

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

**Motion and Application of
DELTA AIR LINES, INC.
for a frequency allocation
(U.S. - Cuba)**

Docket DOT-OST-2016-0021

MOTION AND APPLICATION OF DELTA AIR LINES, INC.

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April 21, 2017

Notice: Delta intends to poll the U.S. carrier representatives on the attached service list regarding this Application and will notify the Department of the results as soon as possible.

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Delta respectfully requests that the Department grant this motion to reallocate to Delta one daily U.S.-Havana frequency from Frontier Airlines, Inc. ("Frontier") or Spirit Airlines, Inc. ("Spirit") effective following either carrier's announced cessation of Havana service this summer. Delta proposes to use the frequency to fund a second daily, year-round flight between Miami, Florida (MIA) and Havana, Cuba (HAV), which it would begin no later than December 15, 2017. Details of the proposal are provided as Exhibit DL-101 to DL-103.

The Department issued a final decision in the Havana carrier selection proceeding on August 31, 2016, finalizing its tentative decision to allocate 20 daily frequencies to U.S. carriers for scheduled passenger services between the United States and Havana, Cuba.¹ Recognizing that the opening of the U.S.-Havana scheduled service market was still at a developmental stage, in its Frequency Allocation Proceeding, the Department gave a number of U.S. carriers the opportunity to develop the Cuba market consistent with the public interest.

¹ DOT Final Order, August 31, 2016, Docket DOT-OST-2016-0021.

Delta successfully launched service to Havana from three gateways (Atlanta, New York-JFK, and MIA) on December 1, 2016. Delta has maintained daily service in each of its three awarded gateways and has made significant investments in order to provide airport services, IT support, and customer service to support these flights. As the Cuba market has developed, load factors have improved on DL's existing flights to HAV, with MIA having the strongest performance.

News articles report that Frontier plans to exit the market and stop operating the service from Miami to Havana.² In OAG schedules, Frontier stopped loading flights to Havana effective June 5 and has not published a date to restore service. Delta has also confirmed with Frontier's counsel that Frontier plans a permanent cancellation of service. Delta proposes that DOT re-allocate these frequencies to augment Delta's existing service to Havana from Miami. This flight would provide additional service and competition for South Florida, which has the largest Cuban-American population in the United States. Recent news articles have also reported that Spirit plans to cancel its twice-daily Havana service from Fort Lauderdale on May 31.³

In awarding the Havana frequencies, DOT said that it could best maximize public benefits by addressing a variety of public interest needs. Most notably, DOT concluded that Cuban-American population centers in the United States were the areas most likely to benefit from scheduled service to Havana.⁴ In its proceeding, the Department allocated 12 of the 20 Havana frequencies to South Florida. Delta's proposal would provide sustained service to Havana from Miami-Dade County, where Miami is located, which is home to 48% of the total Cuban-American population in the United States.⁵ Delta also offers substantial connectivity at

² "Two airlines already calling it quits in Cuba," Ben Mutzabaugh, *USA Today*, March 13, 2017.

³ "Spirit becomes third U.S. airline to call it quits in Cuba," Ben Mutzabaugh, *USA Today*, April 14, 2017.

⁴ DOT Final Order, p. 9.

⁵ According to 2010 U.S. Census data, nearly half of all Cuban-Americans reside in Miami-Dade County.

Application of Delta

Miami, where it is the second largest carrier. Thus, Delta's additional service would also provide connectivity to passengers in other cities across the country.

In addition, DOT found that it could promote competition in the U.S.-Cuba market by allocating frequencies among a variety of carriers. Currently, Delta is the only carrier serving South Florida with just one daily frequency. American Airlines, Inc. ("American") has four from Miami, and JetBlue Airways Corporation ("JetBlue") and Southwest Airlines Co. ("Southwest") each have two daily frequencies from Fort Lauderdale.

A second Miami frequency for Delta would improve competitiveness in the top market to Havana. Specifically, it would enhance Delta's ability to offer meaningful competition to American at Miami, which otherwise dominates the Havana Origin and Destination (O&D) traffic at the airport with its four daily frequencies. With Spirit's upcoming exit from the market in FLL, additional frequencies will also be available if other carriers wish to add capacity in the region.

Delta has signaled its commitment to this market by making significant investments to support and sustain its service. For instance, Delta opened up a City Ticket Office in "La Rampa" in downtown Havana and is in the process of building a ticket office at the airport. Delta has also signed commercial agreements to provide services to the U.S. Embassy in Havana for its official travel, as well as with the Ministry of Foreign Relations of Cuba.

A number of carriers have been able to sustain service to Havana, but with Frontier's exit, its frequencies should promptly be re-allocated so as to maximize the public benefits of the replacement service on these scarce frequencies. Delta's proposal would maintain the service levels that the Department established for the largest Cuban-American population center in the United States, in Miami, while also enhancing the competitive market structure against American's four daily frequencies in this key local market. It would also allow Delta to better

compete with the twice-daily operations from Fort Lauderdale offered by JetBlue and Southwest, with morae potential flights from JetBlue pending consideration by the Department.⁶

WHEREFORE, Delta requests that the Department grant this motion to withdraw Frontier's once-daily Havana frequency, following Frontier's exit from the market, and reallocate that frequency to Delta for Miami-Havana service.

Respectfully Submitted,

Alexander Krulic

Alexander Krulic
Managing Director – Regulatory and International
Affairs & Associate General Counsel
DELTA AIR LINES, INC.

⁶ See Application of JetBlue filed April 20, 2017 in DOT-OST-2016-0021 requesting frequencies for additional Fort Lauderdale service.

CERTIFICATE OF SERVICE

A copy of the foregoing Application has been served this 21st day of April, 2017, upon the following persons via email:

Air Carrier	Name	Email Address
Alaska Airlines/VX	David Heffernan	dheffernan@cozen.com
Alaska Airlines/VX	Jeremy Ross	jeremy.ross@alaskaair.com
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American	Robert Wirick	robert.wirick@aa.com
Frontier	Howard Diamond	Howard.Diamond@flyfrontier.com
Hawaiian	Parker Erkmann	perkmann@cooley.com
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JetBlue	Drew Derco	dderco@eckertseamans.com
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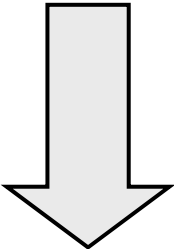
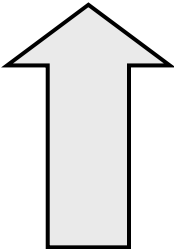
Delta's Havana – Miami #2 Nonstop Service Proposal



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Exhibit DL-101

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DL 585	Flight Number	DL 586
Daily	Frequency	Daily
Airbus A32K	Equipment	Airbus A32K
0700	Miami (MIA)	1040
	GMT (-5)	
0820	Havana (HAV)	0920
1:20	Elapsed Time	1:20

Note: All times are local. Havana and Miami are both on the same time zone during standard time and day light savings time.

Delta's Havana – Miami #2 Service Proposal

Annual Operating Statistics



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Exhibit DL-102

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Aircraft	Airbus A32K
Departures	730
Segment Miles (sm)	235
Plane Miles (sm)	171,550
ASMs	27,448,000
Fuel Burn (Gallons/Hour)	1,178
Fuel Consumption (thousands of gallons)	152

Statement on fuel availability: Delta anticipates no difficulty in obtaining fuel from existing suppliers in Miami and Havana

Delta's Havana – Miami #2 Service Proposal

Airbus A32K Seating Configuration



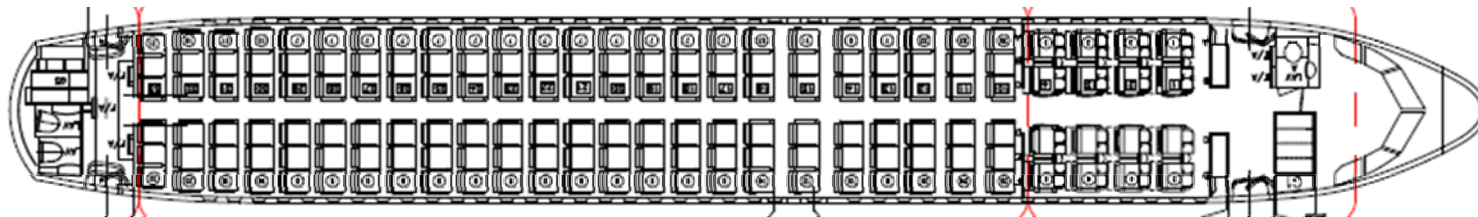
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Exhibit DL-103

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Seating Configuration

First	16
Delta Comfort+	18
Main Cabin	126
Total	160



Statement on aircraft availability: Delta will use aircraft currently in its fleet, which includes 13 A32Ks