

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

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**Application of**

**DELTA AIR LINES, INC.**

in the matter of 2017 U.S.-Cuba Allocation Proceeding

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) **Docket DOT-OST-2016-0021**  
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**SUPPLEMENTAL SUBMISSION OF DELTA AIR LINES, INC.**

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**I. Introduction**

Delta Air Lines, Inc. (“Delta”) is pleased to respond to the Department’s Order to file new or supplementary information in the 2017 U.S.-Cuba Frequency Allocation Proceeding (the “Order”) (2017-11-11, Nov. 17, 2017). As outlined in its Application submitted Sept. 12, 2017, Delta proposes to add one additional daily frequency to serve Miami (MIA)-Havana (HAV). This service would replace Frontier’s vacated MIA-HAV frequency, maintaining the well-considered competitive allocations made in the Department’s 2016 Proceeding.

**II. Delta’s Proposal Will Maximize Public Benefits**

Delta’s proposal would maximize public benefits by offering the best service to the traveling public, while enhancing the overall competitive environment in the provision of passenger air service between the United States and Cuba. Delta’s proposed service would be the most beneficial because it would provide an additional, competitive, direct flight from the largest local source of demand for U.S.-Cuba traffic, MIA, at the airport most convenient for South Florida’s Cuban-American population. Delta is one of only two carriers that has applied for frequencies to provide passenger service on MIA-HAV, and Delta is the only carrier that seeks

frequencies to restore the competitive balance at MIA established by the Department in the 2016 Proceeding. Only Delta's Application increases competition on MIA-HAV. No airline disputes this. Awarding an additional daily frequency to Delta will allow it to better compete with American's four daily frequencies on that route. In contrast, granting frequencies to American will cause an even larger competitive imbalance between Delta and American on MIA-HAV, limiting consumer choice.

Delta's proposal would also enhance the overall competitive environment in air travel to Cuba. Currently, Delta is the only carrier serving South Florida with only one daily frequency. Delta's proposal would increase competition on MIA-HAV and provide additional travel options to the large Cuban-American community in South Florida. A grant of Delta's proposal would lead to enhanced competition in travel between South Florida and Havana, and most importantly, would provide needed competition to American on MIA-HAV.

In addition, Delta's proposal will: 1) improve Delta's time of day coverage to HAV from this key U.S. gateway, which would permit day trips; 2) build on the success of Delta's existing HAV service, which has industry-leading load factors; and 3) leverage the significant investments already made by Delta in its HAV operations and service.

### **III. Existing Service Data and Information**

As requested by the Department, Delta has included an updated set of load factor data. Attached as Appendix A is a table showing the load factors by month for Delta's three gateways from December 2016 to November 2017.<sup>1</sup> As the data shows, the recent regulatory changes have corresponded with significantly lower demand for service originating outside of the South Florida region. Delta's proposal to add a daily frequency from Miami reflects the increasing

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<sup>1</sup> Although line graphs presenting the data in earlier filings seemed sufficient, the data is provided in table form to forestall any complaints from competing applicants.

importance of service to this region, where demand from the traveling public has been more durable. Delta's proposed service would significantly augment competitive service options for passengers in the region.

#### **IV. Conclusion**

Delta respectfully submits that the public interest would be best served by the grant of one daily frequency for the Miami-Havana services described above.

Respectfully submitted,

*Alexander Krulic*

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Alexander Krulic  
Associate General Counsel – Regulatory &  
International Affairs

DELTA AIR LINES, INC.

## Appendix A

### Delta Air Lines HAV Load Factors (%)

Month	Gateway		
	ATL	JFK	MIA
Dec-16	53.2	50.8	71.8
Jan-17	63.6	66.7	76.2
Feb-17	65.4	71.8	79.9
Mar-17	79.0	80.3	78.5
Apr-17	77.4	79.6	79.5
May-17	84.8	79.7	82.4
Jun-17	87.0	81.4	85.8
Jul-17	85.7	82.9	85.0
Aug-17	74.3	79.8	81.2
Sep-17	48.0	43.4	75.4
Oct-17	51.7	40.8	76.1
Nov-17	60.6	56.8	85.3

Source: T100

## CERTIFICATE OF SERVICE

A copy of the foregoing letter has been served this 8<sup>th</sup> day of December, 2017, upon the following persons via email:

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