IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA, Plaintiff, v. NORTHWEST AIRLINES CORP., and CONTINENTAL AIRLINES, INC., Defendants.	Civil Action No. 98-74611 Judge Hood Magistrate Scheer

PLAINTIFF UNITED STATES OF AMERICA'S MEMORANDUM IN OPPOSITION TO DEFENDANT NORTHWEST AIRLINES CORP.'S PETITION FOR A PRE-TRIAL CONFERENCE

Oral argument on the United States' Motion to Strike Defendants' Efficiencies Defense ("Motion To Strike") and Northwest's Motion for Partial Summary Judgment Regarding the Equity-Alliance Link is scheduled for June 26, 2000. Northwest has petitioned the Court to postpone the argument on these motions, which have been extensively briefed, and instead hold a pre-trial conference for the limited purpose of arguing Northwest's motion to strike co-defendant Continental's response to Northwest's partial summary judgment motion. There is absolutely no basis for delaying resolution of the pending motions, and the United States strongly urges the Court to reject Northwest's petition to postpone oral argument.

Continental filed no pleadings or affidavits in response to the government's Motion To Strike, which is fully briefed and submitted for disposition by the Court. On June 19, Continental

filed a response to Northwest's motion for partial summary judgment accompanied by affidavits from two Continental executives, Gordon Bethune and David Grizzle. Continental's response confirms that the Government's position in the pending motions is the correct one: there is no link between the Northwest/Continental alliance and Northwest's ownership of voting control over Continental. Northwest, who for obvious reasons is not happy about Continental's opposition, has moved to strike Continental's response, or, in the alternative, to reopen discovery and postpone the oral argument and all other dates in the procedural schedule for three months.

Continental's response contains absolutely nothing new relating to the issues relevant to the pending motions, and provides no basis for postponing oral argument. Continental's principle points are that (1) it does not believe that Northwest's equity interest in Continental is necessary for a successful alliance, and (2) Continental wishes to repurchase Northwest's stock interest. Continental has maintained these positions throughout this proceeding, and indeed its executives have made numerous public statements consistent with these views. Continental's position has been extensively discussed in the briefs on the pending motions, *see, e.g., Plaintiff United States of America's Memorandum in Opposition to Northwest Airlines' Motion for Partial Summary Judgment Regarding the Equity-Alliance Linkage,* at 8-12, and Northwest cannot plausibly claim that it needs additional time to prepare a response.

Northwest, realizing that its position on the equity-alliance link flies in the face of the objective factual record amassed in this case, has seized on Continental's response in an attempt to delay resolution of the pending motions. Such a delay is completely unwarranted, and the United States strongly urges the Court to proceed with oral argument as scheduled on the 26th.

DATED: June 23, 2000

Respectfully submitted,

"/s/"

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing PLAINTIFF UNITED STATES OF AMERICA'S MEMORANDUM IN OPPOSITION TO DEFENDANT NORTHWEST AIRLINES CORP.'S PETITION FOR A PRE-TRIAL CONFERENCE were served by hand and/or first-class U.S. mail, postage prepaid, this 23rd day of June, 2000 upon each of the parties listed below:

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