

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

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Application of)	
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CARIBBEAN AIRLINES LIMITED)	
)	Docket DOT-OST-2006-26586
For Renewal and Expansion of Exemption Authority))	
(Trinidad and Tobago-US))	
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REPLY OF CARIBBEAN AIRLINES LIMITED

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DATED: May 4, 2020

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DEPARTMENT OF TRANSPORTATION
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Application of

CARIBBEAN AIRLINES LIMITED

**For Renewal and Expansion of Exemption Authority)
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REPLY OF CARIBBEAN AIRLINES LIMITED

By application dated April 8, 2020, Caribbean Airlines Limited (“CAL”) requested reinstatement of the above-captioned exemption, granted by Notice of Action Taken dated December 21, 2017 (the “Notice”). CAL has received no opposition to the reinstatement.

CAL also requested an expansion of its current authority to include new stopping points in Dominica and Tortola, British Virgin Islands on routes between San Juan, Puerto Rico and Port of Spain, Trinidad and Tobago. CAL is a designated flag-carrier of Trinidad and Tobago. This proposed expansion of operations is within the authority of the current U.S.-Trinidad and Tobago Bilateral Agreement.

In response to CAL’s application for expansion of its authority, U.S. carriers Seaborne Airlines, Inc. (“Seaborne”) and Cape Air (“Cape”) submitted comments concerning their operations to Dominica and Tortola from San Juan. CAL respectfully requests that the Department proceed to renew and expand this exemption for bilaterally-authorized service for the reasons set forth in its application, and additionally because: (1) CAL’s new routes will not significantly impact U.S. carriers because they are dissimilar from those currently serviced by either Seaborne or Cape; (2) CAL’s proposed inclusion of Tortola and Dominica is limited in scope and will not significantly impact Seaborne’s or Cape’s service from San Juan; and (3)

CAL's request will be beneficial to the region's economy, including U.S. businesses, because CAL's fleet provides greater mail and cargo capacity.

Both Seaborne and Cape service routes between San Juan and Tortola; Seaborne also services a route between San Juan and Dominica. However, their service to Dominica and Tortola from San Juan should not affect the Department's consideration of the instant application because those routes are dissimilar to CAL's proposed routes.¹ Neither carrier provides service to Port of Spain, Trinidad and Tobago. Seaborne's routes utilize San Juan as a central hub from which all its flights depart and return after a single stopping point, with the exception of a route to St. Croix via St. Thomas.² Similarly, Cape services Tortola and only provides flights between San Juan and Tortola with no further stopping points.³ Comparatively, CAL's proposed routes that include stopping points in Dominica and Tortola are multi-island routes between San Juan and Port of Spain, Trinidad and Tobago. CAL's routes will help connect its operations in Jamaica, Grand Cayman, and other Western Caribbean points with its hub in Port of Spain and beyond, such as Guyana and Suriname, points which neither Cape nor Seaborne currently serve. Therefore, CAL's proposed routes provide greater accessibility for U.S. and foreign air passengers *within* the Caribbean compared with what Seaborne and Cape currently provide. Accordingly, CAL's proposed routes will not significantly impact U.S. carriers for the city-pair market of San Juan and Port of Spain, as well as serve a compelling need for routes providing passengers enhanced intra-Caribbean itineraries.

¹ Although CAL misstated in its application that "no U.S. carriers service either Dominica or Tortola on their own aircraft for any route," CAL's argument that the proposed routes will not significantly impact U.S. carriers because they are limited in scope and U.S. carriers do not service routes between San Juan and Port of Spain is accurate.

² See <https://www.seaborneairlines.com/flight-delays-schedule-map/> (showing route maps) (last visited April 17, 2020).

³ See <https://flights.capeair.com/en/flights-from-tortola> (showing Cape flights to/from Tortola) (last visited April 28, 2020).

Further, CAL's proposed routes provide greater access to the Caribbean on a single carrier. Seaborne and Cape do not serve Trinidad and Tobago, which is a stopping point on all three proposed routes. Seaborne's service to the U.S. is limited to San Juan. Although Cape serves points in the mainland U.S., it does not provide service from the U.S. mainland to the Caribbean or to San Juan. CAL will carry passengers to Dominica and Tortola from San Juan, as well as from New York, Orlando, Fort Lauderdale, and Miami via Port of Spain on a single carrier. CAL's requested expansion of authority will not significantly impact Seaborne or Cape because its proposed routes service different passenger bases and will also serve a compelling—and unfulfilled—need to provide access to the Caribbean on a single carrier from the mainland U.S. Because CAL provides passengers with service to more Caribbean and U.S. locations, CAL's proposed routes will open more U.S. cities to the citizens of Tortola and Dominica, and other non-U.S. passengers who make up the majority of CAL business, and provide more U.S. passengers with easier access to Tortola and Dominica.

With respect to the specific city-pair markets of San Juan-Tortola and San Juan-Dominica, CAL's proposed routes will not significantly impact U.S. carriers operating in those markets because CAL will only operate a limited number of flights per week. As Seaborne states in its letter with respect to the proposed period of operation, "Seaborne had scheduled seven (7) weekly flights between San Juan and Dominica and 28 weekly flights between San Juan and Tortola, considerably more than the three (3) weekly flights proposed by CAL." Cape stated in its letter that "Cape Air was the market leader in frequency in 2019, with 3,539 departures in the EIS-SJU market." That is approximately 68 flights per week. By Seaborne's and Cape's own admissions, CAL's proposed flights will not significantly impact U.S. carrier operations between San Juan and Tortola and Dominica. CAL's proposed routes will involve daily flights to Dominica and Tortola, but at a lesser frequency overall than Seaborne and Cape. CAL's potential impact on the city-pair market is further lessened because the three proposed

routes each include three to five other destinations (Port of Spain, Barbados, Antigua, St. Maarten, St. Kitts, and Guadeloupe), some of which are not serviced by either Seaborne or Cape, meaning each flight will serve and carry passengers outside the city-pair markets at issue. Therefore, CAL's proposed routes will not significantly impact U.S. carriers in either the San Juan-Tortola or San Juan-Dominica markets.

Additionally, CAL's proposed routes will utilize aircraft with greater cargo capacity than either Seaborne or Cape for the carriage of mail and cargo. For the proposed routes, CAL will utilize its ATR 72s, consisting of 7 aircraft that can carry between 68 and 72 passengers with a cargo capacity of 374 cubic feet.⁴ Seaborne's entire fleet consists of 7 Saab340Bs and 2 Twin Otter Seaplanes, that carry 34 and 15 passengers, and whose cargo capacities are 240-295 cubic feet and 126 cubic feet, respectively.⁵ Cape's fleet in the Caribbean is more limited in terms of storage, as it instructs passengers that "[m]ost Cape Air aircraft do not contain storage space under the seat or overhead in which to safely stow in-cabin items" and limits baggage to 20 pounds.⁶ Further, Cape's fleet is also limited in carrying cargo: (1) Cessna 402C, 37 cubic feet cargo capacity; (2) Britten-Norman Islander, 25 cubic feet cargo capacity; (3) Tecnam P2012 Traveller, 75.8 cubic feet cargo capacity.⁷ Therefore, CAL will have greater cargo space for the carriage of mail and cargo (and passenger baggage) per flight than Seaborne and Cape, furthering a compelling need for larger cargo capacity, which is currently not met by U.S. carriers in the two city-pair markets at issue.

⁴ See <http://www.atraircraft.com/products/ATR-72-600.html> (last visited April 28, 2020).

⁵ See <https://www.seaborneairlines.com/fleet/> (last visited April 28, 2020); <https://saab.com/civil-aerospace/regional-aircraft/regional-aircraft/saab-340b/> (last visited April 28, 2020); <https://www.airinuit.com/en/fleet/de-havilland-twin-otter-300-series> (last visited April 28, 2020).

⁶ See https://www.capeair.com/flying_with_us/baggage.html (last visited April 28, 2020).

⁷ See <https://www.globalair.com/aircraft-for-sale/Specifications?specid=474> (last visited April 28, 2020); <http://britten-norman.com/products/islander/> (last visited April 28, 2020); <https://www.capeair.com/Tecnam/p2012-brochure190425-short-w.pdf> (last visited April 28, 2020).

Despite Cape's argument that the current COVID-19 pandemic does not warrant additional capacity in the San Juan-Tortola market, given the expected gradual return of passenger travel, CAL's proposed routes will serve a compelling need to provide enhanced intra-Caribbean travel for both U.S. and foreign passengers that neither Seaborne nor Cape currently provide. CAL's proposed routes will also help serve currently under-served markets, such as San Juan, Dominica, and Tortola to Kingston, Jamaica via Port of Spain. Additionally, CAL's fleet can carry passengers, cargo and mail from different U.S. cities, and given the size of the aircraft cargo holds, CAL would be able to carry larger items that neither Seaborne nor Cape can currently accommodate. CAL's proposed expansion will not significantly impact U.S. carrier service to Tortola and Dominica because it is conducting fewer flights per week and those flights will also carry passengers travelling to other destinations. The balance of CAL's limited impact on U.S. carriers servicing Tortola and Dominica with the capabilities of CAL's fleet weigh in favor of granting the expansion requested herein.

WHEREFORE, Caribbean Airlines Limited respectfully requests that the Department reinstate and expand the above-captioned exemption and grant such other relief as may be necessary or proper.

Respectfully submitted,

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A handwritten signature in blue ink, reading "John Maggio".

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Dated: May 4, 2020

CERTIFICATE OF SERVICE

I hereby certify that I have, this 4th day of May, 2020, served the foregoing Application of Caribbean Airlines Limited for Renewal and Expansion of an Exemption from 49 U.S.C. § 41301 by electronic mail upon the following persons:

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A handwritten signature in blue ink that reads "John Maggio". The signature is written in a cursive style with a large, stylized "J" and "M".

John Maggio