

> Pillsbury Helps euroAtlantic Airways Make History

Firm Secures First Approval of Wet Lease from Non-U.S. Airline Under U.S. DOT Program

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The U.S. Department of Transportation (DOT) formally approved for the first time a long-term wet lease from a non-U.S. airline to a U.S. airline. This first wet lease involved a Boeing 767-300F aircraft of euroAtlantic Airways, a European airline based in Portugal specializing in aircraft wet leasing and charters around the world.

Wet leases are between two airlines where the lessor airline provides both the aircraft and a crew to the other airline. Until recently, U.S. regulations have prohibited a non-U.S. airline from wet leasing an aircraft to a U.S. air carrier, a policy which over the years has been the subject of strong criticism by other countries and their airlines.

In response, in 2008 DOT established a new policy setting forth rigorous approval requirements for such wet leasing. The policy, entitled Provision of Entire Aircraft With Crew To a U.S. Certified Air Carrier By a Foreign Air Carrier, allowed a non-U.S. airline to apply for authorization to conduct such operations under very strict conditions. But neither the DOT nor the Federal Aviation Administration (FAA) had ever approved an application under this new program.

That fact didn't deter Pillsbury client euroAtlantic Airways from trying to secure a long-term wet lease with a U.S. based airline. **Josh Romanow**, Washington, DC partner and leader of Pillsbury's Travel, Leisure & Hospitality team and Los Angeles associate **Anna Park**, together with the euroAtlantic commercial and legal teams immediately went to work to assemble a strategy, draft the documents, discuss the proposed transaction with DOT and FAA, and prepare the applications for U.S. government authorizations. Less than three weeks later, DOT and FAA authorized euroAtlantic's request, not only making euroAtlantic a pioneer, but also fulfilling its business goals by enabling them to further expand their wet leasing activities in the U.S. market.

Pillsbury has long been an innovator when it comes to international airlines doing business in America, particularly when it comes to working with U.S. regulators. Among the firm's first mandates were helping to develop the multi-national consortium agreements that created SAS Scandinavian Airlines in 1946 and since then Pillsbury has represented a wide variety of international airlines in the U.S.

"In 2008, our team made history when we helped China's Hainan Airlines secure approvals to begin flying its first routes between China and the United States, just in time for the start of the Beijing Olympics," said Romanow. "In 2009, we assisted Insel Air of the Netherlands Antilles in securing U.S. Government approvals for Haiti Earthquake relief flights. We are very happy that euroAtlantic is now too part of this rich and innovative legacy."

Pillsbury's Travel, Leisure & Hospitality team takes a multidisciplinary approach to solving complex legal and business issues specific to the travel and airline industries. The group currently represents more than a dozen international airlines from Europe, Asia, Latin America, Africa and the Caribbean on their U.S. operations, including securing approvals for scheduled and charter traffic rights and wet leases to and from the United States.