

Monday, June 12, 2017

# Entering the Cuban Market

# Bilateral Aviation Accord

---

**February 16, 2016**

- Authorizes up to 110 daily round trip scheduled flights between the two countries by airlines of each respective country (charter flights not capped)
- Permits twenty (20) scheduled non-stop flights between the U.S. gateways and Havana, as well as ten (10) scheduled non-stop flights between the U.S. and nine (9) smaller Cuban cities:
  - Camagüey
  - Cayo Coco
  - Cayo Largo
  - Cienfuegos
  - Holguín
  - Manzanillo
  - Varadero
  - Santa Clara
  - Santiago de Cuba

# Background on American's Service to Cuba

---

- Prior to commencement of scheduled service in September, American was largest charter operator into Cuba, and had been generally operating under the OFAC licenses of the charter operators there for approximately 25 years (formally called “Carrier Service Providers”)
- However, scheduled service and charter service are significantly different and American did not market the charter flights, was paid in the US by its US based charter operators, and the local regulatory requirements were minimal due to nature of operations
- For its charter operations, American was previously flying approximately 22 weekly flights to five Cuban destinations



# American's Current Scheduled Service to Cuba

---



# American's Current Scheduled Service to Cuba

---

CITY	DATE FLIGHTS STARTED	DAILY FREQUENCY	AIRCRAFT
Cienfuegos* (CFG)	9/7/16	1	E175 (76 seats)
Holguin (HOG)	9/7/16	1	A319 (144 Seats)
Camagüey* (CMW)	9/9/16	1	E175 (76 seats)
Santa Clara (SNU)	9/9/16	1	737 (160 seats)
Varadero (VRA)	9/11/16	1	737 (160 seats)
Havana (HAV)	11/30/16	4 – MIA 1 – CLT	737 (160 seats) A319 (144 seats)

As of June 2017

\* Operated by Republic Airway as American Eagle

# American's Current Service to Cuba



# American Airlines Caribbean Service

---



# Start-up Requirements for Operating in Cuba

---

- Authentication and presentation of aviation regulatory documents for Cuban operating license issued by IACC (i.e. ratification of FAA technical credentials)
- Attending to various banking matters
- Negotiation of vendor contracts
- Liability insurance put in place
- Training of local airport staff
- Airport lease airport (6) and office equipment
- Importation of office equipment



# Start-up Requirements for Operating in Cuba

---

- Adoption of board resolutions authorizing branch opening and designating attorneys-in-fact
- Authentication of branch documents by the U.S. Department of State and Cuban consulate (later documents must also pass through Ministry of Foreign Relations and some are subsequently protocolized by Cuban notary)
- Presentation of application form and corporate documents before Cuban Chamber of Commerce (albeit only accepted for processing after US DOT and Cuban Civil Aviation Authority (IACC) has ratified designation)

# Setting Up the Cuban Branch

---

- Numerous documents and certifications executed in English and Spanish
- Delaware charter, by-laws, and good standing certificates
- Commercial license application form
- Board resolutions, powers of attorney, and secretary certificates
- Certified financial statements for most recent year
- Bank endorsements
- Other miscellaneous documents
- Certified and notarized Spanish translations required for virtually all documents

# Training in Motion



# Contact information

