

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

Application of)
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)

SOUTHWEST AIRLINES CO.)
)

under 49 U.S.C. § 41718 for *pendente lite*)
authority to operate slot exemptions between)
Ronald Reagan Washington National Airport)
and Kansas City International Airport (DCA-MCI))
)

Docket DOT-OST-2000-7182

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

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August 12, 2013

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**REPLY OF SOUTHWEST AIRLINES CO.
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Southwest Airlines Co. (“Southwest”) submits this Reply to the Answer of Republic Airline Inc. (“Republic”) filed on August 6, 2013 in this docket opposing Southwest’s application for *pendente lite* authority to serve DCA-MCI beginning January 6, 2014, after Republic’s subsidiary Frontier Airlines was scheduled to terminate service in that market.

MOTION FOR LEAVE TO FILE

To the extent necessary, Southwest seeks leave from the Department to file this Reply under Rule 6 of the Rules of Practice (14 CFR § 302.6) for good cause shown. This Reply responds to incomplete statements in Republic’s Answer and will thereby contribute to a more accurate and complete record for the Department.

REPLY OF SOUTHWEST

Republic’s Answer is most notable for what it does *not* say:

- Republic does *not* even acknowledge that (much less explain why) Frontier withdrew all of its previously filed DCA-MCI schedules for flights after January 5.
- Republic does *not* explain why, if Frontier sincerely intended to continue serving DCA-MCI, Frontier explicitly told the MCI airport director that it would leave DCA-MCI after January 5.
- Republic also does *not* disclose its plans for the slot exemptions that Frontier currently uses to serve the DCA-MCI market after Frontier is sold to a third party. Such sale is widely rumored to occur before the end of 2013. See, e.g., *Outgoing Spirit Airlines Chairman in Talks to Buy Frontier Airlines*, Wall Street Journal, July 30, 2013.¹

Instead of providing any of the information above, which would inform the Department and the public about Republic/Frontier's true intentions regarding the slot exemptions that are used for the DCA-MCI market, Republic simply asserts that Southwest's application is based on the "erroneous assumption" that Frontier would cease service in this market on January 5 (Answer at p. 1).

Southwest's Application for *pendente lite* authority to serve DCA-MCI was not filed in a vacuum. It was filed directly in response to Frontier's withdrawal of all DCA-MCI flights after January 5 from published schedules *and* the fact that Frontier explicitly informed the MCI airport director that it would terminate service after January 5. Desiring to avoid an interruption in that service and the inconvenience for DCA-MCI

¹ Available at: <http://online.wsj.com/article/SB10001424127887324354704578638130697023770.html>

travelers that would result, Southwest sought authority to continue DCA-MCI service beginning January 6 until the Department concluded a re-allocation proceeding for the affected slot exemptions.² Kansas City Mayor Sylvester James wrote the Department in strong support of Southwest's application, as did Mark Van Loh, Director of Aviation for the Kansas City International Airport.

It was only *after* the filing of Southwest's application (and no doubt in response to it), that Frontier reinstated flights in published schedules for serving DCA-MCI post-January 5. This raises obvious questions about the future of Republic/Frontier's commitment to this market, none of which Republic has answered. After all, Frontier previously pulled down two of its three daily DCA-MCI flights, moving all of its transferable DCA slots away from MCI. It would hardly be surprising if Republic/Frontier terminated its last remaining DCA-MCI flight, operated with slot exemptions that cannot be moved to other markets.

For that reason, as well as the impending sale of Frontier, we urge the Department to closely monitor Frontier's service in the DCA-MCI market. Southwest is committed to serving MCI and stands ready to serve DCA-MCI if given the opportunity. While Republic/Frontier drastically cut MCI service in recent years, Southwest has expanded MCI service. Since 2009 Republic/Frontier dropped nonstop service to six MCI destinations altogether, and now serves only two such destinations from MCI with

² Southwest's *pendente lite* service would also have prevented the undesirable result of a US Airways nonstop monopoly in DCA-MCI.

six daily departures. Southwest serves 23 MCI nonstop destinations with 67 daily departures.³

In sum, there is considerable doubt that Republic/Frontier will continue DCA-MCI service over the long term - and perhaps even the short term, once Frontier is sold. Nevertheless, because the factual predicate for Southwest's July 29 application has, for now, ceased to exist, Southwest has no objection to the Department either taking no action on its application or dismissing it without prejudice to re-filing if circumstances warrant. In either case the Department's overriding goal should be to ensure that the valuable DCA slot exemptions currently being operated in DCA-MCI do not go unused.

Respectfully submitted,



Robert W. Kneisley

August 12, 2013
Washington DC

³ Source: Innovata Schedule data for August 12, 2013.

CERTIFICATE OF SERVICE

I hereby certify that on August 12, 2013, a copy of the foregoing document was served via e-mail on the following persons:

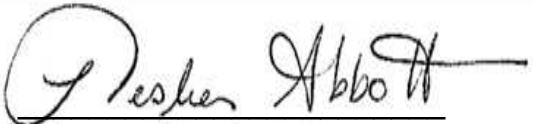
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