

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

_____)	
U.S.-HAVANA PUBLIC CHARTER)	DOCKET OST-2020-0011
AUTHORIZATIONS)	
_____)	

CONSOLIDATED ANSWER OF CARIBBEAN SUN AIRLINES, INC. d/b/a
WORLD ATLANTIC AIRLINES TO OBJECTIONS
TO SHOW CAUSE ORDER

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ATLANTIC AIRLINES

February 19, 2020

U.S.-HAVANA PUBLIC CHARTER)
AUTHORIZATIONS) DOCKET OST-2020-0011
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Caribbean Sun Airlines, Inc. d/b/a World Atlantic Airlines (“WAA”) respectfully answers the objections filed by Swift, Havana Air, and Aerocuba with respect to Order 2020-1-16 (the “Order”) in the above-captioned docket. Contrary to these objections, an advance allotment of Havana charters to WAA, as described in the Order and with the refinements WAA suggested in its February 12 comments, is in the public interest.

1 See Swift Objection at 6 (DOT "granted an initial allocation to incumbent carriers"), 7 (allotment to WAA "was apparently based on an erroneous premise"); Havana Air Objection at 5 (asserting DOT should exclude three categories of carriers/charterers, each tailored to fit WAA/Superior Air), 6 (noting "zero level of operations" by WAA with Superior Air to date); Aerocuba Objection at 9 n.20.

it had accepted before the Show Cause Order. In any event, WAA did operate Cuba charters in 2019, a fact conveniently forgotten by Havana Air and Swift. WAA flew about five weeks of Havana charters (9 round-trips weekly) for the charterer under PC-19-061 before Havana Air cancelled the flights.² Later in the year, WAA operated 10 Havana charter subservice flights for Swift, and a total of 35 round-trip U.S.-Cuba flights for Swift in 2019 and January 2020.³

The advance allotment should not be limited to historic 2019 operations; allowing “new” entry is neither “opportunistic and problematic,” nor is it an inappropriate “license-to-hunt.” *See* Havana Air Comments at 6, 9. Such a license could result, though, if Swift were allowed to re-claim, from a first-come, first-served charter pool, charters that it cancels and returns to the pool. A carrier returning charters necessarily knows before competitors that the pool will be refreshed, granting that carrier an advantage over others. This year, Swift would have a special advantage in that it expects to receive allotments for four different charterers; if one cancels, Swift need merely canvass the other three for new flying to be claimed, through the pool,

2 Before contracting with WAA, Havana Air had sought to rely exclusively on Aruba Airlines seventh-freedom flights for its Cuba service; DOT rejected the Aruba Airlines application on the grounds of unjust reliance in Order 2019-4-18.

3 This figure calls into question Swift’s assertion, Comments at 2, that it has the “aircraft availability to compete against the scheduled carriers,” much less support its own charter contracts.

before WAA or any other airline would even be aware of the opportunity.

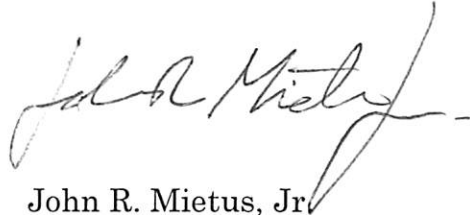
Political considerations may have capped Havana charters, but they do not supersede the Department's pro-competitive policies. And Swift's positions in this proceeding brazenly challenge those policies.⁴ The carrier declares that it is entitled to 2,240 charters from already-filed 2020 prospectuses, and an additional 1,386 charters to meet a circumscribed "parity principle" benefitting only Swift, *see* Swift Comments at 5 – an amount that would exceed the annual charter cap. In modestly allowing that it would then hold a "preponderance" of available charters, *id.* at 2, 7, Swift's intent to dominate the entire U.S.-Havana market⁵ is proven beyond a reasonable doubt. The Department should not allow Swift to hold a Havana charter monopoly by exploiting advance allotments and a first-come, first-serve pool in the manner described herein.

4 Swift contradicts a State Department political goal by asserting the airline's need to "anticipate[] shifts in demand" from non-Havana Cuban service points. The State Department's January 7 letter expresses a desire to "prevent[] public charter operators from increasing service to Havana in response to the suspension of flights to all other airports in Cuba."

5 Swift's Comments at 8 reveal that the carrier's requested preponderance would give it a greater 2020 market share than any other carrier, scheduled or charter.

For all the foregoing reasons, World Atlantic Airlines respectfully urges the Department to finalize its proposal to grant WAA 355 charter authorizations, to consider the other program modifications WAA has proposed, and to grant WAA such other relief as may be necessary or proper.

Respectfully submitted,

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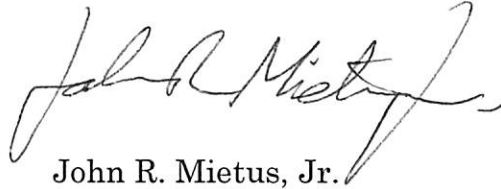
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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Answer to Objections was served by email this 19th day of February, 2020, on the following persons:

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John R. Mietus, Jr.