

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

Application of)	
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)	
AMERICAN AIRLINES, INC.)	Docket DOT-OST-2016-0021
)	
in the matter of 2016 U.S.-Cuba Frequency)	
Allocation Proceeding)	
)	

**APPLICATION OF AMERICAN AIRLINES, INC.
FOR AN ALLOCATION OF FREQUENCIES**

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April 24, 2017

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**APPLICATION OF AMERICAN AIRLINES, INC.
FOR AN ALLOCATION OF FREQUENCIES**

American respectfully requests an allocation of seven weekly U.S.-Havana frequencies, so that it may operate an additional daily year-round service between Miami International Airport (MIA) and Havana’s José Martí International Airport (HAV).¹ American proposes to launch this service no later than October 5, 2017, with 160-seat Boeing 737-800 aircraft.² This service will build on American’s existing MIA-HAV service to strengthen further the ties between Miami and the people of Cuba, and will maximize public benefits for several reasons.

As American explained throughout the initial proceeding, the largest share of the U.S.-Havana frequencies should be allocated for American’s MIA-HAV flights.³ Only American can best meet the needs of local and connecting traffic through its MIA hub, while drawing upon its 25 years of experience in operating flights to Cuba to ensure the success of its scheduled service.

- Meeting Local Demand: The Department correctly found that “Cuban Americans travelling to visit relatives will generate the majority of U.S.-Cuba travel demand.”⁴ Because half the nation’s Cuban Americans reside in Miami-Dade County, Florida,

¹ Common names are used for all airlines in this proceeding.

² See Exhibits AA-101 and AA-102 for more detailed aircraft information, American’s proposed schedule, and annual operating statistics.

³ See, e.g., Consolidated Answer of American Airlines, Inc. (Mar. 14, 2016), at 2.

⁴ Order 2016-7-4 (July 7, 2016), at 5.

demand for U.S.-Cuba travel is by far the greatest in this region.⁵ MIA, which is significantly closer to the Miami-Dade Cuban-American communities than Fort Lauderdale-Hollywood International Airport (FLL), is therefore the best gateway to link Miami with Cuba.⁶

- Superior Connectivity: Because MIA is one of American's hubs, American's MIA-HAV service not only best serves local demand, but also creates widespread connectivity across the entire United States.⁷ No other carrier's service to HAV from MIA or FLL creates anywhere near the same level of connectivity.⁸
- Undisputed Leadership in Serving Cuba: American's experience in continuously operating service to Cuba since 1991 has given American unmatched familiarity with Cuban ground operations and other local conditions, and deep relationships with Cuban aviation authorities.⁹ Because existing sanctions make Cuba one of the most difficult destinations for U.S. carriers to serve, American's history of operating flights to Cuba helps ensure that its scheduled service thrives.

Because of American's numerous advantages in operating U.S.-Cuba scheduled service, particularly from its MIA hub, American's service provides the maximum benefits for the traveling public.

Given the demand for Havana service and American's unique ability to serve that demand most efficiently, American's current level of MIA-HAV service is far from optimal. At the outset of this proceeding, American applied for the frequencies necessary to support ten daily MIA-HAV flights, and American hopes to offer that level of service if and when U.S.-Havana frequencies are available to do so. Although the Department agreed that Miami "deserve[d] a substantial allocation of Havana frequencies to address the service needs of the large local traffic base,"¹⁰ the Department's 2016 allocation left American with less than half the frequencies that it sought, while

⁵ See Application of American Airlines, Inc. (Mar. 3, 2016), Ex. AA-604.

⁶ See Reply of American Airlines, Inc. (Mar. 21, 2016), at 13–17.

⁷ See Application of American Airlines, Inc. (Mar. 3, 2016), Ex. AA-301.

⁸ See Consolidated Answer of American Airlines, Inc. (Mar. 14, 2016), Exs. AA-R-411, 504, 605.

⁹ See Application of American Airlines, Inc. (Mar. 3, 2016), at 20–21.

¹⁰ Order 2016-7-4 (July 7, 2016), at 7.

awarding frequencies to several inexperienced carriers. The quick exit by some of these carriers from U.S.-Havana service again creates the opportunity for the Department to allocate the U.S.-Havana frequencies where they will best meet the needs of the traveling public: To American's service between MIA and HAV.

American's preference is to grow its MIA-HAV service by more than one daily flight, while also potentially adding service to Havana from other U.S. gateways. The forthcoming termination of Frontier's and Spirit's services to Havana will make available enough U.S.-Havana frequencies to support three additional daily flights to Havana by U.S. carriers.¹¹ Although American is interested in launching additional services to Havana, American acknowledges that Delta and JetBlue have each applied for an additional seven weekly U.S.-Havana frequencies.¹² To avoid a lengthy and resource-consuming contested frequency allocation proceeding, and to expedite the ability of all carriers to bring additional service to U.S.-Havana routes, American is limiting its request to seven weekly U.S.-Havana frequencies at this time. Should the need for a frequency allocation proceeding arise, however, the Department should be aware that American will revise its request upward, to encompass the frequencies necessary to support additional Havana service by American that will create even greater public benefits.

American respectfully requests that the Department act quickly to award these frequencies to American, so that American can soon expand the benefits created by its service to Cuba by launching an additional daily MIA-HAV flight.

¹¹ Spirit, which currently holds 14 weekly U.S.-Havana frequencies, has announced that it will end service to Cuba on June 1, 2017. Chabeli Herrera, Spirit, the Fifth Airline to Cut Back on Cuba, Ends Flights to Havana, *The Miami Herald* (Apr. 14, 2017, <http://www.miamiherald.com/news/business/article144601199.html>). Frontier, which currently holds 7 weekly U.S.-Havana frequencies, has announced that it will end service to Cuba on June 4, 2017. Mimi Whitefield, Weak Demand Prompts Two U.S. Airlines to Cancel Cuba Service, *The Miami Herald* (Mar. 13, 2017), <http://www.miamiherald.com/news/business/article138231698.html>.

¹² Application of JetBlue Airways Corp. for an Exemption and Allocation of Frequencies (Apr. 20, 2017); Motion and Application of Delta Air Lines, Inc. (Apr. 21, 2017).

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CERTIFICATE OF SERVICE

On April 24, 2017, a copy of the foregoing Application of American Airlines, Inc. was served by email on the addressees listed below:

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William B. Sohn

Miami – Havana *Flight Schedule*

Miami, Florida (MIA) – Havana, Cuba (HAV)

Non-Stop Service (Year Round)

Effective October 5, 2017

AA 2709

Daily

B-738

Flight Number

Frequency

Equipment

AA 2754

Daily

B-738

1220



1330

Miami (MIA)

Havana (HAV)

1550



1430

1:10

Elapsed Time

1:20

Miami – Havana

Flight Statistics

Annual Operating Statistics (Roundtrip) Effective October 5, 2017

Aircraft	Boeing 737-800 (B-738)
Departures (Annual)	730
Segment Miles	235
Plane Miles (Annual)	171,550
ASMs (Annual)	27,448,000
Fuel Burn (Gallons/Hour)	1,442
Fuel Consumption (Gallons/Frequency)^	1,610

Seating Configuration

Business Class	16
Main Cabin Extra	30
<u>Main Cabin</u>	<u>114</u>
Total	160

AIRCRAFT AVAILABILITY – American Airlines will use aircraft currently in its fleet.

FUEL AVAILABILITY – American Airlines anticipates no difficulty in obtaining fuel from its existing suppliers at Miami and Havana.

^The environmental impact of American's proposed service is *de minimis*. Although the aggregate annual fuel usage of American's proposed service is expected to exceed 10 million gallons, American Airlines would use these aircraft in other markets in the absence of an order granting the operating authority American seeks in this application. Accordingly, the proposed service will not cause a near-term net annual change in aircraft fuel consumption of 10 million gallons or more of fuel consumption if the request were not granted.