

Date: February 17, 2016

Contact: Lisa. A. Harig

<u>lharig@mklawdc.com</u> +1 703.247.5487

## U.S. and Cuba Sign Pact to Restore Scheduled Air Service

On February 16, 2016, the United States and Cuba signed a historic <u>agreement</u> that opens up a scheduled air services market that has been closed for more than half a century.

The new agreement, signed by United States Department of Transportation Secretary Anthony Foxx in Cuba, provides each country with the opportunity to operate up to 20 daily roundtrip flights between the U.S. and Havana, the capital of Cuba.

The agreement also provides each country with the opportunity to operate up to 10 daily roundtrip flights between the U.S. and one of Cuba's nine other international airports, providing U.S. carriers with the opportunity to operate a total of 110 daily roundtrip flights.

Airlines in the two countries may now strike deals on code-sharing and aircraft leasing, according to the Cuban embassy.

Even when commercial flights begin, however, U.S. citizens will still need to qualify under one of the <u>twelve exemptions</u> for licensed Cuba travel in order to legally travel to Cuba.

The arrangement does not limit charter service, which means that no DOT charter procedures are needed and charter flights may continue as before.

U.S. air carriers are invited to apply to service the island. DOT will select which air carriers will be able to offer scheduled flights and from which U.S. points. Applications are due by March 2, with final answers and comments due March 21. Passenger and cargo carriers can apply, and there is no restriction on aircraft type or size. DOT expected to make its decision within six months, and carriers may be able to begin selling tickets on those flights by the fall.

If you have any questions or would like further information regarding this new agreement, please contact our office.

\* \* \* \* \*

McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.