

June 17, 2016

**VIA EMAIL AND REGULATIONS.GOV**

Ms. Jenny T. Rosenberg  
Acting Assistant Secretary for Aviation and International Affairs  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

**Re: American Airlines Airfares to Cuba**

Dear Ms. Rosenberg:

Congratulations to JetBlue for identifying a problem with American's U.S.-Cuba fares that was resolved well before JetBlue's letter of June 16, 2016 was filed.<sup>1</sup> Had JetBlue bothered to check American's U.S.-Cuba fares *at any time* on June 16, 2016, they would have noticed that American had loaded and made available a full range of economy fares for MIA-CFG, MIA-CMW, MIA-HOG, MIA-SNU and MIA-VRA, with fares as low as \$350 round-trip. American's fares for its new service to Cuba not only are competitive with fares offered by Silver, they are also lower than most U.S.-Cuba charter fares.

JetBlue's failure to see what was in plain view to all potential Cuba passengers, as well as competitors of American actually seeking to serve those passengers, might be understandable if JetBlue was busy making available flights that would utilize the U.S.-Cuba scheduled frequencies that the Department recently awarded to JetBlue. But even as of 12 Noon on Friday, June 17, JetBlue has yet to commence offering for sale at any price flights utilizing the U.S.-Cuba frequencies that JetBlue so aggressively sought from the Department. Because JetBlue apparently has yet to figure out how to offer U.S.-Cuba scheduled service to the traveling public, perhaps it can benefit by going to school on American's experience, as detailed below:

1. On June 13, 2016, the first business day following the Department's award of non-Havana U.S.-Cuba scheduled frequencies, American began the process of offering its Cuba flights to the public by loading via ATPCO (Airline Tariff Publishing Company) the full Y class fares for each Cuba flight, a common step for all carriers.
2. American then used its forecast and optimization software to evaluate the flights and set the full range of fares for each flight. Unfortunately, the process failed due to a particular requirement unique to Cuba's regulations: unlike other stations in the American network, all fares to Cuba must be filed as round-trips with a U.S. point-of-sale. Because there were no fares loaded for one-way flights or flights with a Cuba

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<sup>1</sup> See Letter from Evelyn D. Sahr to Jenny T. Rosenberg (June 16, 2016). American moves to file this Letter in response to JetBlue pursuant to 14 C.F.R. § 302.6(c). Good cause exists to permit the filing of this Letter because it is necessary to correct highly misleading and misguided statements made in JetBlue's Letter filed June 16, 2016.

point-of-sale, the system rejected all fares and the only selling price for American's flights remained at the full Y class fare.

3. American identified the fare issue the very next morning (June 14, 2016), and worked to resolve it immediately. Resolution was complicated by a restriction in a vendor's software that prohibited some U.S.-Cuba routes from being marketed. The prior restrictions on the sale of those routes had been hard-coded into many carrier and GDS systems when selling Cuba flights was prohibited, before the Obama Administration's historic policy re-opening Cuba.
4. By the evening of June 15, 2016, American resolved both of these issues, and began selling flights at the intended complete range of fares, rather than only at the full Y class fare. Currently none of American's U.S.-Cuba flights are selling exclusively at the full Y class fare.

American will continue to adjust its U.S.-Cuba fares to be competitive with fares offered by all carriers. American's rapid ability to offer U.S.-Cuba flights to the public at competitive prices, in contrast to JetBlue's failure to offer those flights at any price, should count in American's favor and against JetBlue in the Department's consideration of the award of Havana frequencies. Rather than spend its time and resources looking over American's "first to the market" Cuba fares, JetBlue might be better off actually trying to determine how to publish its own fares.

As both JetBlue and the Department are aware, technical mistakes in publishing fares sometimes occur.<sup>2</sup> Here, the mistakes were solely because the old unique rules about selling Cuba flights remained in place. The fact that American's economy fares for its U.S.-Cuba flights were initially higher than many of its business-class fares, as shown in the screenshots included in JetBlue's Letter, surely indicated to JetBlue that American's fares were the result of a technical mistake.<sup>3</sup> JetBlue's letter accusing American of "charging such exorbitant airfares"<sup>4</sup>—fares that were corrected before JetBlue's Letter was filed—should be given the weight in this proceeding typically given to attempts to mislead the Department.

Respectfully submitted,



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Howard Kass  
Vice President  
Regulatory Affairs

cc: Service list

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<sup>2</sup> See Department of Transportation, Office of the Secretary, Enforcement Policy Regarding Mistaken Fares (May 8, 2015), [https://cms.dot.gov/sites/dot.gov/files/docs/Mistaken\\_Fare\\_Policy\\_Statement\\_05082015.pdf](https://cms.dot.gov/sites/dot.gov/files/docs/Mistaken_Fare_Policy_Statement_05082015.pdf).

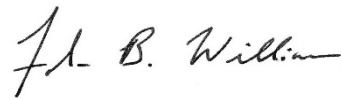
<sup>3</sup> Letter from Evelyn D. Sahr to Jenny T. Rosenberg (June 16, 2016), at 3.

<sup>4</sup> *Id.* at 2–3.

## **CERTIFICATE OF SERVICE**

I certify that on June 17, 2016, I caused to be served a copy of the foregoing Letter of American Airlines, Inc. by email upon those addressees listed below:

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