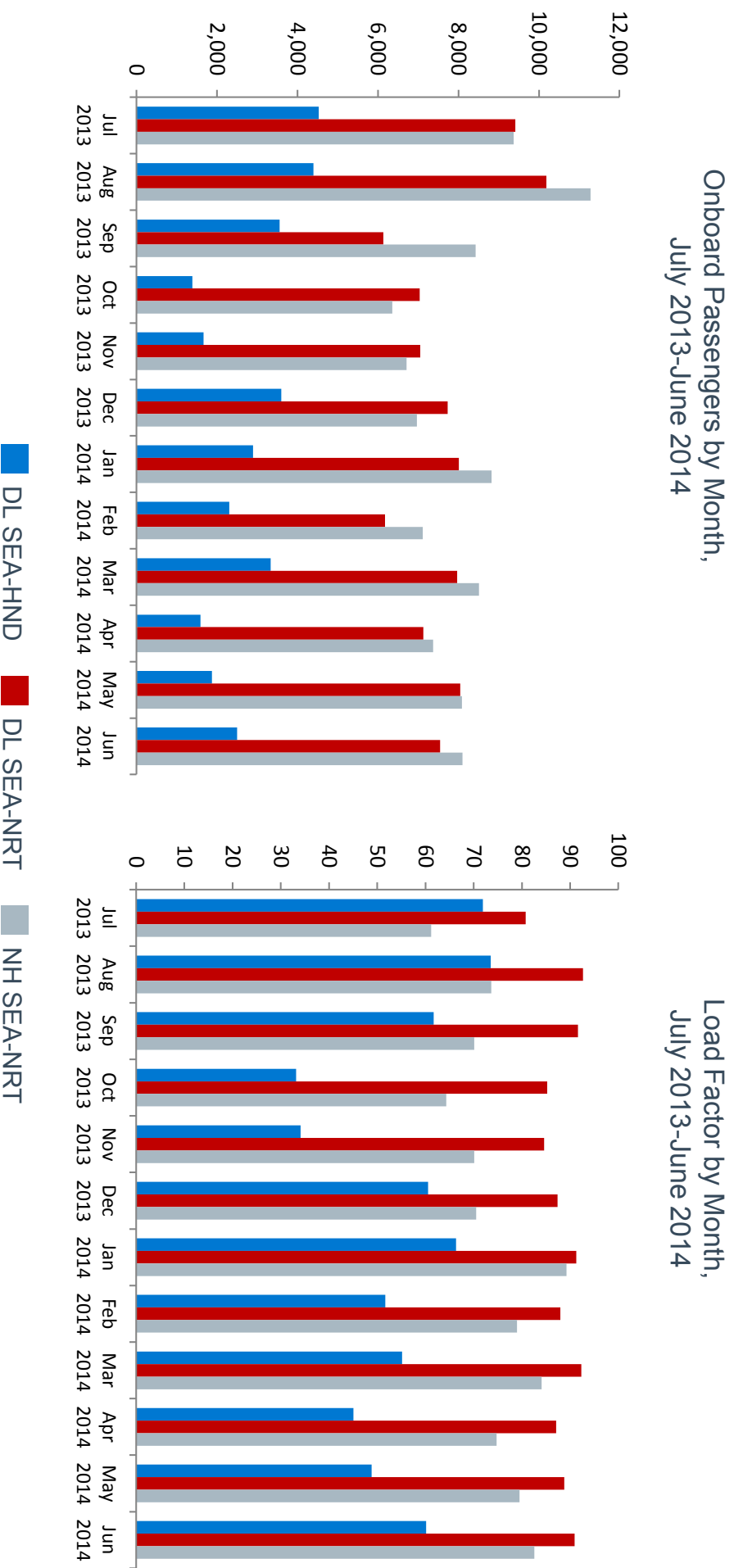
Destination	Marketing Carrier	Operating Carrier	Destination	Marketing Carrier	Operating Carrier
ALW	DL	AS	MCI	DL	AS
ANC	DL	AS	MCO	DL	AS
ATL	DL	AS	MFR	DL	AS
BIL	DL	AS	MSO	DL	AS
BLI	DL	AS	MSP	DL	AS
BOI	DL	AS	OGG	DL	AS
BOS	DL	AS	ONT	DL	AS
BUR	DL	AS	ORD	DL	AS
BZN	DL	AS	PDX	DL	AS
DCA	DL	AS	PHL	DL	AS
DEN	DL	AS	PHX	DL	AS
DFW	DL	AS	PSC	DL	AS
EAT	DL	AS	RDM	DL	AS
EUG	DL	AS	RNO	DL	AS
EWB	DL	AS	SAN	DL	AS
FAI	DL	AS	SFO	DL	AS
FCA	DL	AS	SJC	DL	AS
GEG	DL	AS	SLC	DL	AS
GTF	DL	AS	SMF	DL	AS
HNL	DL	AS	SNA	DL	AS
IAH	DL	AS	STL	DL	AS
JNU	DL	AS	STS	DL	AS
KOA	DL	AS	TUS	DL	AS
KTN	DL	AS	YEG	DL	AS
LAS	DL	AS	YKM	DL	AS
LAX	DL	AS	YLV	DL	AS
LGB	DL	AS	YVR	DL	AS
LIH	DL	AS	YYC	DL	AS
LWS	DL	AS	YYJ	DL	AS

Alaska, the Favored Airline and Pride and Joy of Seattleites,
Provided Delta Abundant Connections to Feed Haneda Service

For Whatever Reason, Seattle Has Demonstrably Not Responded Well to Delta's Haneda Service

In Rebuttal to Delta Application at Page 2 and 4

It is Not Because Seattle-Tokyo Traffic Has Declined -- It Hasn't

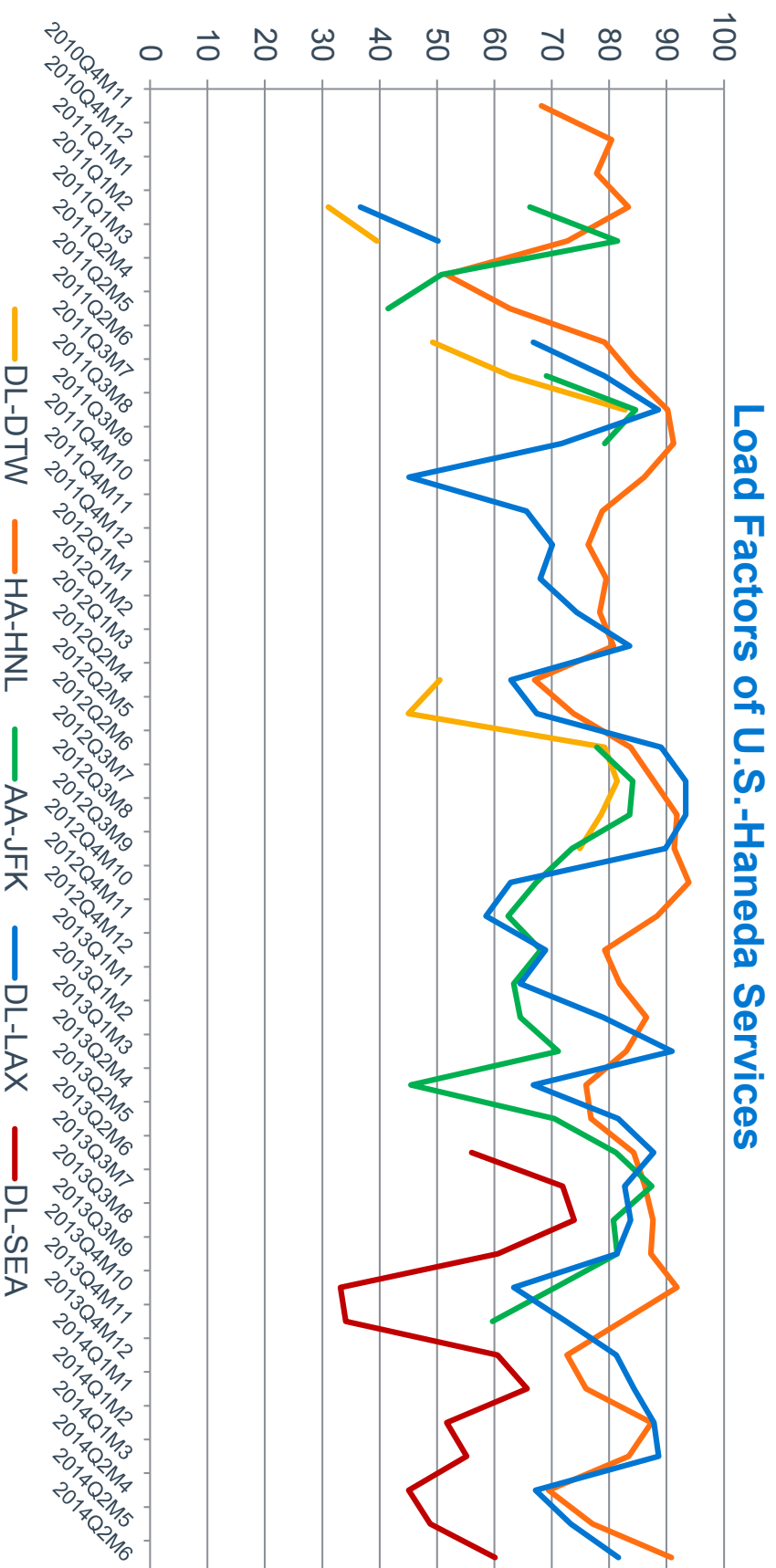


Note: July and August are peak months. Passenger numbers reflect the peak travel months.
Source: US DOT, T100

For Whatever Reason, Seattle Has Demonstrably Not Responded Well to Delta's Haneda Service

In Rebuttal to Delta Application at Page 2 and 4

It Is Not Because the U.S. Market Similarly Responded Poorly to Haneda Service -- It Hasn't



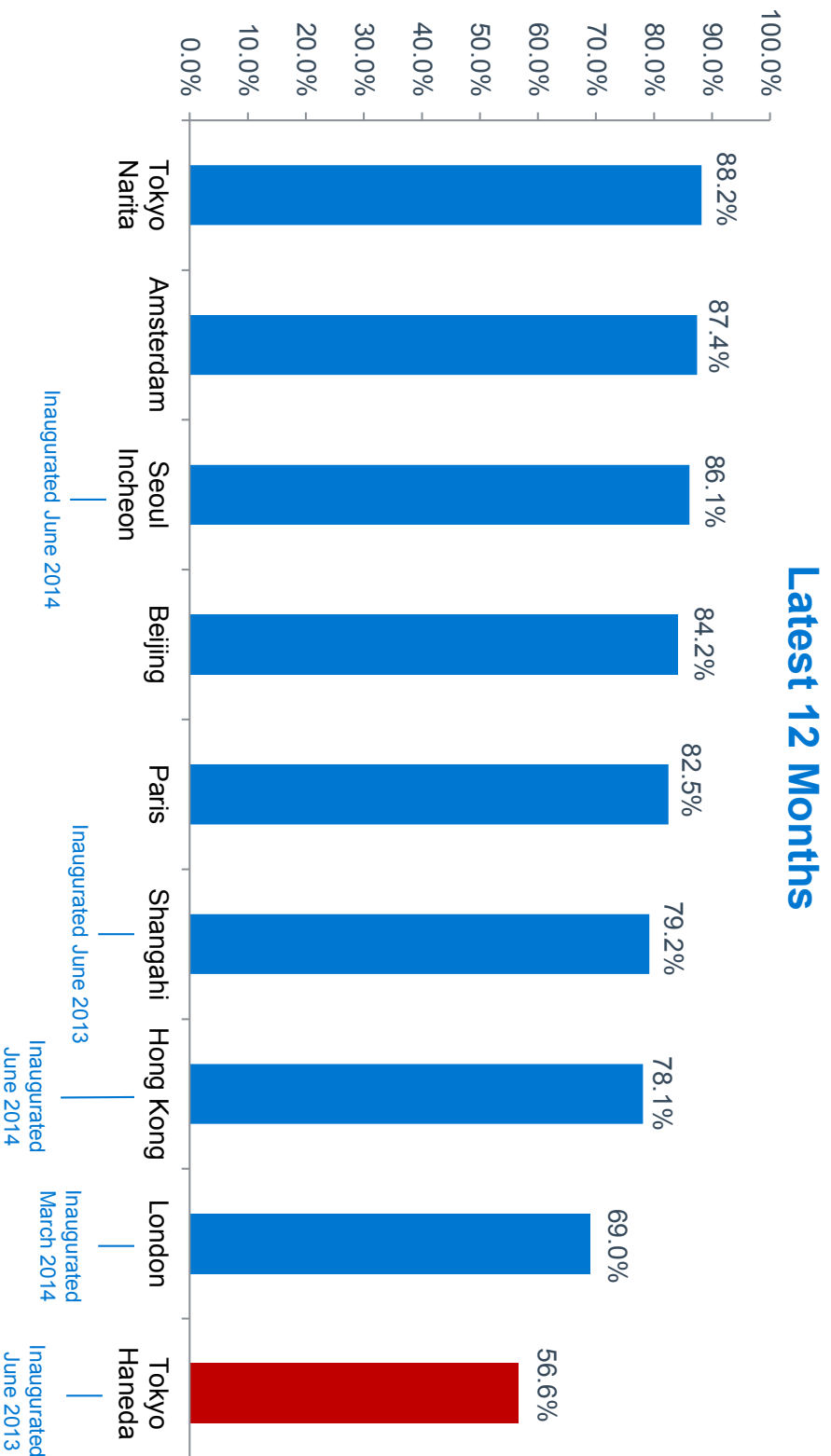
Even Delta's Detroit-HND and American's JFK-HND Services Experienced Higher Load Factors than Delta's SEA-HND Service

Source: US DOT, T100

For Whatever Reason, Seattle Has Demonstrably Not Responded Well to Delta's Haneda Service

In Rebuttal to Delta Application at Page 2 and 4

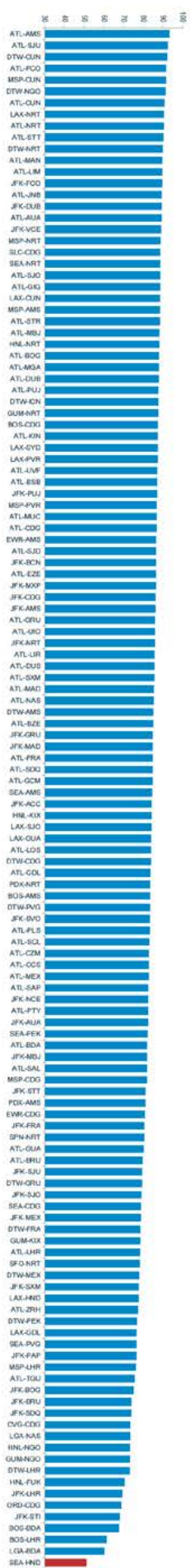
**It Is Not Because, Contrary to Delta's Argument, Delta Did Not Have Its Own Metal
Connecting Services -- All Other Delta International Services at Seattle Experienced
High Load Factors Without Delta's Own Metal**



Source: US DOT, T100

#LetAAFlyHaneda

And . . . Delta's Seattle-Tacoma Load Factor is the Lowest. By Far, of All of the International Routes Delta Operates (excluding Transborder) and 20% Lower than the Load Factor of the Next Lowest Route's Load Factor



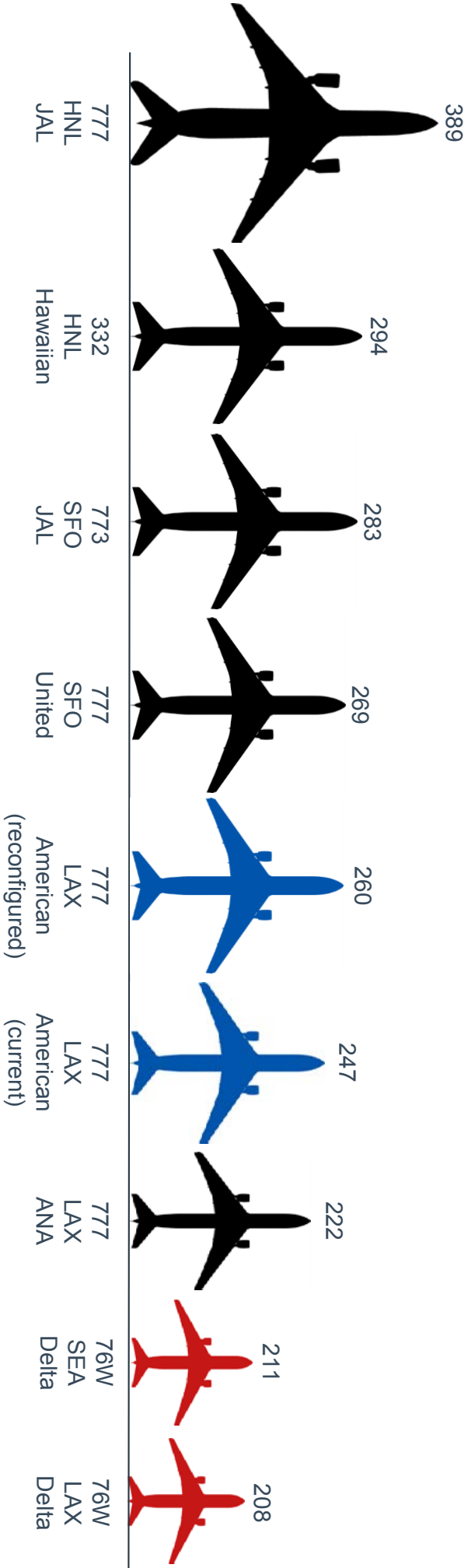
Delta's Seattle-Tacoma Load Factor is the Lowest. By Far, of All of the International Routes Delta Operates (excluding Transborder) and 20% Lower than the Load Factor of the Next Lowest Route's Load Factor

Delta Air Lines

Delta Air Lines

Delta's B767 Aircraft Are the Smallest of Any Airline Operating U.S.-Haneda Service

In Rebuttal to Exhibits DL-101, DL-102 and DL-103

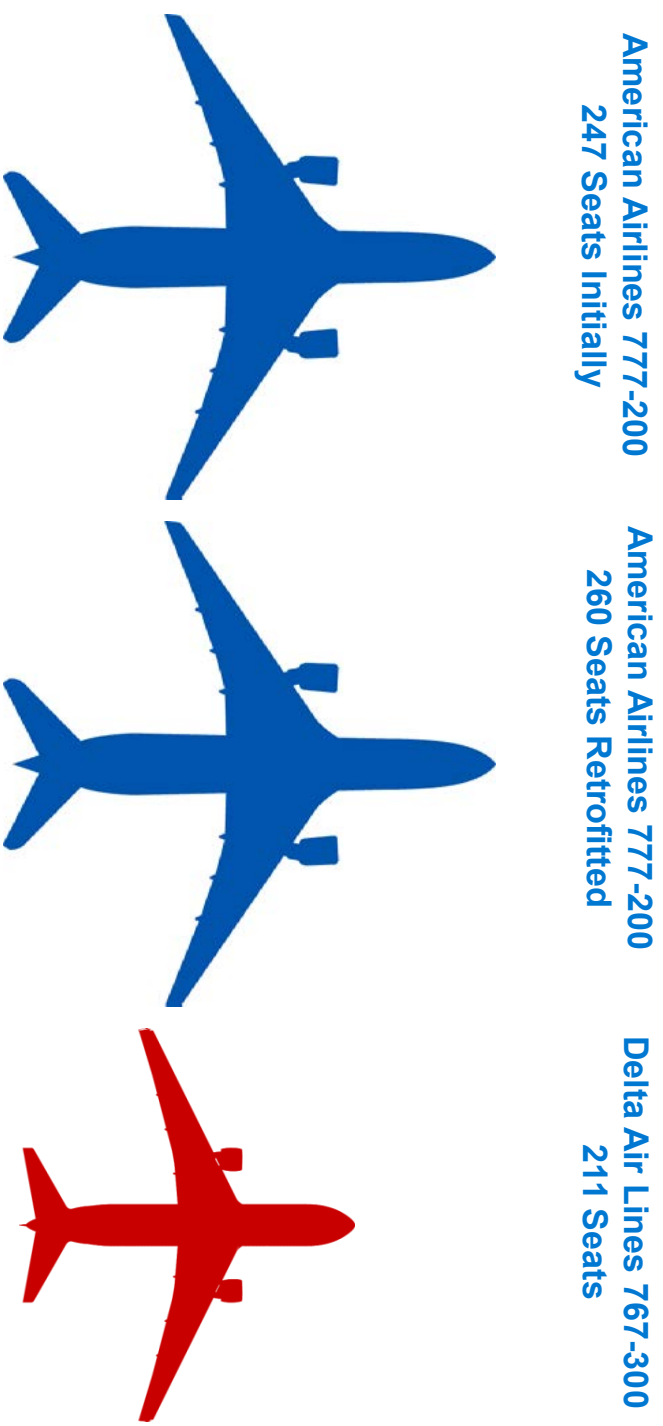


Seats % Greater Than DL SEA-HND

84.4% 39.3% 34.1% 27.5% 23.2% 17.1% 5.2% 0% -1.4%

In Terms of Seats Offered, Delta's B767 Does Not Maximize the Public Benefit – American's B777 Would

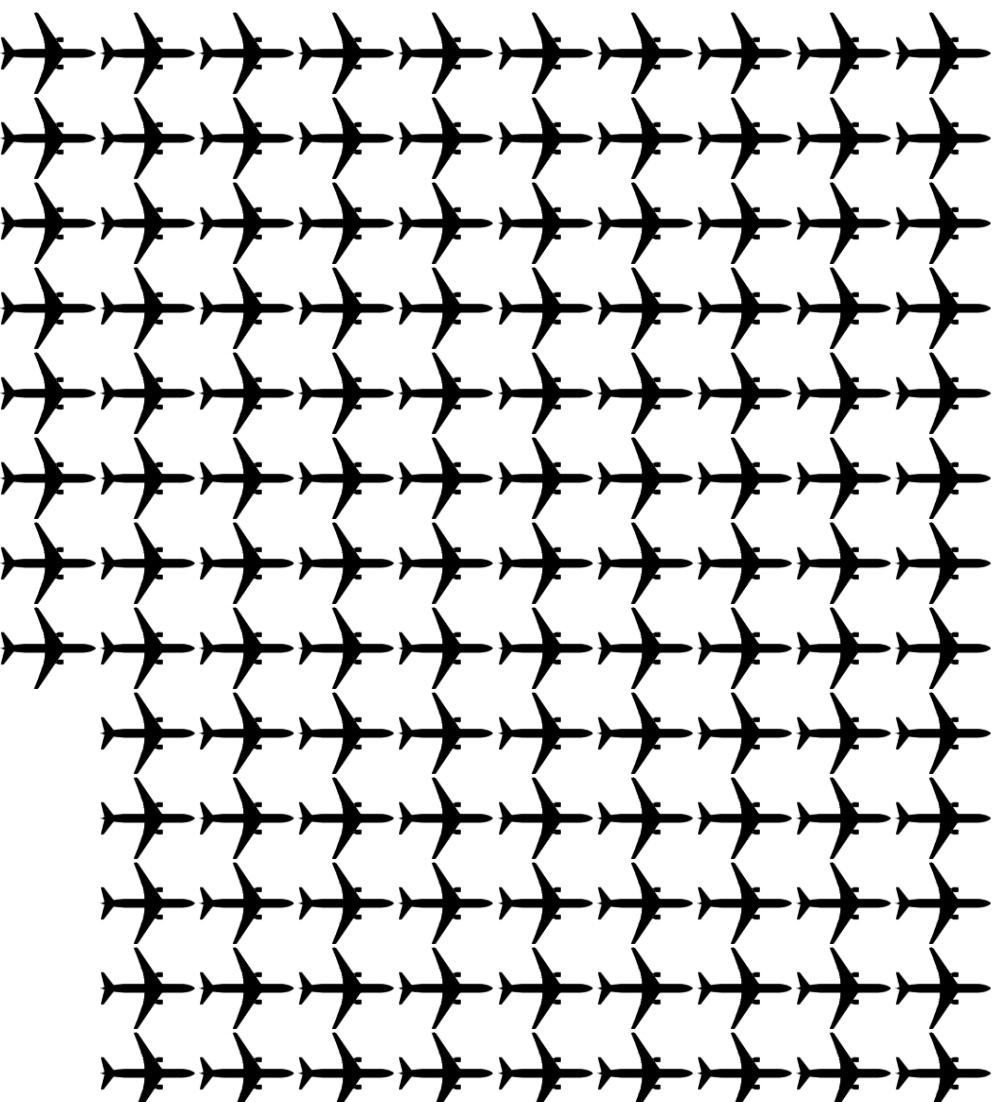
In Rebuttal to Exhibits DL-101, DL-102 and DL-103



Seats Offered per Flight	247	260	211
Per Flight Difference	36	49	--
Annual Seats	180,310	189,800	154,030
Annual Difference	26,280	35,770	--
% Greater than Delta	17.1%	23.2%	--

American's B777 Aircraft Would Provide the Equivalent of 125 Additional Delta B767 Flights Annually

In Rebuttal to Exhibits DL-101, DL-102 and DL-103

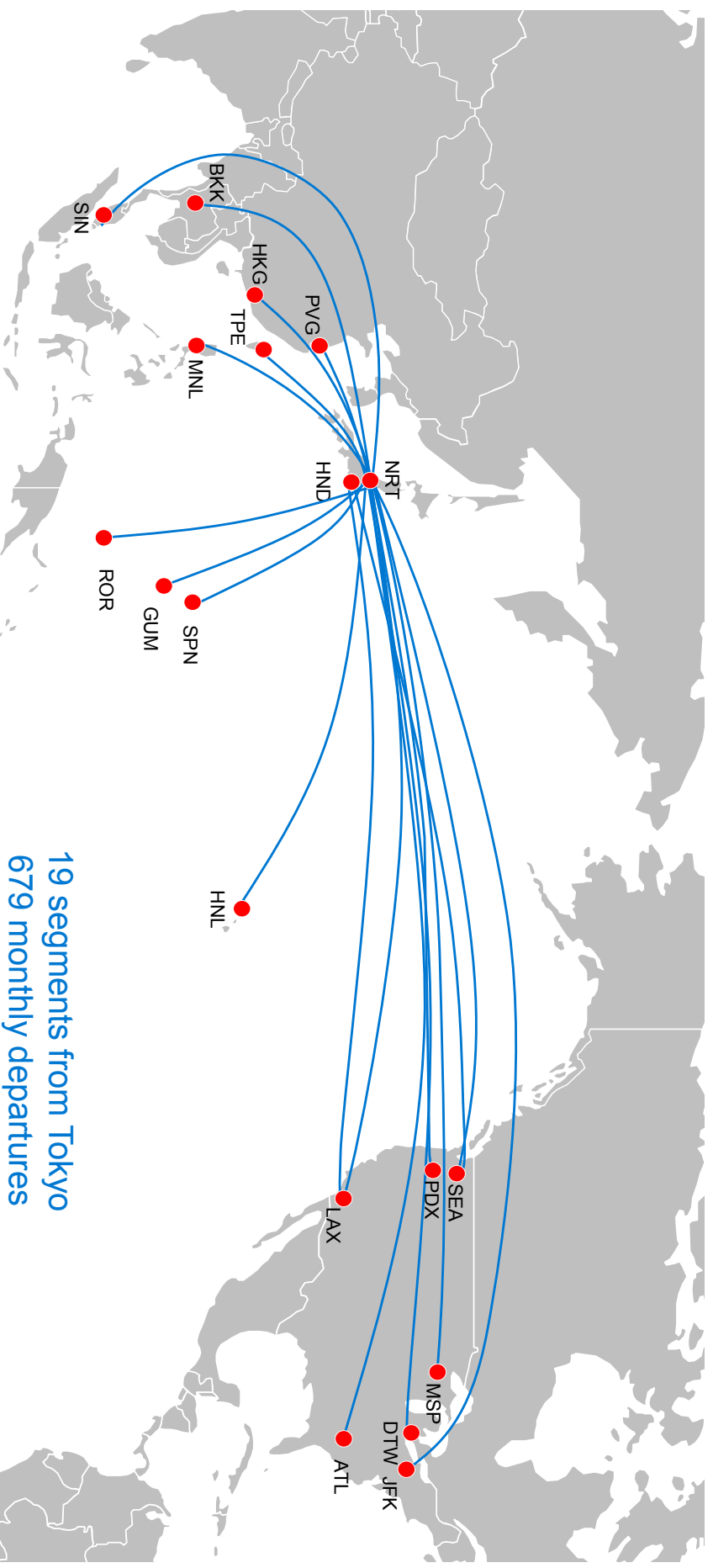


125 Additional B767-Equivalent Flights and 26,280 Additional Seats
(170 Additional B767 Equipment Flights and 35,770 Seats Once American's Reconfigured
B777 Introduced onto Route)

Delta's Strained Attempt to Portray Itself as Disadvantaged in Japan Is Ironic and Fanciful

In Rebuttal to Exhibits DL-205, DL-301, DL-302, DL-303, DL-304 and DL-305

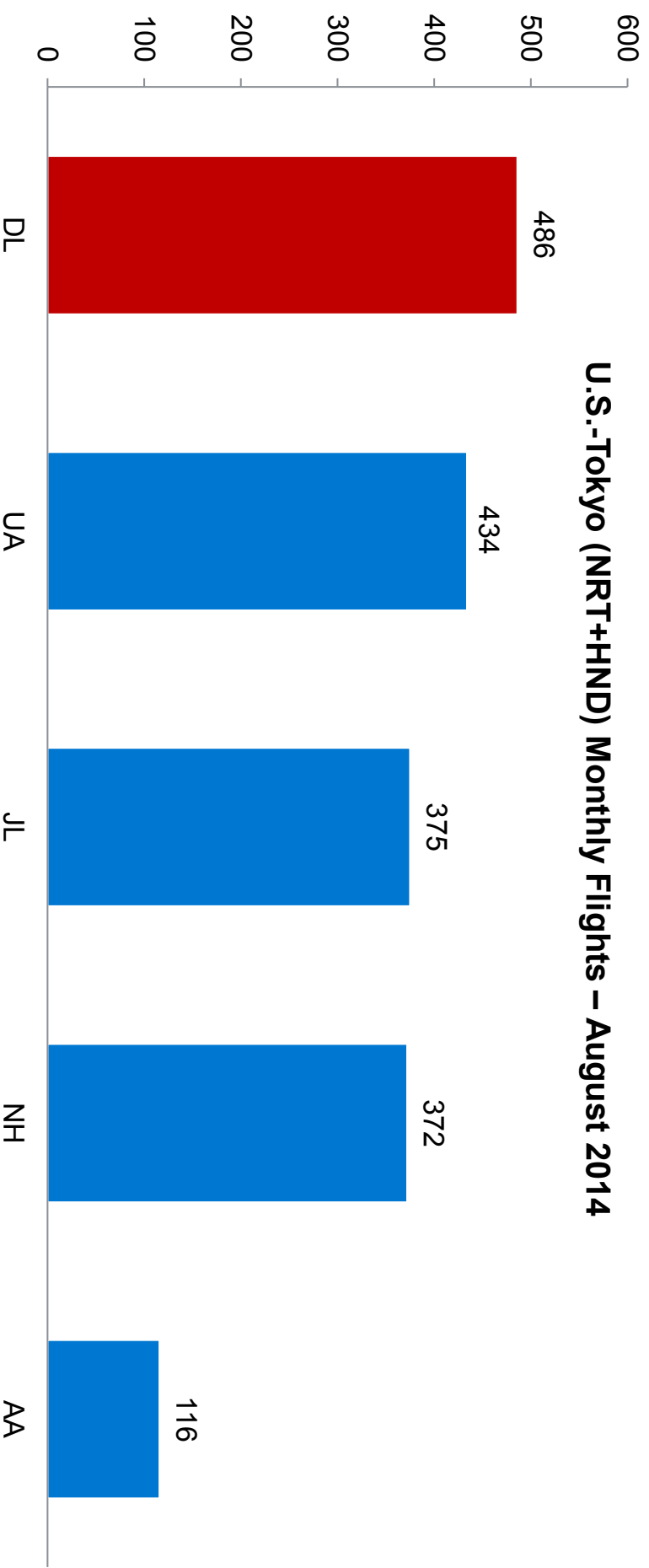
“Disadvantaged Delta” Has, of Course, the Largest 3rd/4th and 5th Freedom Network in Japan of Any U.S. Airline, Which it Enjoys Because of Its Inherited “Incumbency” Status, 60-year Presence in Japan and Over 30 Year Head-Start on American



Delta's Strained Attempt to Portray Itself as Disadvantaged in Japan Is Ironic and Fanciful

In Rebuttal to Exhibits DL-205, DL-301, DL-302, DL-303, DL-304 and DL-305

“Disadvantaged Delta” Operates More Flights Between the U.S. and Tokyo Than Any Other Carrier – U.S. or Japanese – and Four Times as Many Flights as American

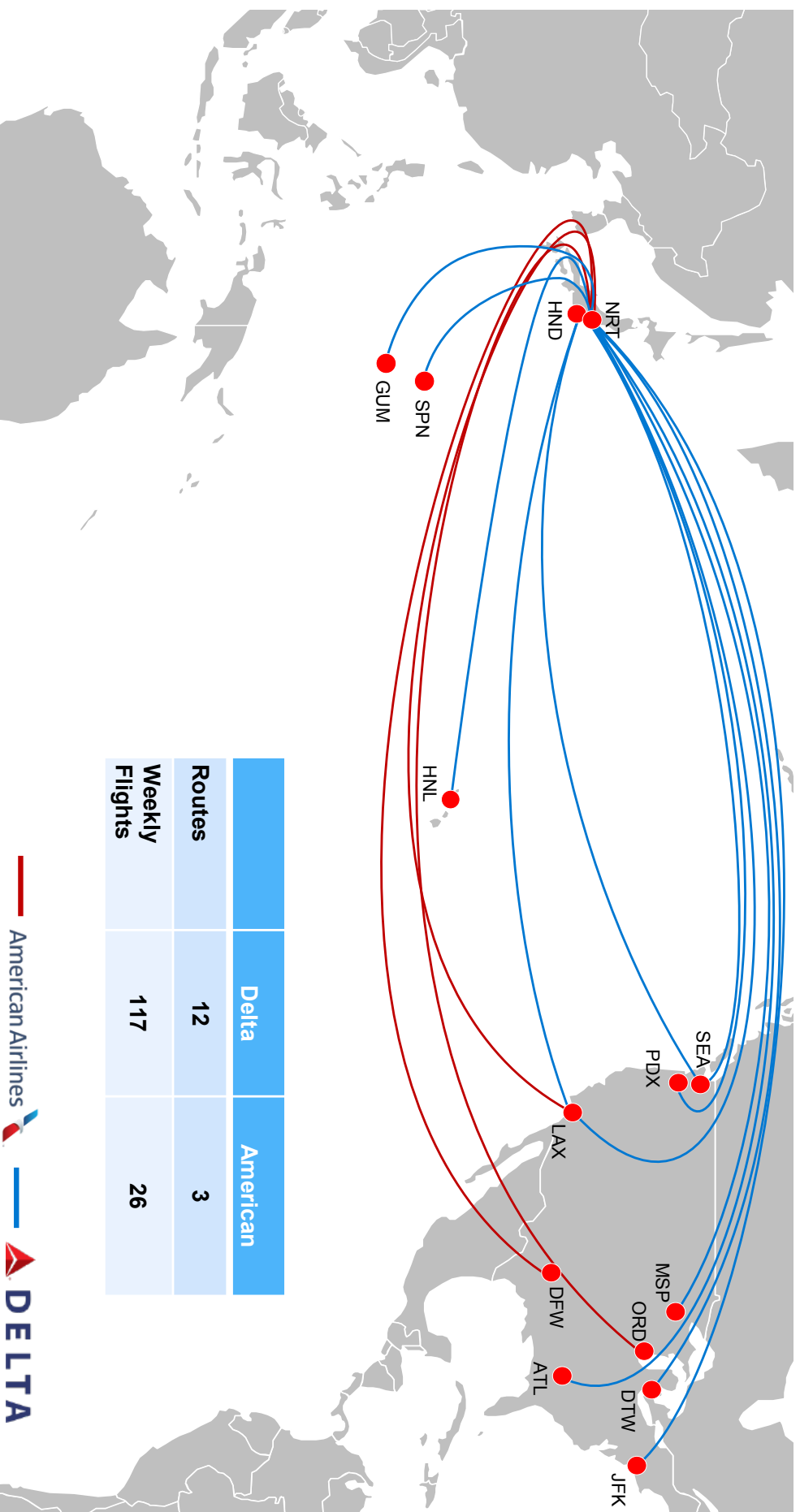


“Disadvantaged Delta” Actually Operates 52 More U.S.-Tokyo Flights than the Next Largest Airline . . . and almost exactly the same number as American and JAL Combined

Delta's Strained Attempt to Sell Itself as Disadvantaged in Japan vis-à-vis American Is Fanciful – If Anything It is American That is Disadvantaged

In Rebuttal to Exhibit DL-205 and Delta Application at Page 4

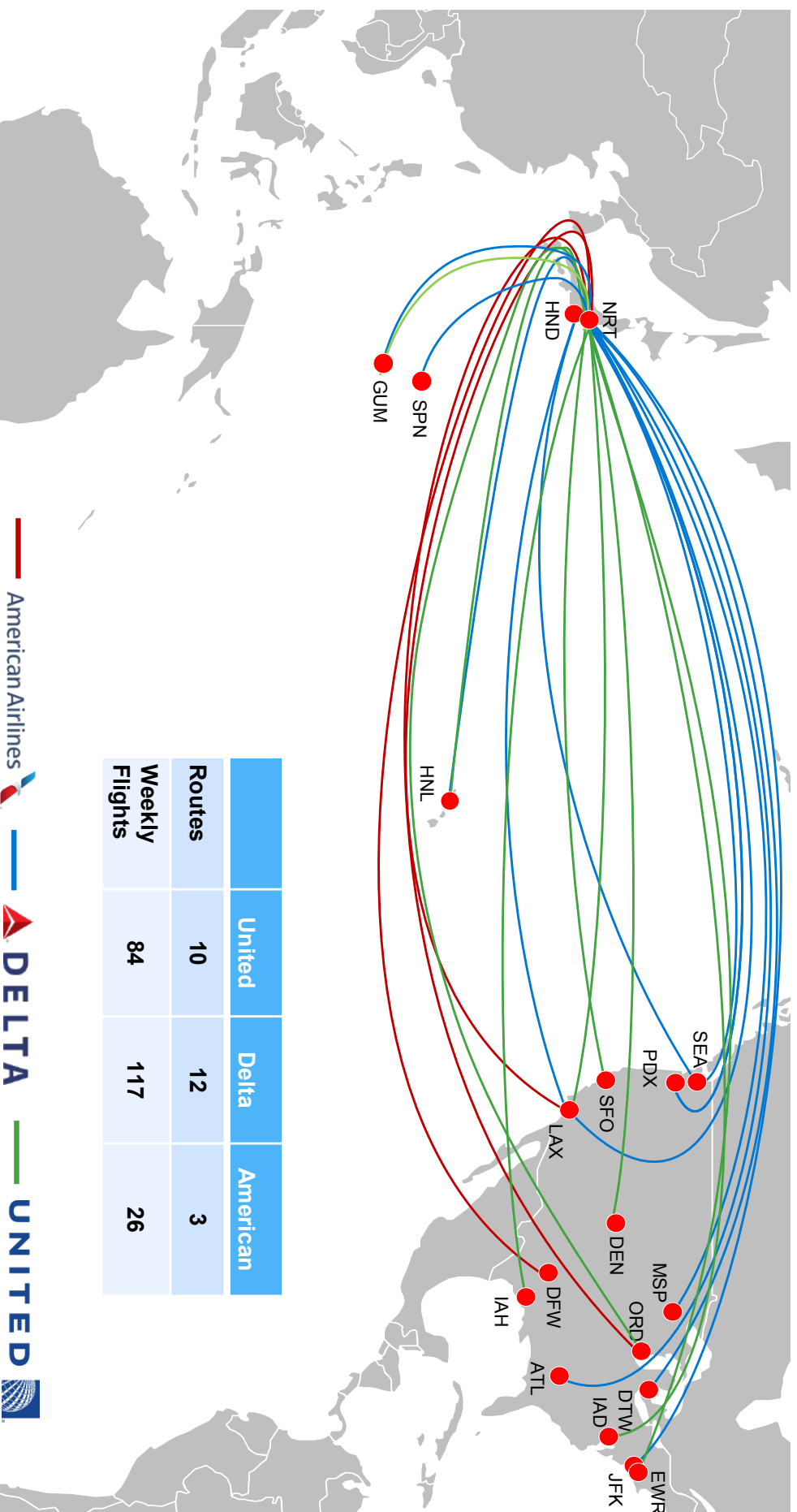
Delta Operates, By Far, More Routes and More Flights to Tokyo Than American



Delta's Strained Attempt to Sell Itself as Disadvantaged in Japan vis-à-vis American Is Fanciful – If Anything It is American That is Disadvantaged

In Rebuttal to Exhibit DL-205 and Delta Application at Page 4

Delta and United Operate 300% and 233% More Routes and 350% and 223% More Flights, Respectively, to Tokyo Than American



Source: OAG flight schedules,, August 2015

Delta's Strained Attempt to Portray Itself as Disadvantaged in Japan vis-à-vis the oneworld Alliance Is Ironic and Fanciful

In Rebuttal to Exhibits DL-301, DL-302, DL-303, DL-304 and DL-305

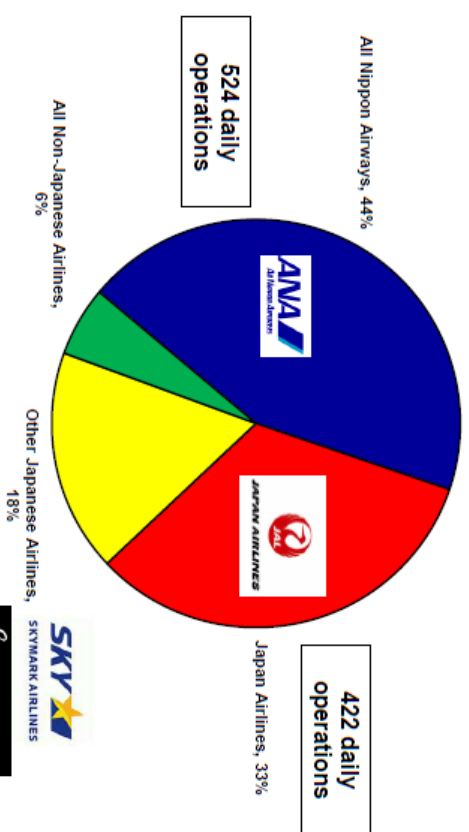
**“Disadvantaged Delta” in fact, Suffers No Disadvantage
vis-a-vis oneworld Alliance in Tokyo. To the contrary is it American/JAL which is
“disadvantaged” and Delta which is “advantaged”**

	Delta/Sky Team	American/ oneworld	“Disadvantaged Delta’s” Actual Advantage
Flights	6,153	5,718	8.4%
Seats	1,627,866	1,435,560	13.4%

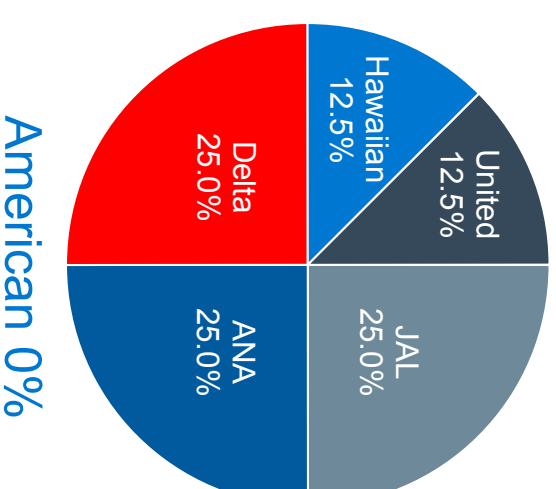
Delta's Reliance on Overall Haneda Slot Pair Holdings Ignores the Facts

In Rebuttal to Exhibit DL-302

Not Relevant



What Is Relevant: U.S.-Haneda Slot Holdings by Carrier



The Facts

Unlike other airports, at Haneda:

- Slots cannot be sold
- Slots cannot be leased
- Night slots cannot be swapped for day slots

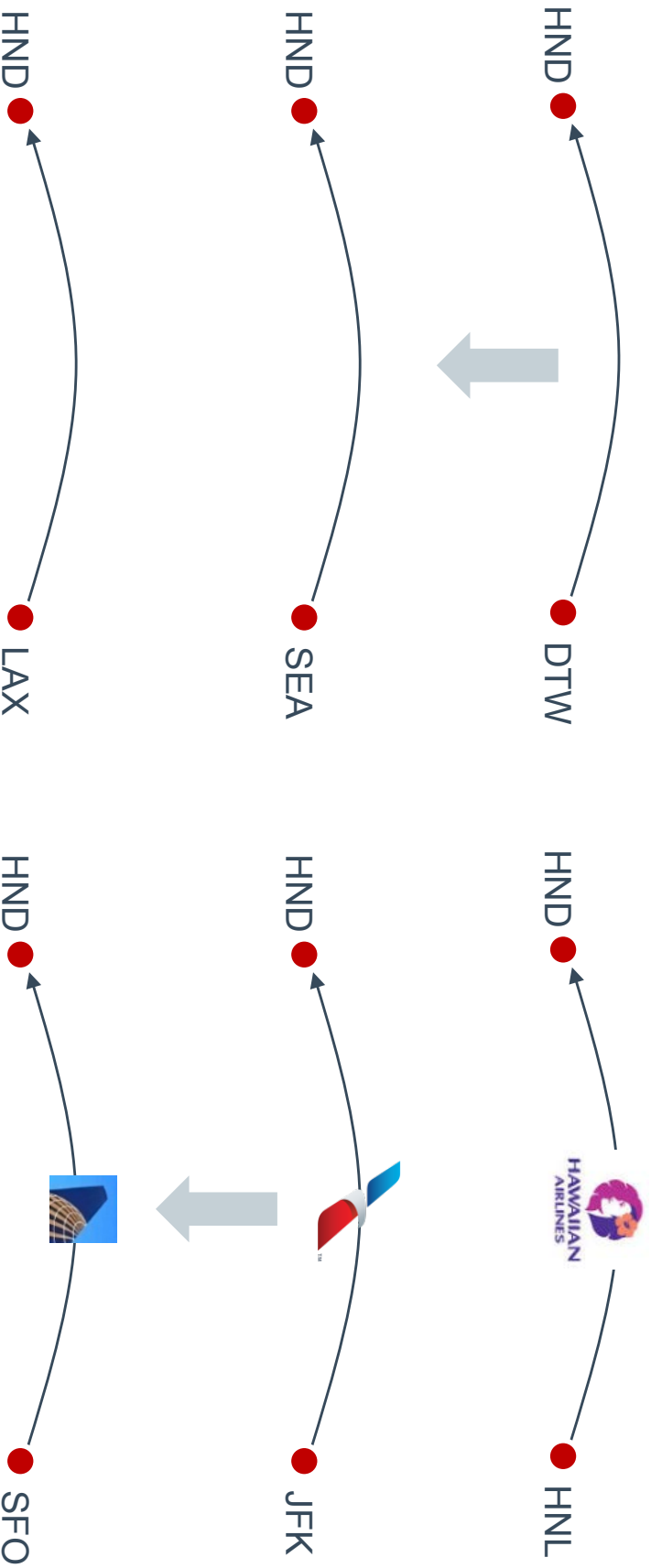
“Disadvantaged Delta” Is Not “Locked Out” of Haneda. To the Contrary, It Has Had the Opportunity to Utilize Two Haneda Slot Pairs at, Now, Three Gateways – Triple the Opportunities Made Available to Any Other U.S. Airline

In Rebuttal to Exhibit DL-301

“Disadvantaged Delta Says: It Is “effectively locked out of [Haneda].”¹

Delta’s Opportunities=3

All Other U.S. Carrier Opportunities=1 each



Delta: Three Opportunities

**Hawaiian, American, and United:
One Opportunity Each**

Delta Is Neither “Disadvantaged” Nor Locked Out of Haneda

¹ Delta Application, at p. 5

“Disadvantaged Delta” Suffers No Disadvantage at Haneda Versus Other U.S. Airlines. Indeed, It Is American Which Is Both Disadvantaged and Locked Out

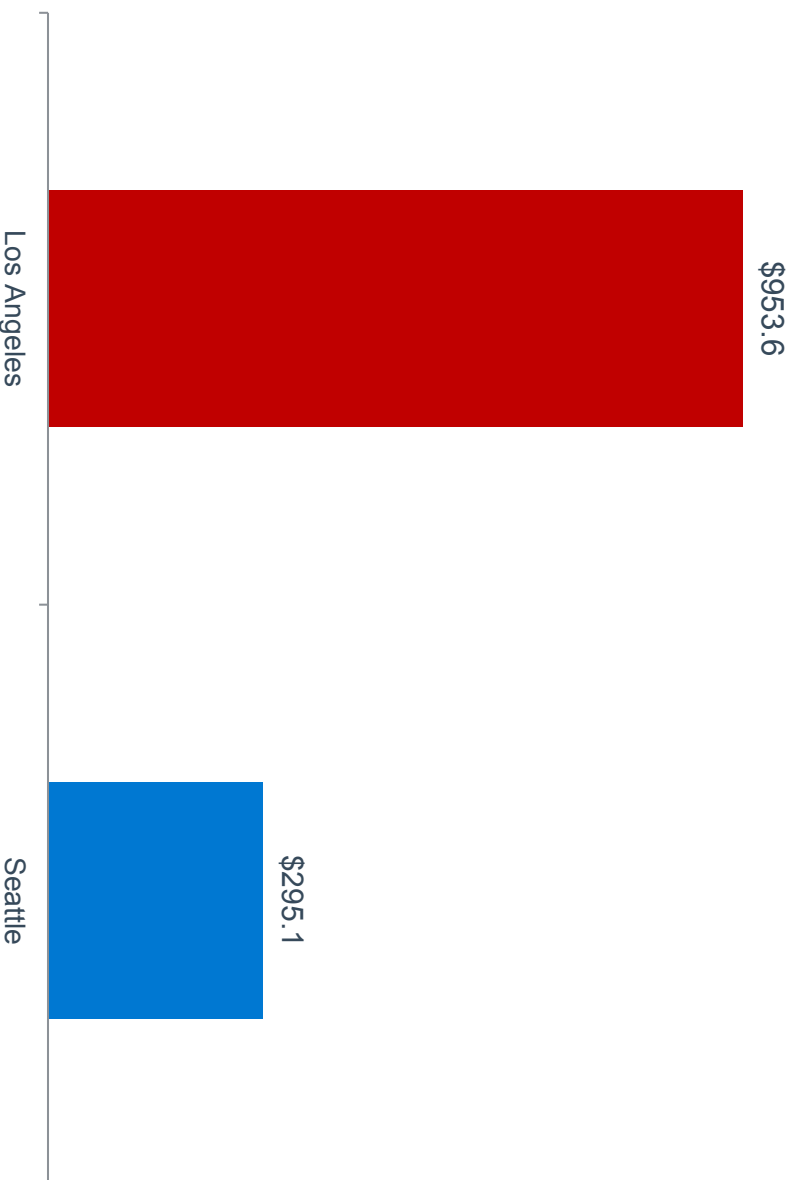
In Rebuttal to Exhibit DL-301

Slot Holdings of U.S. Airlines at Haneda		
Delta	2	50%
Hawaiian	1	25%
United	1	25%
American	0	0

Los Angeles Has Over 3.2 Times the GDP of the Seattle Area

In Rebuttal to Exhibit DL-206

Gross Domestic Product of Los Angeles and Seattle \$ Billions, 2013



Source: U.S. Bureau of Economic Analysis, 2013 estimates for Los Angeles-Long Beach-Anaheim, CA and Riverside-San Bernardino-Ontario, CA, and Seattle-Tacoma-Bellevue, WA and Bellingham, WA

Los Angeles Outranks Seattle by a Wide Margin on the Critical Factors for Air Service Success

In Rebuttal to Exhibits DL-201 and DL-206

Rank Among Continental U.S. Metropolitan Areas

O&D Passengers
to Tokyo

O&D Passengers
to Haneda

GDP

Population

Los Angeles

1

1

2

2

Seattle

6

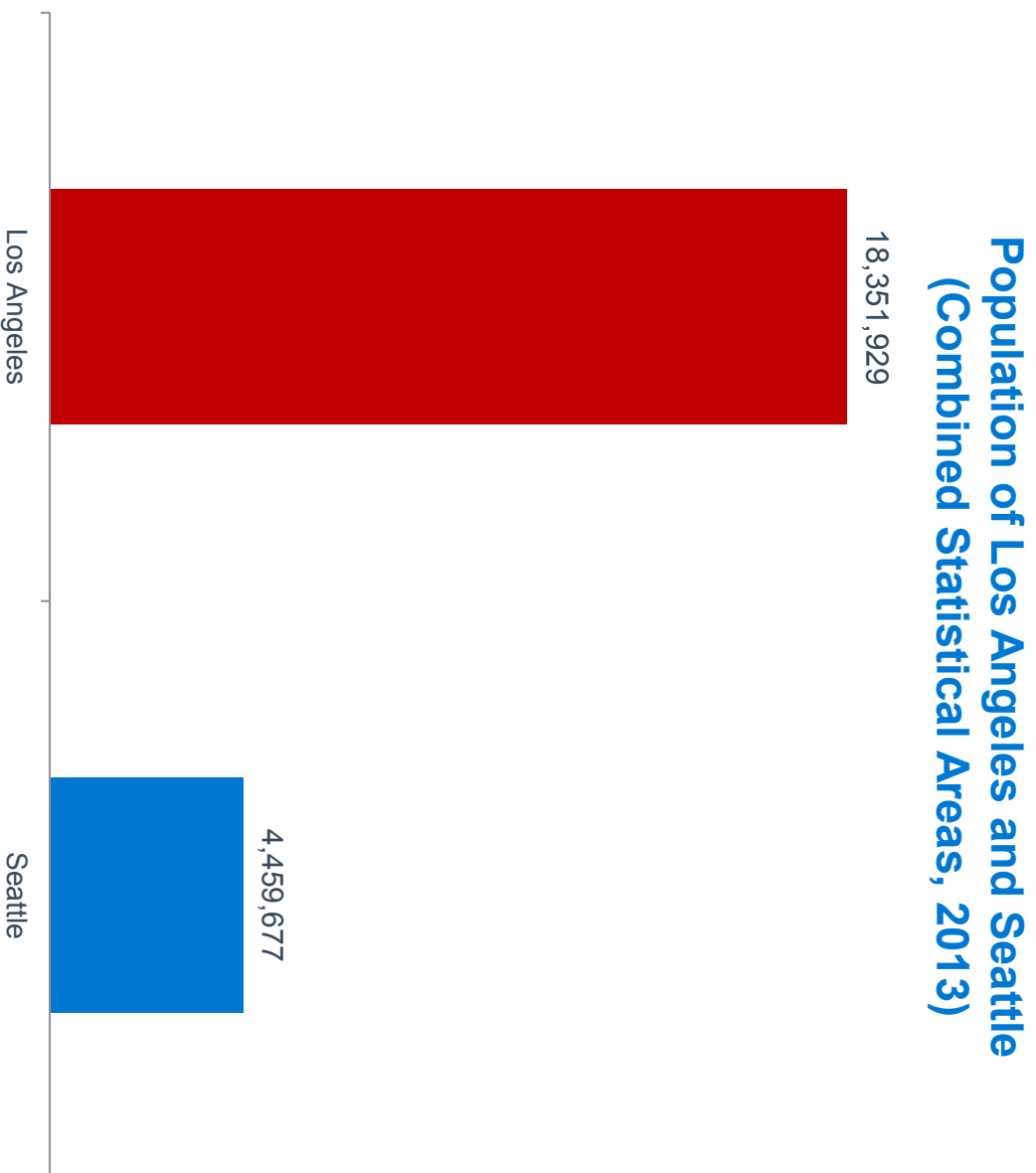
4

12

14

Los Angeles Has Over Four Times the Population of the Seattle Area

In Rebuttal to Exhibits DL-201 and DL-205

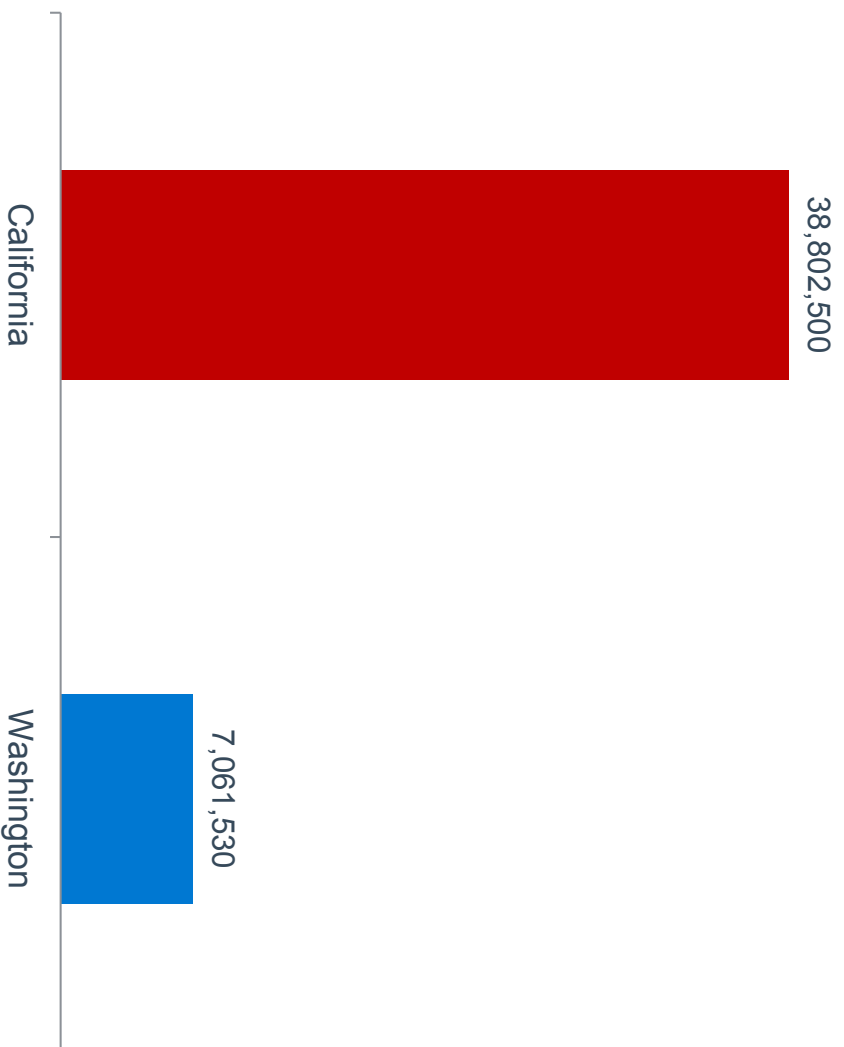


Source: U.S. Census

California Has 5.5 Times the Population of Washington State

In Rebuttal to Exhibits DL-201 and DL-205

Population July 2014 Estimate

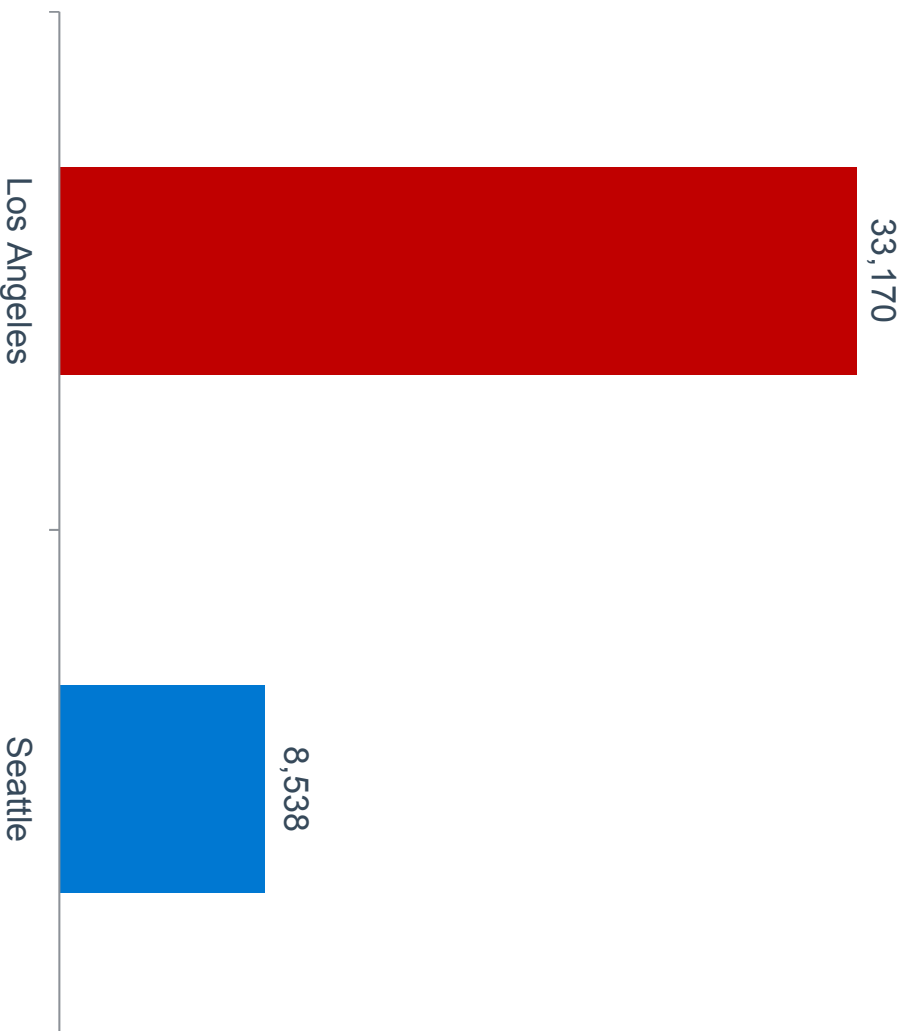


Source: U.S. Census

Los Angeles Has Nearly Four Times the Japanese-American Population of Seattle

In Rebuttal to Exhibits DL-201 and DL-205

Reported Japanese Ancestry by Metro Area

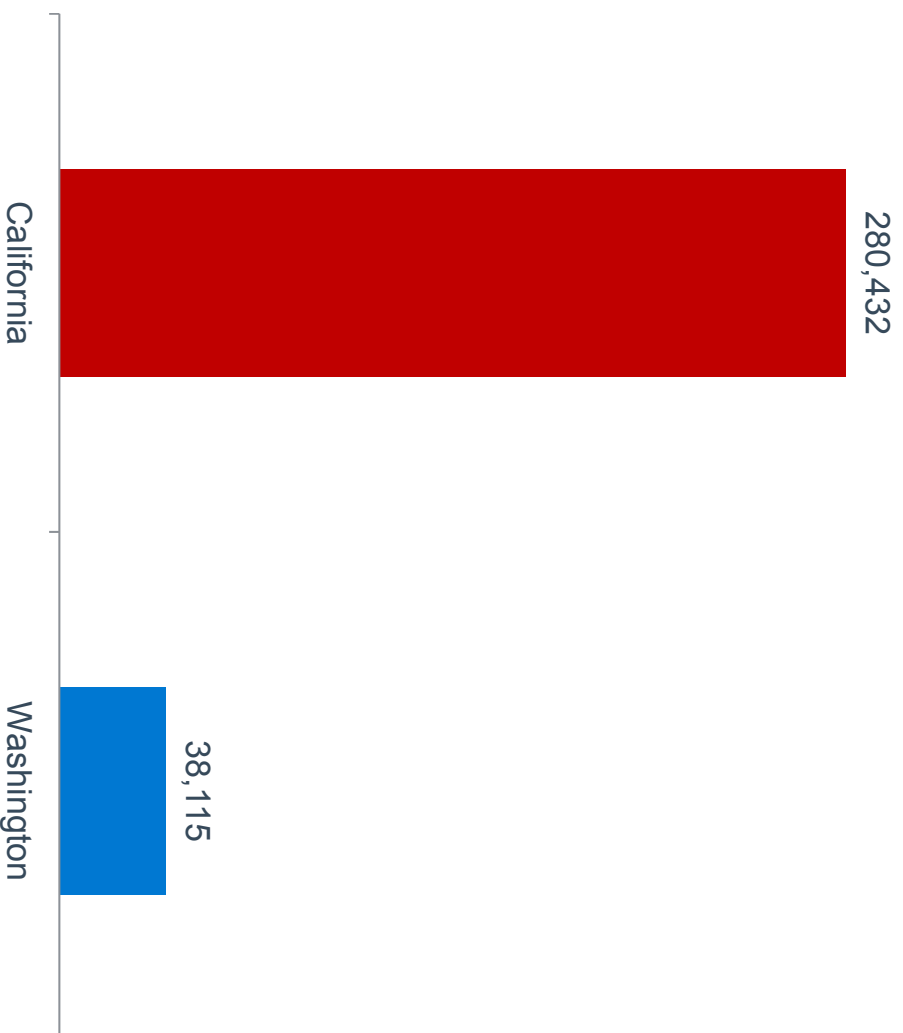


Source: U.S. Census, American Community Survey 2009-2013 estimate, reported Japanese ancestry

California Has Over Seven Times the Japanese-American Population of Washington

In Rebuttal to Exhibit DL-301

Reported Japanese Ancestry by State



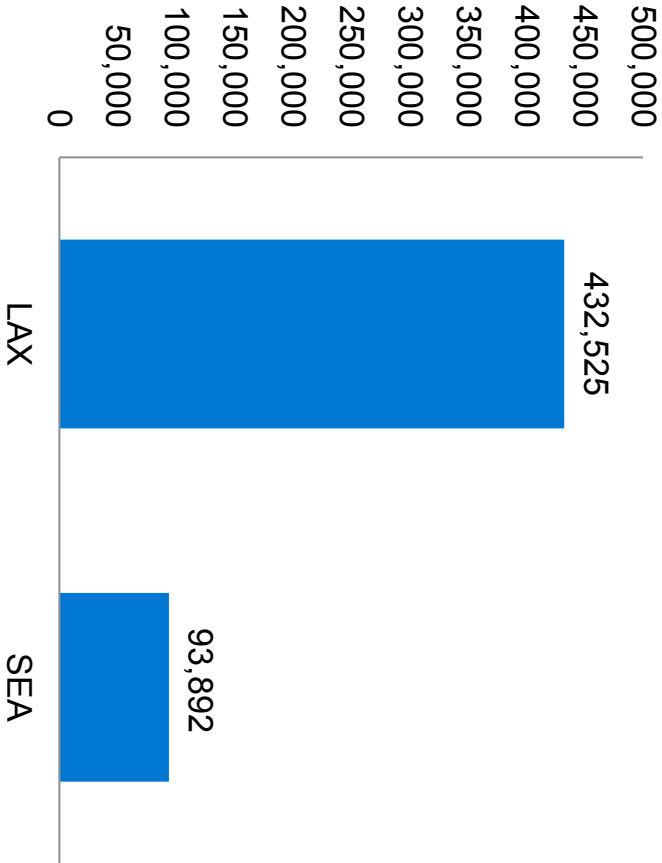
Source: U.S. Census, American Community Survey 2009-2013 estimate, reported Japanese ancestry

Even Without Haneda Service, Seattle Is Over-Served Relative to Los Angeles, Even With American's Los Angeles-Haneda Service

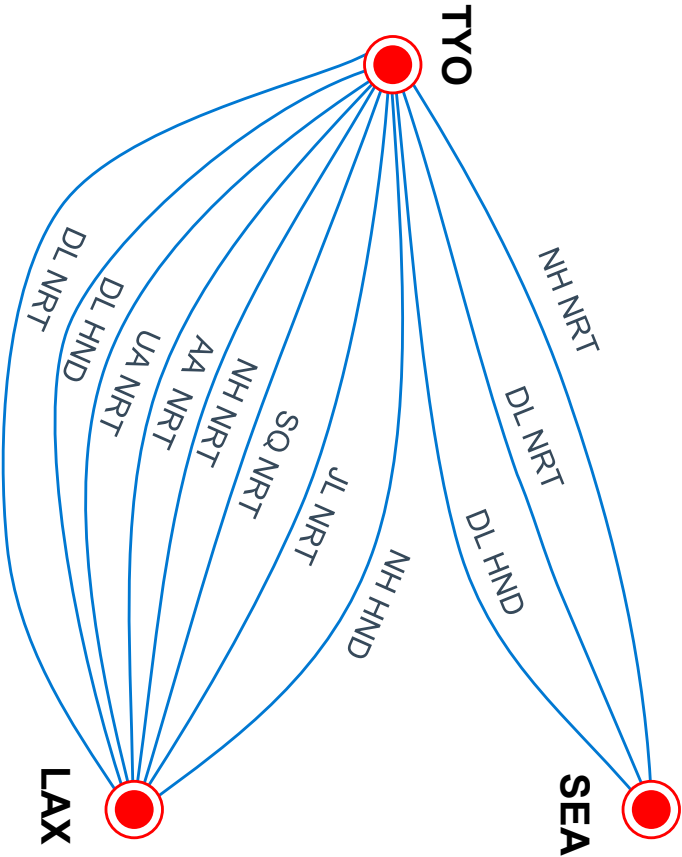
In Rebuttal to Exhibits DL-201, DL-202, DL-203, DL-204, and DL-205
Errata to Direct Exhibit AA-212

Continental U.S.-Tokyo Annual Passengers
YE November 2014

Los Angeles O&D Is 3.6X Larger Than Seattle's ...yet Los Angeles only has 2.7X the number of Tokyo flights as Seattle



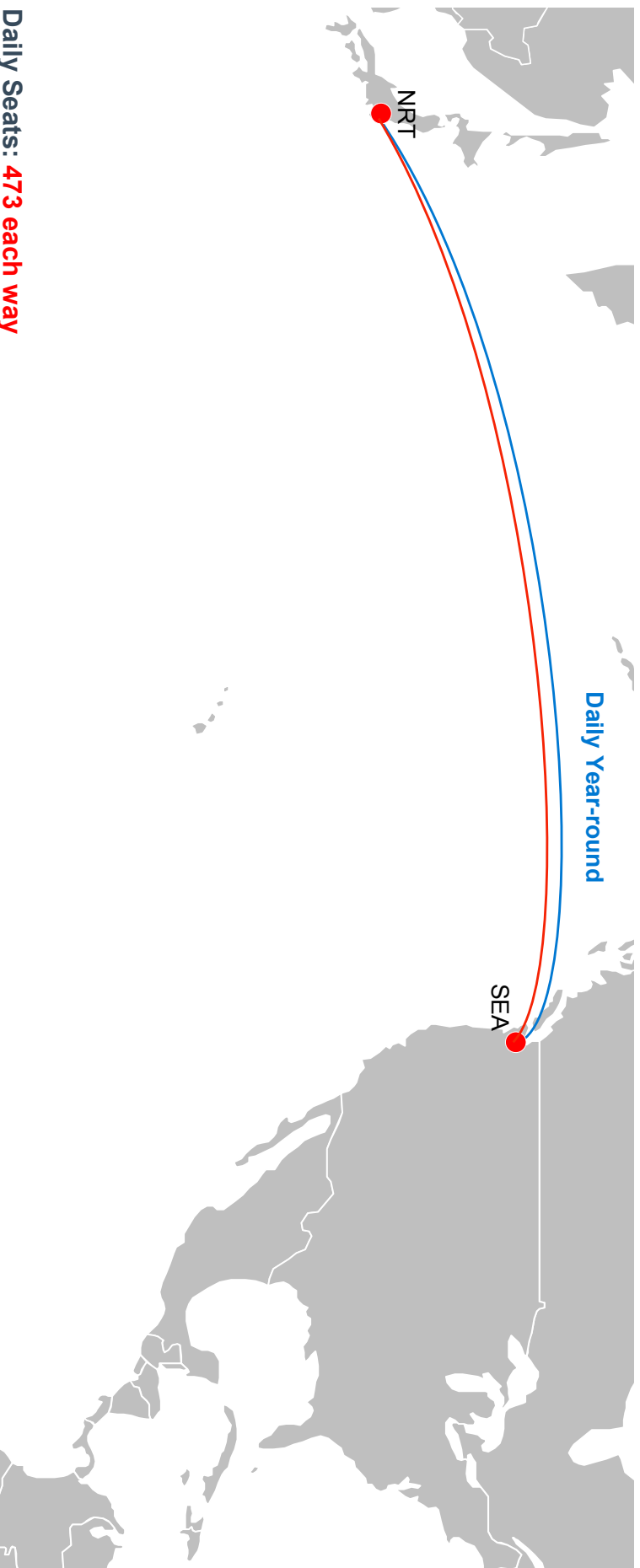
LAX 3.6X Seattle



LAX 2.7X Seattle

Seattle Enjoys, and Will Continue to Enjoy, Double Daily Service to Tokyo

In Rebuttal to Exhibit DL-205

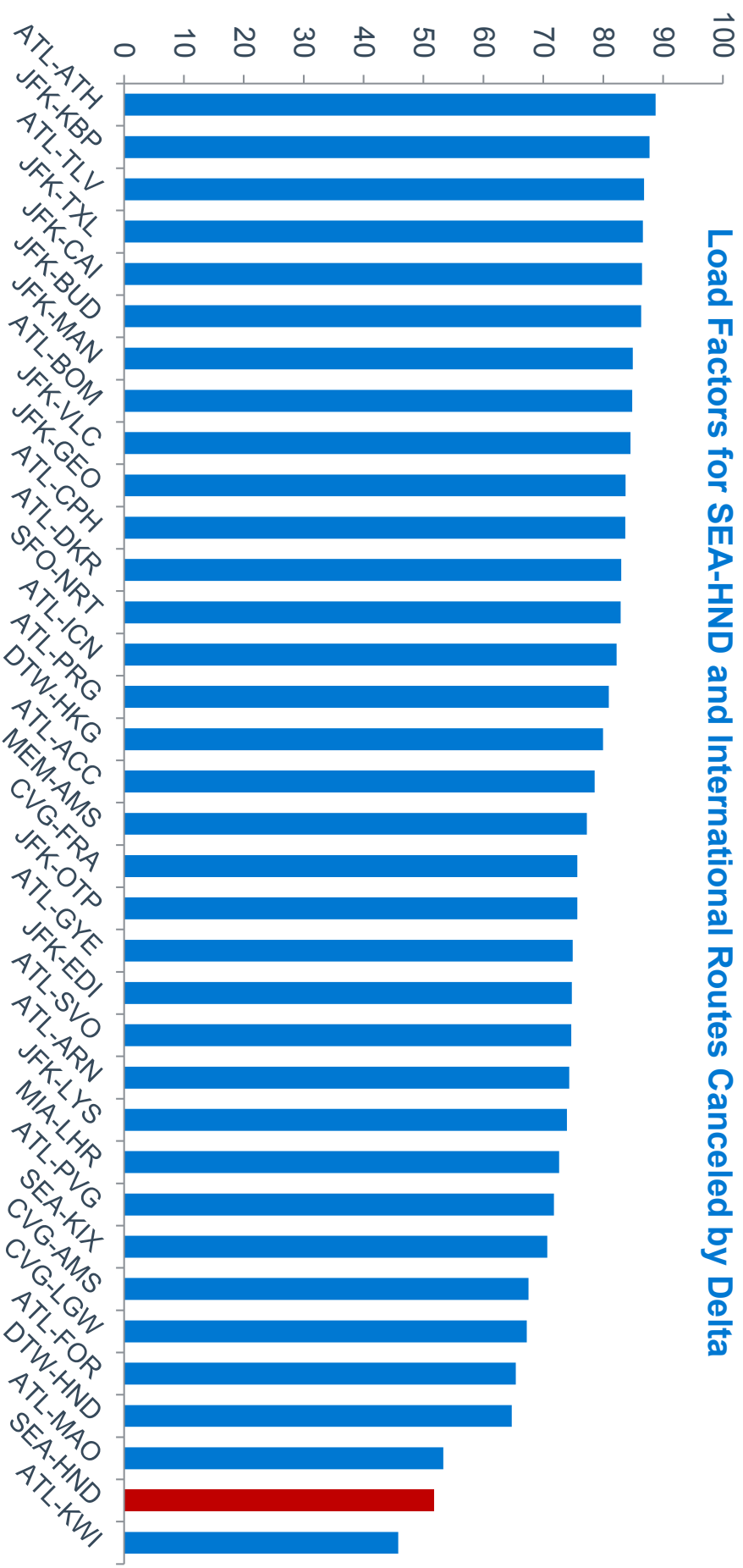


Daily Seats: **473 each way**
Annual Seats: **172,522 each way**



Why Is Delta Consistently Holding on to This Haneda Slot Pair When Delta Has Cancelled Routes with Substantially Higher Load Factors?

In Rebuttal to Exhibits DL-203 and DL-204



Delta Cannot Be Holding on to This Haneda Slot Pair for Economic Reasons as It Loses Substantial Money at Its Current 51.8% Load Factor, or Even a Load Factor 20% Higher. Delta Is Holding on to the Haneda Slot Pair to Keep It Away from Other U.S. Carriers Which Could Make Better Use of It – to the Substantial Detriment of the Public and Competition

Note: Routes with more than 100 flights in period

#LetAAFlyHaneda

Answer/Rebuttal Exhibits to Hawaiian Airlines' Proposed Kona-Haneda Service

NARRATIVE TO SERIES 200 REBUTTAL EXHIBITS

The 100 Series of American's Rebuttal Exhibits demonstrates that Delta's (re)application for Seattle-Haneda service is flawed. This series of American's Rebuttal Exhibits similarly demonstrates that, while Hawaiian has had great success operating Honolulu-Tokyo Haneda, which is a well-established route, that success is totally irrelevant to the prospects for Kona-Tokyo Haneda, which is a route that has been tried before (Kona-Tokyo Naria) and did not succeed, as we show in our Reply Exhibits. The Series 200 Rebuttal Exhibits also show that, irrespective of whether it would succeed or not, American's proposed Los Angeles-Haneda route would offer substantially superior public benefits to Hawaiian's proposed Kona-Haneda route.

Exhibit AA-R-201 lists how American's proposed Los Angeles-Haneda service will benefit more travelers, more U.S. communities, and more States than Hawaiian's Kona-Haneda proposal, and how American's proposed Los Angeles-Haneda service also will provide more intra-gateway, more inter-gateway, and more inter-carrier competition than Hawaiian's Kona-Haneda service proposal.

Exhibit AA-R-202 commends Hawaiian for fully utilizing its Honolulu-Haneda slot pair by providing daily, year-round service, unlike Delta's Seattle-Haneda service. Exhibits AA-R-203 through 207 illustrate, however, that Kona is not Honolulu and that the Kona market is too small and the public benefits are too limited for the Department to award the valuable slot pair to Hawaiian.

Exhibit AA-R-203 depicts that only a single U.S. state (Hawaii) and two U.S. communities would benefit from Hawaiian's service proposal, while American's Los Angeles-Haneda service proposal will benefit 15 states and 23 U.S. communities in the summer and 16 states and 30 U.S. communities in the winter. Exhibit AA-R-204 further shows that Hawaiian's service proposal would not benefit even one percent of the U.S. population, while American's service proposal benefits 61 percent of the U.S.

population. Exhibit AA-R-205 shows that American's Los Angeles-Haneda proposal will benefit nearly double the O&D passengers compared to Hawaiian's proposed Kona-Haneda service.

Exhibits AA-R-206 and 207 illustrate that the beneficiaries of Hawaiian's Kona-Haneda service would be almost exclusively Japanese travelers, and not U.S. consumers.

Exhibit AA-R-208 describes how Kona-Tokyo service has been attempted previously by JAL and its low cost subsidiary JALways, and how even flying a smaller aircraft than Hawaiian proposed and operating only three to four times a week—less than Hawaiian's daily proposal—JAL could not make a success of the route and ultimately ceased service.

Exhibit AA-R-209 details the many competitive benefits that American's Los Angeles-Haneda service proposal provides compared to Hawaiian's Kona-Haneda service proposal.

Exhibit AA-R-210 raises questions about Hawaiian's lack of a firm service start date. In three places, Hawaiian addressed the start-up date, and each time, it offered a different answer, including one that would not commit Hawaiian to a start-up date that might be a couple of years away. There is also a question of whether, in fact, Hawaiian can lawfully operate Kona-Haneda service since there are no CBP/FIS facilities up to currently-required standards. While Hawaiian has asked for a five-year exemption to build the necessary facilities, that request has been denied thus far (as far as American knows) and it is unlikely to be granted, at least in time to permit Hawaiian to use the scarce resource of this Haneda slot pair by a normal start-up date. Exhibit AA-R-211 is a copy of an article that sheds some light on this issue.

American's Proposed Los Angeles-Haneda Service Offers Substantially Superior Public Benefits to Hawaiian's Proposed Kona-Haneda Service

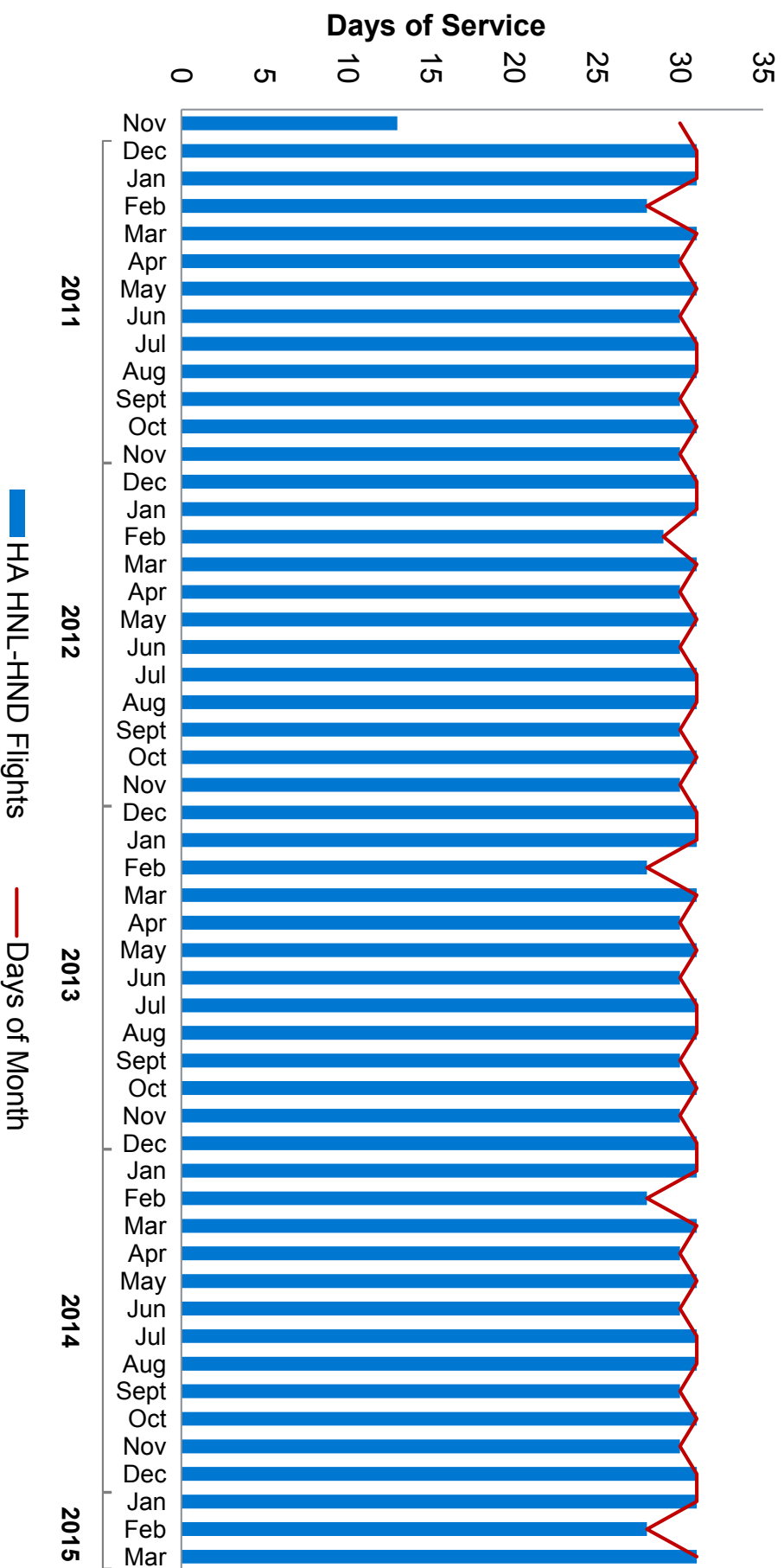
In Rebuttal to Exhibits HA-App2015-1, HA-App2015-3, HA-App2015-4

American's Proposed Los Angeles-Haneda Service Will:

- ✓ Benefit more U.S. travelers
- ✓ Benefit more U.S. communities
- ✓ Benefit more U.S. States
- ✓ Provide more intra-gateway, inter-gateway, inter-carrier competition

Hawaiian Has Done a Commendable Job of Fully Utilizing Its Allocated Haneda Slot Pair

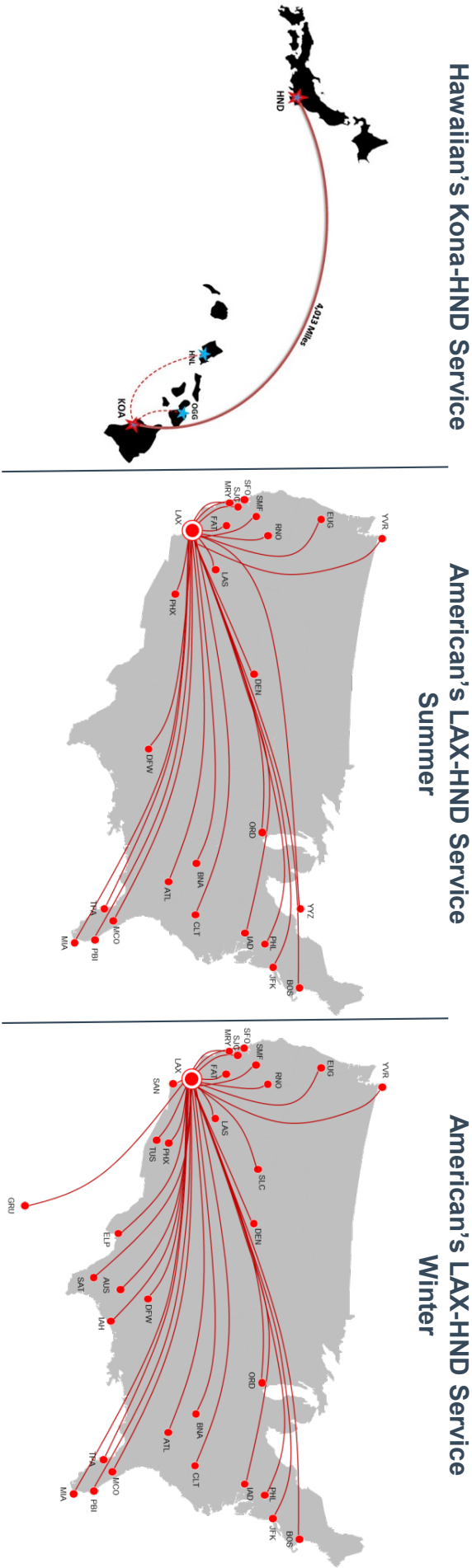
In Rebuttal to Hawaiian Airlines Application at page 5



Nice Job, Hawaiian!

**Hawaiian's Proposed Kona Service Benefits Only One U.S. State
and 2 U.S. Communities; American's Proposed LAX Service Benefits 15 States and
23 U.S. Communities in the Summer and 16 States and 30 Communities in the Winter**

In Rebuttal to Exhibits HA-App2015-3



**1 State
2 Communities**

**15 States
23 U.S. Communities
(plus 2 Canadian markets)**

**16 States
30 U.S. Communities
(plus 1 Canadian and
1 Brazilian market)**

Source: Exhibit HA-App2015-3 and Exhibit AA-107.

Hawaiian’s Proposed Kona Service Benefits Only One U.S. State and 2 U.S. Communities; American’s Proposed LAX Service Benefits 15 States and 23 U.S. Communities in the Summer and 16 States and 30 Communities in the Winter

In Rebuttal to Exhibits HA-App2015-3

Hawaiian’s Kona-HND Service	American’s LAX-HND Service Summer	American’s LAX-HND Service Winter
Hawaii	Arizona California Florida Georgia Illinois Massachusetts New York Nevada North Carolina Oregon Pennsylvania Tennessee Texas Virginia/ Washington DC Washington	Arizona California Florida Georgia Illinois Massachusetts New York Nevada North Carolina Oregon Pennsylvania Tennessee Texas Utah Virginia/ Washington DC Washington
1	15	16

The Public Benefits Substantially Favor American's 15/16 States Over Hawaiian's One State

In Rebuttal to Exhibits HA-App2015-3

Population of States Served

State	Population 2014 Estimate	State	Population 2014 Estimate
Hawaii	1,419,561	Arizona	6,731,484
		California	38,802,500
		Colorado	5,355,866
		Florida	19,893,297
		Georgia	10,097,343
		Illinois	12,880,580
		Massachusetts	6,745,408
		Nevada	2,839,099
		New York	19,746,227
		North Carolina	9,943,964
		Oregon	3,970,239
		Pennsylvania	12,787,209
		Tennessee	6,549,352
		Texas	26,956,958
		Utah	2,942,902
		Virginia	8,326,289
Total	1,419,561	Total	194,568,717
Percent of U.S. Population	.04%	Percent of U.S. Population	61.0%

American's Proposed Los Angeles-Haneda Service Will Benefit Almost Double the O&D Passengers of Hawaiian's Proposed Kona-Haneda Service

In Rebuttal to Exhibits HA-App2015-3

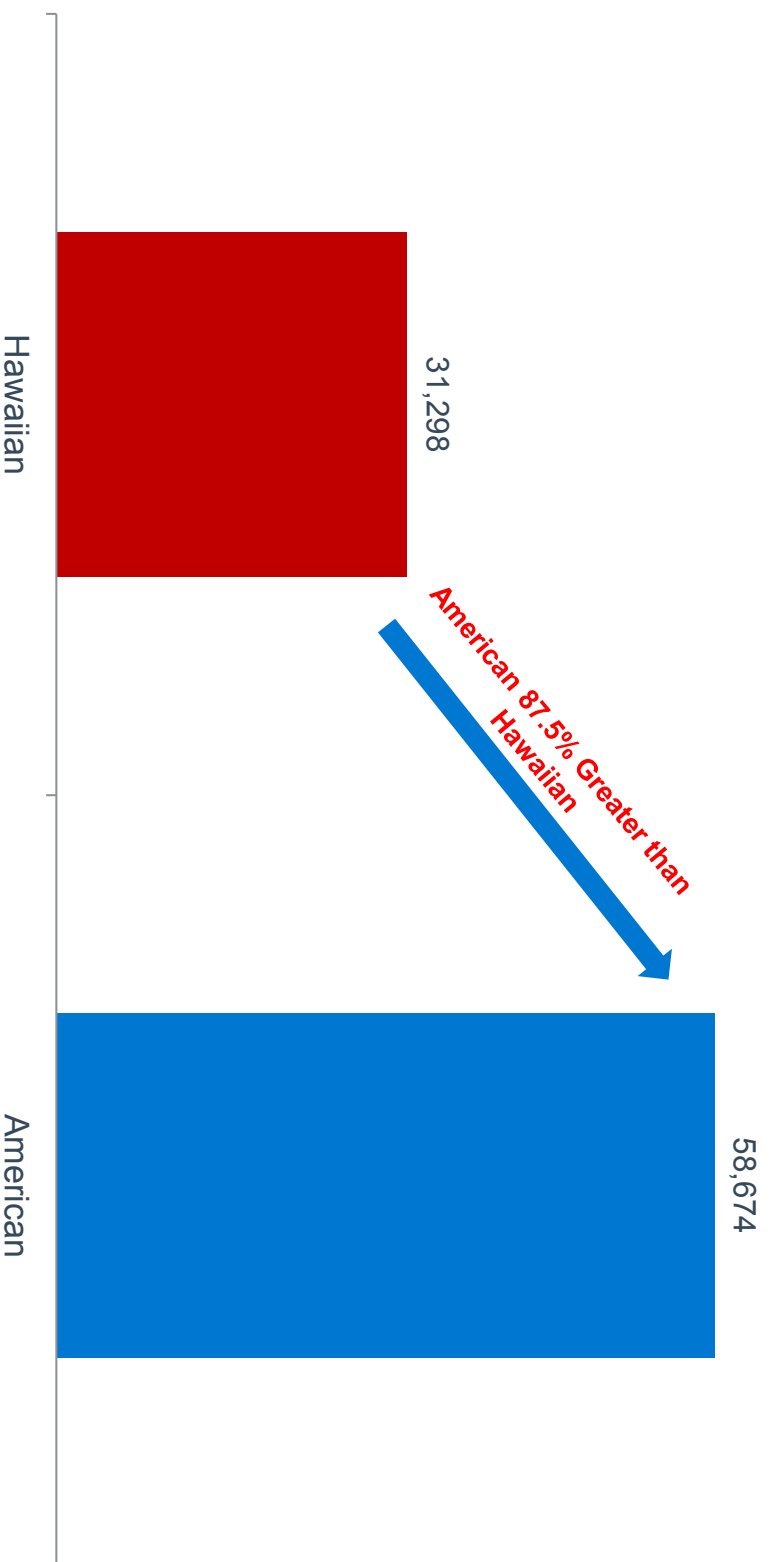
U.S. Markets Without Nonstop U.S. – HND Service

Hawaiian	O&D	American	O&D
Kona	24,096	Las Vegas	26,461
Maui	7,202	New York Kennedy	6,679
		San Diego	3,122
		Orlando	3,016
		Boston	2,227
		Phoenix	2,086
		Houston	1,835
		Atlanta	1,707
		Chicago O'Hare	1,590
		Salt Lake City	1,522
		Washington Dulles	1,420
		San Jose	1,236
		Dallas/Fort Worth	1,121
		Miami	979
		Denver	898
		Philadelphia	490
		Austin	383
		Sacramento	349
		San Antonio	301
		Nashville	259
		Tampa	244
		Charlotte	180
		Tucson	162
		Reno	114
		Eugene	69
		Fresno	66
		El Paso	58
		West Palm Beach	54
		Monterey	46
Total Hawaiian	31,298	Total American	58,674

Note: Based on American's proposed Winter schedule; includes only American's HND-LAX U.S. connecting markets that would connect both ways.
Annual O&D for American's proposed Summer schedule totals 53,126.
Source: MIDT YE November 2014

American's Proposed Los Angeles-Haneda Service Will Benefit Almost Double the O&D Passengers of Hawaiian's Proposed Kona-Haneda Service

In Rebuttal to Exhibits HA-App2015-4

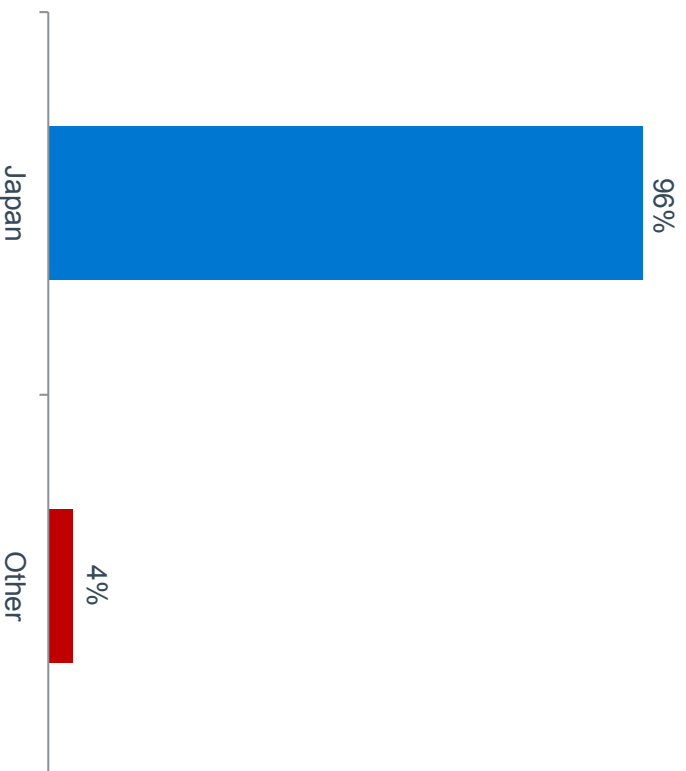


Note: Non-U.S. markets excluded for American (none for Hawaiian).

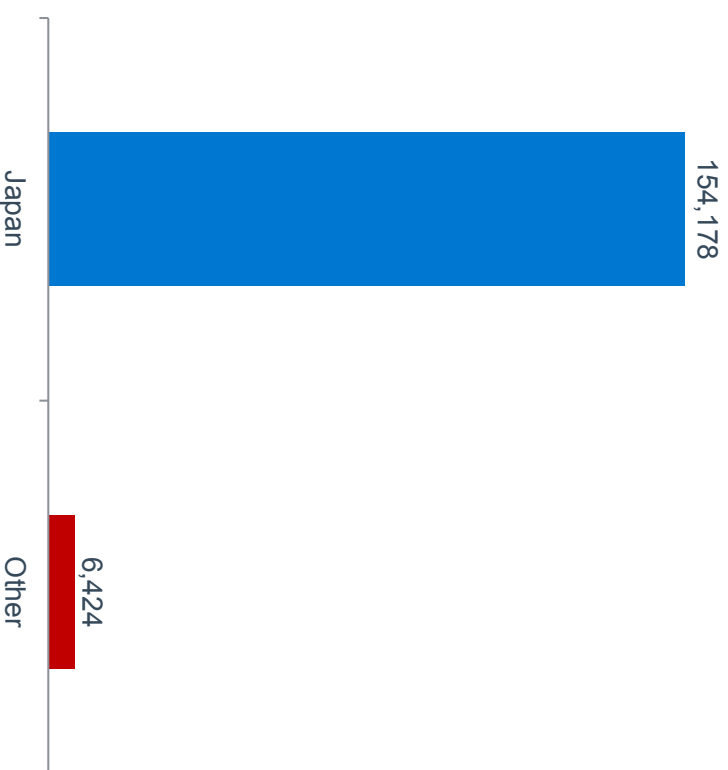
Kona Is Almost Exclusively an All-Japanese Originating Market Benefitting Less Than 9 U.S. PDEWS

In Rebuttal to Hawaiian Airlines Application at page 3 and Exhibit HA-App2015-4

Point of Sale



Annual Passengers (Per Hawaiian)



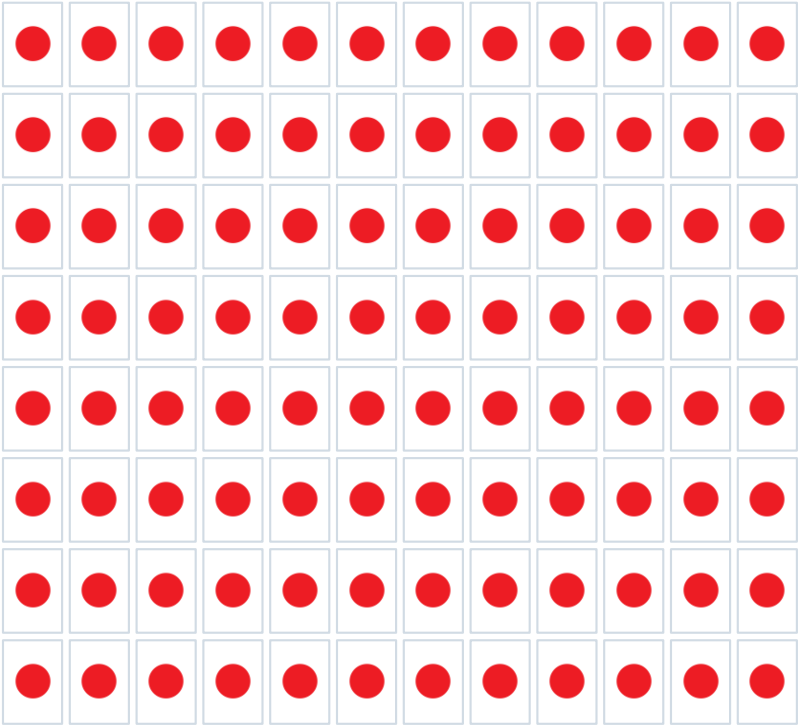
Hawaiian’s Proposed Kona-HND Service Provides Practically No Benefits to the U.S. Traveling Public

In Rebuttal to Hawaiian Airlines Application at page 3 and Exhibits HA-App2015-4 and HA-App2015-5

Hawaiian’s Proposed Kona Service Is 96% Japan-Originating

Benefits to Japanese Traveling Public

Benefits to U.S. Traveling Public



Nonstop Kona-Tokyo Service Has Been Tried Before... and Failed

In Rebuttal to Hawaiian Airlines Application at page 6

Failed Efforts:

Frequency: Attempt to Match Supply with Demand

Never more than 16X monthly (3x/4x weekly)
Still, unacceptably low load factors

Aircraft: Attempt to Downgauge to Profitability

B747 → DC10 → B767
400+ Seats → 237 Seats

Carrier: Attempt to have Lower Cost Airline Operate

JAL June 1996 – September 1999
JALways October 1999 – March 2000
JAL April 2000 – September 2004
JALways October 2004 – October 2010 (when service ceased)

Results:

Overall Load Factor: 61.69%
31 Months with Load Factor of 50% or Less
Only 9 Months with Load Factor of 80% or Higher

Nonstop Kona-Haneda Service Has Been Tried Before... and Failed

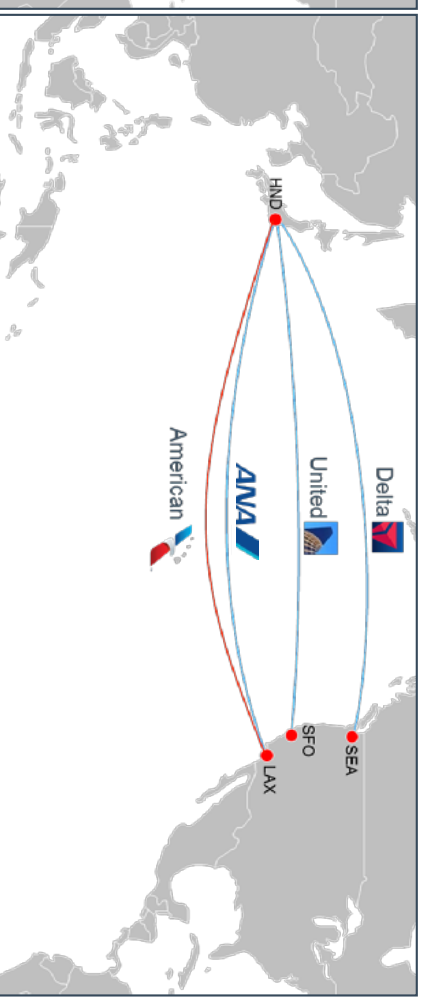
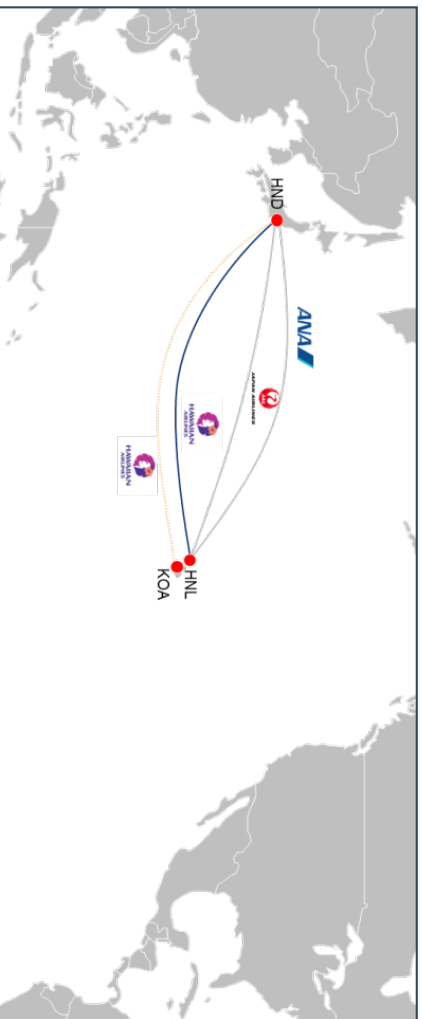
In Rebuttal to Hawaiian Airlines Application at page 6

	JAL/JALways Last Kona-Narita Service	Hawaiian Proposed Kona-Haneda Service	% Hawaiian Greater
Monthly Flights	15-16	30-31	+100%
Daily Seats	237	294	+24%
Annual Seats	88,164	214,620	+143%

If a Japanese airline, with the backing of and relationships with Japanese wholesalers unmatchable by U.S. carriers, could not succeed at this route, even with smaller aircraft and less service than Hawaiian proposes, it is highly questionable whether Hawaiian could

American's Los Angeles-Haneda Service Provides Substantially More Competition Benefits Than Hawaiian's Kona-Haneda Service

In Rebuttal to Hawaiian Airlines Application at page 3



Competition Benefit

- Inter-gateway, but only against Japanese airlines (and itself)

Competition Benefits

- Intra-gateway competition at LAX with both Japanese and U.S. airlines
- Inter-gateway competition with United at SFO
- Inter-alliance competition at LAX with Star (ANA service) and Sky Team (Delta service)

Hawaiian's Soft and Changing Start-Up Date Commitment Could, Literally, Be Years Away

In Rebuttal to Hawaiian Airlines Application at pages 5, 7 and 9

Hawaiian Says:

- “...on or about June 1, 2015 or approximately 90 days after Hawaiian receives the [allocation]...”

Application of Hawaiian, p.5 (emphasis added)

* * * * *

- “It would be Hawaiian's recommendation that the Department specify a date [to start service] no earlier than 90 days after issuance of the final order...”

Application of Hawaiian, p. 9 (emphasis added)

* * * * *

- “Hawaiian reserves the right to ask for delay of the startup date should any court proceeding be instituted to review an award of the frequency to Hawaiian until such time as the case is resolved.”

Application of Hawaiian, fn 6, p. 7 (emphasis added)

Kona: A No Fly Zone

In Rebuttal to Hawaiian Airlines Application at pages 5, 7 and 9

West Hawaii Today

By Nancy Cook Lauer
West Hawaii Today

State and county officials are working with the federal government to get a five-year exemption from meeting security standards at Kona International Airport in order to reopen an international inspection facility that's been closed since 2010.

The lack of a U.S. Customs facility is hampering county efforts to lure international flights to Kona, reducing the number of Japanese tourists flying directly to the Big Island. U.S. Customs and Border Protection currently has limited staff, screening general aviation and cruise ship arrivals and some cargo shipments to the area.

At issue is the airport's design, featuring iconic tiki-hut style outdoor passenger holding areas that convey a Hawaiian atmosphere, but do little to address Customs' security concerns at the airport.

The airport does not meet Customs' airport technical design standards for passenger processing facilities, said Brian Humphrey, director of field operations for Customs San Francisco office, in a Dec. 24 letter to Hawaii County Mayor Billy Kenoi.

"Unfortunately, I cannot approve the request for a five-year exemption," Humphrey said in the letter, adding he's referred the matter to Customs headquarters.

"Since the 2010 termination of international commercial arrivals in Kona, (Customs and Border Protection) has maintained a small staff to perform these limited operations while the majority of the pre-2010 staff has been reassigned to other locations at agency expense," Humphrey said.

A temporary practice of having charter flights reimburse Customs for flying agents from Honolulu to Kona to staff the customs gateway there was ended by the agency in 2012. Kenoi remains optimistic. He told West Hawaii Today on Monday that he met briefly last week with Homeland Security Secretary Jeh Johnson, who assigned the topic to an assistant secretary.

Source: West Hawaii Today, posted January 28, 2014

He also discussed it with U.S. Rep. Tufts Gabbard, a Democrat representing Hawaii's 2nd District, who sits on the Homeland Security Committee, and other members of the congressional delegation.

Kenoi was in Washington for the United States Conference of Mayors winter meeting.

"We got a little further. We have a contact," Kenoi said. "We know it's on someone's desk. It's in Washington, D.C. The more people we can talk to to get it off the desk and start making progress, the better off we will be."

Kenoi praised Gov. Neil Abercrombie and state Department of Transportation Deputy Director for Airports Ford Fuchigami for working on the issue.

DOT spokeswoman Caroline Sluyter said the state wants the five-year extension to give it time to design a facility and new airport procedures to meet the federal requirements. The upgrades are estimated to cost about \$35 million.

"It's a very important issue for us," Sluyter said. "We feel there is a demand for direct flights coming in from Japan to Kona."

Tourism officials have previously said the inability to sell direct flights to the Big Island can have economic impacts on hotels and businesses.

Thanks to continually growing numbers of Japanese arrivals — who often plan multi-island itineraries anyway — to the state, Hawaii Island is still seeing more tourists from the country than it did last year, with about 8 percent more tourists from the country in the first half of 2013, compared to the first half of 2012.

But, Big Island Visitors Bureau Executive Director Ross Birch said, the number of Japanese visitors staying only on Hawaii Island was down 17 percent compared to 2010, the last time Japan Airlines brought a direct flight to the island. If those direct flights came back, Hawaii Island may get more visitors, but would almost certainly at least gain more nights of hotel occupancy by the visitors who came here first, rather than Oahu.

#LetAFlyHana

Letters of Support



ERIC GARCETTI
MAYOR

January 5, 2015

The Honorable Anthony Foxx
United States Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Secretary Foxx,

I write in support of American Airlines' application for one slot pair to provide service between Los Angeles International Airport (LAX) and Tokyo's Haneda Airport (HND) beginning in 2015 (DOT-OST-2010-0018).

The robust ties between Los Angeles and Japan provide an unmatched foundation for American Airlines' proposed service, addressing unmet and growing demand for service between LAX and HND. Current LAX-HND flights are already more than 85 percent full. I firmly believe that the public interest will be served by approving the application by American Airlines, which is committed to fully utilizing the reallocated slot pair to conduct daily flights between Los Angeles and Haneda.

The City of Los Angeles and the Southern California region look forward to improved access to Tokyo/Haneda. I strongly support opportunities for strengthening services at LAX and encourage you to give American Airlines' application your full consideration.

Sincerely,

ERIC GARCETTI
Mayor



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR EDMUND G. BROWN JR.

January 10, 2015

The Honorable Anthony Foxx
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

RE: Additional Los Angeles-Haneda Direct Route Slot Pair
Docket DOT-OST-2010-0018

Dear Secretary Foxx:

We are writing this letter in reference to Docket DOT-OST-2010-0018 to convey our strong support for the Department of Transportation to allocate an additional slot pair to provide direct service from Los Angeles International Airport (LAX) to Tokyo's Haneda Airport (Haneda).

As you know, the Governments of the United States and Japan signed an aviation agreement in 2010 that provided four daily nonstop flights from the United States to Haneda, Tokyo's downtown airport. These nonstop flights to Haneda are scarce assets that should be distributed among U.S. carriers to obtain the maximum consumer and economic benefits.

California and Japan's strong business and cultural ties along with the fact that Los Angeles is the largest continental U.S. gateway to Tokyo underscore the need for expanded service to Haneda from LAX. In 2011, Japan was the largest source of foreign direct investment into Los Angeles County, and travel demand between the United States and Japan was supported by the approximately 250,000 Japanese Americans and 50,000 Japanese nationals living in Southern California. An additional LAX-Haneda slot pair will not only better connect travelers and businesses, but it will also help stimulate new business opportunities and create jobs for California companies.

We strongly believe that the expansion of nonstop service between LAX and Haneda will not only have a positive impact on both our state's economy and thus the U.S. economy, but will provide the maximum utilization of the scarce Haneda slots. We encourage you to approve an additional slot pair for the direct LAX-Haneda route.

Sincerely,

Kish Rajan
Director

cc: Susan Kurland, Assistant Secretary for Aviation and International Affairs



MIKE BONIN

City of Los Angeles
Councilmember, Eleventh District

January 12, 2015

The Honorable Anthony R. Foxx
Secretary of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

RE: American Airlines' Los Angeles-Haneda Application, Docket DOT-OST-2010-0018

Dear Secretary Fox,

I write to urge the Department of Transportation to support American Airlines' application to acquire a slot pair to serve Tokyo's Haneda Airport (Haneda) from Los Angeles.

California and Japan enjoy strong business and cultural ties that underscore the need for additional Los Angeles service to Haneda. In 2011, Japan was the largest source of Foreign Direct Investment into Los Angeles County while travel demand between the two countries was sustained by the approximately 250,000 Japanese Americans and 50,000 Japanese nationals living in Southern California.

Los Angeles International Airport (LAX) has spent billions investing in revitalizing the airport, with a brand new ground transportation program in the works to connect to our Metro system. These modernization improvements will make accessing the airport more convenient for the traveling public and ease congestion in the surrounding neighborhoods.

Los Angeles is a growing market ideal for an additional route; I urge you to give full consideration to American's application.

Sincerely,



MIKE BONIN

Councilmember, 11th District

Cc: Susan Kurland, Assistant Secretary for Aviation and International Affairs

Westchester Office

7166 W. Manchester Boulevard
Los Angeles, CA 90045
(310) 568-8772
(310) 410-3946 Fax

City Hall

200 N. Spring Street, Room 475
Los Angeles, CA 90012
(213) 473-7011
(213) 473-6926 Fax

West Los Angeles Office

1645 Corinth Avenue, Room 201
Los Angeles, CA 90025
(310) 575-8461
(310) 575-8305 Fax





JOE BUSCAINO
Councilmember, 15th District

January 8, 2015

The Honorable Anthony R. Foxx
Secretary of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

RE: American Airlines' Los Angeles-Haneda Application,
Docket DOT-OST-2010-0018

Dear Secretary Foxx:

I write to urge the Department of Transportation to support American Airlines' application to acquire a slot pair to serve Tokyo's Haneda Airport ("Haneda") from Los Angeles International Airport ("LAX").

Today, there are four daily nonstop flights from the United States to Haneda, Tokyo's downtown airport. The Haneda flights are scarce national resources that should be distributed to carriers that will maximize consumer and economic benefits.

Yet, travel options for U.S. consumers are limited. Only three U.S. carriers were granted the right to operate the four daily flights to Haneda, and not all of the currently allocated Haneda flights are even being utilized to the fullest extent. The result is a squandering of the already limited opportunities for consumer access to this highly strategic Asian market.

American Airlines, the largest U.S. carrier, remains shut out of Haneda, leaving its customers without direct access to downtown Tokyo. Giving American Airlines the right to compete in the LAX-Haneda market will inject a new competitor to Haneda maximizing options for California consumers and shippers travelling to, and doing business with, Japan.

American Airlines has a rich history as Southern California's premier airline to domestic and international destinations. American Airlines is the largest carrier at LAX serving more than 12.6 million passengers annually. It has nearly 200 daily departures to more than 60 destinations today, with plans to grow both domestic and international service offerings.

California and Japan enjoy strong business and cultural ties that underscore the need for American Airlines' service to Haneda. In 2011, Japan was the largest source of Foreign Direct Investment into Los Angeles County while travel demand between the two countries was sustained by the approximately 250,000 Japanese Americans and 50,000 Japanese nationals living in Southern California. American Airlines' LAX-Haneda flight will not only better connect travelers and businesses, but it will help stimulate new business opportunities and create jobs for California companies.

American Airlines' application for nonstop service between LAX and Haneda will fully utilize the valuable Haneda slots while bolstering the cultural and economic relationship between California and Japan. I urge you to approve American Airlines' application.

Sincerely,

JOE BUSCAINO
Councilmember, 15th District
Member, Trade, Commerce & Tourism Committee

Cc: Susan Kurland, Assistant Secretary for Aviation and International Affairs



CITY COUNCIL OF THE CITY OF LOS ANGELES

TOM LABONGE
COUNCILMEMBER 4TH DISTRICT

ROOM 480, CITY HALL
LOS ANGELES, CA 90012
(213) 485-3337
FAX (213) 624-7810

January 9, 2015

The Honorable Anthony R. Foxx
Secretary of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

RE: American Airlines' Los Angeles-Haneda Application,
Docket DOT-OST-2010-0018

Dear Secretary Foxx:

As Chairman of the Sister Cities of Los Angeles, I would like to extend my most profound support of American Airlines' application to acquire a slot pair to serve Tokyo's Haneda Airport ("Haneda") from Los Angeles International Airport ("LAX").

Today, there are four daily nonstop flights from the United States to Haneda, Tokyo's downtown airport. The Haneda flights are scarce national resources that should be distributed to carriers that will maximize consumer and economic benefits.

Yet, travel options for U.S. consumers are limited. Only three U.S. carriers were granted the right to operate the four daily flights to Haneda, and not all of the currently allocated Haneda flights are even being utilized to the fullest extent. The result is a squandering of the already limited opportunities for consumer access to this highly strategic Asian market.

American Airlines, the largest U.S. carrier, remains shut out of Haneda, leaving its customers without direct access to downtown Tokyo. Giving American Airlines the right to compete in the LAX-Haneda market will inject a new competitor to Haneda maximizing options for California consumers and shippers travelling to, and doing business with, Japan.

As a proud supporter of continuing to expand international cultural exchange in the City of Los Angeles and around the world, I applaud American Airlines for being the only carrier applying for this service in Los Angeles. American Airlines' application for nonstop service between LAX and Haneda will fully utilize the valuable Haneda slots while bolstering the cultural and economic relationship between California and Japan. I urge you to approve American Airlines' application.

I welcome the opportunity to discuss American Airlines further should the need arise. I can be reached at (213) 485-3337 or at Tom.LaBonge@Lacity.org.

Sincerely,

TOM LABONGE
Councilmember, Fourth District
City of Los Angeles





JOSE HUIZAR
COUNCILMEMBER, 14TH DISTRICT

January 9, 2015

Anthony R. Foxx
Secretary of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

RE: American Airlines' Los Angeles-Haneda Application, Docket DOT-OST-2010-0018

Dear Secretary Foxx:

I write in support of American Airlines' application to acquire a slot pair to serve Tokyo's Haneda Airport (Haneda) from Los Angeles.

As Councilmember for Los Angeles's 14th District, I represent Little Tokyo, a growing neighborhood in Downtown, which is also the regional center for Japanese-American culture and community. Little Tokyo is one of only three remaining historic Japantowns in California. As such it is a major destination for locals and international travelers alike.

With approximately 250,000 Japanese Americans and 50,000 Japanese nationals living in Southern California, travel demand is substantial. Additional Los Angeles service to Haneda would better connect travelers, families and businesses and promote greater cultural and economic exchange between California and Japan.

For these reasons, I urge you to give full consideration to American's application.

Should you need further information or wish to discuss this further, please do not hesitate to contact my Policy Director Martin Schlageter at 213-473-7014, martin.schlageter@lacity.org.

Sincerely,

Councilman Jose Huizar
District 14, Los Angeles



Association of Professional Flight Attendants

*Proudly Representing the **Flight Attendants** of American Airlines*

Office of the National President

January 8, 2015

Honorable Anthony Foxx
Secretary, Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary Foxx:

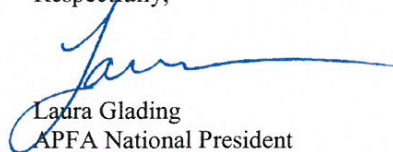
As the National President of the Association of Professional Flight Attendants (APFA), representing almost 25,000 Flight Attendants of the new American Airlines, I am writing you in support of my company's efforts to operate the daily U.S. to Haneda frequency currently held by Delta Airlines.

American Airlines should have the ability to compete with service to Tokyo's best airport just like United, and the Star Alliance, and Delta and Sky Team. Rather than expanding the traveling public's access to the Japanese market, Delta is instead hoarding the route to block other carriers from offering that service thereby hurting the traveling public on both sides of the Pacific. Delta is acting in direct contradiction to promises they made when they were granted this route.

Delta is acting like the child who demanded more dessert than he could possibly eat when in fact he's just preventing others from getting any. This is not the way route allocation should work. Since, by their own actions, they have clearly demonstrated that this route is unprofitable for them, a promise by Delta that they will now fly it without interruption, only shows that they are willing to incur even greater costs to prevent competition. This behavior should not be rewarded. Accordingly, the Department of Transportation should immediately reallocate the route to a carrier that will use it in the public's interest. American Airlines stands ready.

The APFA is excited about the commitment American's new management team has made to expanding service. Our professional Flight Attendants are certainly ready and willing to start flying to Haneda. On behalf of all Flight Attendants at the new American Airlines, I would greatly appreciate your consideration of reallocating the route.

Respectfully,



Laura Glading
APFA National President