Order 2025-7-11



UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Issued by the Department of Transportation on the 19th day of July, 2025

Served: July 19, 2025

In the matter of 14 CFR Part 213 Phase 1 Schedule Filing Requirements for Certain Foreign Air Carriers of Mexico

AEROVIAS DE MEXICO, S.A. DE C.V.; AEROLITORAL, S.A. DE C.V. D/B/A **AEROMEXICO CONNECT; AEROENLACES** NACIONALES, S.A. DE C.V. D/B/A **VIVAAEROBUS; AEROTRANSPORTES** RAFILHER, S.A. DE C.V. D/B/A AERUS; **CONCESIONARIA VUELA COMPANIA DE** AVIACION, S.A.P.I. DE C.V. D/B/A VOLARIS; LINK CONEXION AEREA S.A. DE C.V. D/B/A TAR AEROLINEAS; ESTAFETA CARGA **AEREA, S.A. DE C.V.; AEROTRANSPORTES** MAS DE CARGA, S.A. DE C.V.; **AEROTRANSPORTE DE CARGA UNION, S.A.** DE C.V. D/B/A AVIANCA CARGO MEXICO; and TM AEROLINEAS, S.A. DE C.V. D/B/A **AWESOME CARGO**

Docket DOT-OST-2025-0436

ORDER TO FILE SCHEDULES

Summary

By this Order, the U.S. Department of Transportation (the Department) is taking steps to address actions of the Government of Mexico (GoM) that have impaired certain operating rights provided to U.S. carriers under the 2015 U.S.-Mexico Air Transport Agreement (the Agreement) and the denial by the GoM of the fair and equal opportunity of U.S. carriers to exercise those operating rights. Specifically, in this Order, we are imposing Phase 1 schedule filing requirements under 14 CFR Part 213 of the Department's regulations to cover all of the scheduled services operated by the above-captioned foreign air carriers of Mexico to or from the United States.

Background

Aviation relations between the Government of the United States (USG) and the GoM are governed by the Agreement, which establishes, among other rights, the legal basis for the carriers of both parties to provide certain air services between the two countries. For airlines of the United States, Annex I of the Agreement provides, among other opportunities, rights to conduct scheduled combination (passenger/cargo) operations between any point or points in the United States and any point or points in Mexico; and, for all-cargo services, (a) from a point or points in the United States, via an intermediate point or points, to a point or points in Mexico, and beyond, and (b) from a point or points in Mexico to any point. Further, Article 11(1) of the Agreement also establishes that "[e]ach Party shall allow a fair and equal opportunity for the airlines of both Parties to compete in providing the international air transportation governed by this Agreement." Article 11(2) of the Agreement also mandates that "neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the airlines of the other Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention."

As described in detail below, the Department has determined that the GoM has, over the objections of the USG, taken actions that have impaired the ability of U.S. carriers to exercise the above-mentioned rights, thereby denying those U.S. carriers a fair and equal opportunity to compete.

Decree Prohibiting All-Cargo Operations (MEX)

On February 2, 2023, the GoM issued a presidential decree prohibiting all-cargo operations at Benito Juarez International Airport (MEX) in Mexico City,¹ also known as "AICM," forcing carriers that operated all-cargo services to or from MEX to cease their MEX operations entirely

¹ February 2, 2023, Decree that establishes the closure of the Benito Juarez International Airport of Mexico City, with respect to the operations of the indicated air transport services to the public. <u>https://dof.gob.mx/nota_detalle.php?codigo=5678705&fecha=02/02/2023</u>

or transfer them to other airports, such as Felipe Angeles International Airport (NLU) in Santa Lucia. The decree explicitly exempted carriers providing cargo services through combination operations that are also transporting passengers, thereby allowing combination carriers to continue to transport freight to and from MEX as belly cargo. The terms of the decree initially provided air carriers with 108 business days from the date of issuance of the decree to cease all-cargo operations at MEX. Those terms were subsequently extended by an additional 40 business days.² On September 1, 2023, the three U.S. carriers providing all-cargo services at MEX ceased those operations and transitioned them to NLU.

Well before the decree took effect, the Department exchanged a series of letters with the Mexican Secretariat of Infrastructure, Communications and Transportation (SICT) in which it raised a number of issues relating to the planned decree, including concerns that NLU was not yet in a position to receive international cargo due to the lack of necessary facilities and other related infrastructure. The Department also asserted that the sudden prohibition of all-cargo services to and from MEX is inconsistent with Mexico's bilateral obligations under the Agreement, specifically the route rights contained in Annex 1(B), which establish the right of U.S. carriers to operate all-cargo services to any point in Mexico. Further, the Department noted that the prohibition of all-cargo services at MEX would be inconsistent with the "fair and equal opportunity for the designated airlines of both Parties to compete" established under Article 11(1) of the Agreement, and also inconsistent with Article 11(2) of the Agreement, which provides that, with certain specific exceptions, neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the airlines of the other Party. Carriers operating combination services continue to benefit from the proximity and infrastructure advantages of being able to serve MEX, whereas U.S. carriers operating allcargo services have incurred extra costs and other challenges associated with transitioning operations to NLU, thereby resulting in a competitive imbalance between combination and allcargo carriers.

In addition to the letter exchanges, the USG requested technical consultations with the GoM, which took place in Mexico City on March 9, 2023. A Department delegation also travelled to Mexico City on June 7, 2023, to raise formally the USG's concerns with then-President of Mexico Andres Manuel Lopez Obrador. The Department also met with the then-Secretary of SICT in Washington on October 16, 2023. However, our concerns remain unresolved.

MEX historic slot confiscations

On August 26, 2022, after the GoM issued a Resolution declaring the terminals at MEX saturated,³ the MEX airport slot coordinator seized historic slots from three U.S. combination carriers (American, Delta, United) and three Mexican carriers (Aeromexico, Viva Aerobus,

 $^{^{2}}$ June 7, 2023, the deadline for cargo airlines to transfer their operations out of Mexico City International Airport is extended by 40 days.

https://www.gob.mx/sct/prensa/se-amplia-a-40-dias-el-plazo-a-empresas-aereas-de-carga-para-el-traslado-de-sus-operaciones-del-aicm

³ "Resolution declaring the saturation of the terminal buildings of the Benito Juarez International Airport in Mexico City" <u>https://dof.gob.mx/nota_detalle.php?codigo=5644607&fecha=03/03/2022#gsc.tab=0</u>

Volaris) operating scheduled passenger services at MEX for the Winter 2022/2023 traffic season.⁴ At the time, Mexican authorities cited a need to reduce overall operations at MEX from 61 to 52 per hour in order to undertake construction projects to improve the quality of services to the public. Although the GoM indicated that the slot reductions were temporary in nature,⁵ slots have been rescinded for every traffic season since. In addition, the GoM issued a Resolution on August 31, 2023, declaring MEX runway usage to be saturated and mandating that MEX operations be further reduced from 52 to 43 per hour effective with the Winter 2023/2024 traffic season.⁶ The basis for these significant operational reductions remains unclear as nothing physically has changed with respect to either the terminals or the runways at MEX; MEX had operated at a usage rate of 61 movements per hour since 2014.⁷

Since the initial round of capacity reduction and ensuing slot confiscations at MEX, the Department has raised its concerns to the GoM in letter exchanges and during the formal consultations held with Mexico in March 2023. In its outreach, the Department asked for a copy of any analysis which led the GoM to declare that MEX was saturated, information and timing on any construction to take place at MEX during the service reductions, and an assurance that U.S. carriers would be allowed to recover their historic slots upon completion of construction necessary to alleviate the saturation levels at MEX. To date, the Department has not received any of the requested information or assurances it sought from the GoM, nor has the GoM initiated any major construction projects at MEX.

The Department's concerns with the slot management regime at MEX, including the lack of transparency and compliance with international norms, are longstanding and well-established.⁸ While the Agreement does not entitle U.S. carriers to particular slots, the magnitude of these latest moves by the Mexican authorities calls into question the extent to which the GoM may actively use spurious slot management practices at MEX to skew competitive dynamics between carriers or airports. In this instance, it is notable that these sudden capacity reductions at MEX were implemented at a time when the GoM was actively looking to increase traffic at NLU,⁹ which – despite efforts from the Obrador administration – was struggling to attract services.

Accordingly, we find that the GoM has unilaterally limited the volume of traffic of U.S. carriers at MEX in a manner that contravenes Article 11(2) of the Agreement. Moreover, since the time that the reductions were made by the GoM, certain Mexican carriers whose slots were also confiscated at MEX have been able to add a significant number of new U.S. services from the

⁴ Common names are used for the referenced airlines.

⁵ "AICM and Airlines Agree to Provisionally Reduce Operations During The Winter Season." <u>https://www.gob.mx/aicm/articulos/aicm-y-aerolineas-acuerdan-disminuir-de-manera-provisional-operaciones-en-temporada-de-invierno-312557?idiom=es</u>

⁶ "Resolution declaring the saturation of the 'Benito Juarez' International Airport in Mexico City." https://www.dof.gob.mx/nota_detalle.php?codigo=5700389&fecha=31/08/2023

⁷ "Declaration of saturation at the Mexico City Benito Juarez International Airport airfield."

https://dof.gob.mx/nota_detalle.php?codigo=5361802&fecha=29/09/2014

⁸ See e.g., Order 2016-12-13, at 16-18.

⁹ "AMLO wants more flights to AIFA."

https://www.bloomberglinea.com/2022/05/03/amlo-quiere-mas-vuelos-al-aifa-asi-fue-su-desempeno-en-losprimeros-10-dias/

airport by repurposing slots.¹⁰ Meanwhile, U.S. carriers are significantly disadvantaged – vis-avis their Mexican and third-country competitors – in their ability to plan, maintain and/or add services at MEX given these arbitrary and non-transparent slot revocation and allocation decisions. The degree of opacity and arbitrariness surrounding the GoM's slot management practices at MEX, coupled with their disproportionate impacts on U.S. carriers versus Mexican carriers or third-country carriers, undermine the fair and equal opportunity of U.S. carriers to compete guaranteed by Article 11(1) of the Agreement.

Decision

In light of the actions taken by the GoM as set forth above, we find that the GoM has, over the objections of the USG, (1) impaired the operating rights of U.S. carriers that operated all-cargo services to MEX; and (2) denied U.S. all-cargo and combination carriers the fair and equal opportunity to exercise their operating rights in the market.

We conclude that the public interest requires that, pursuant to 14 CFR Part 213, the captioned carriers file their schedules as directed in numbered ordering paragraphs 1 and 2 below so that we may determine whether the operation of the services contained in those schedules, or any part thereof, "may be contrary to applicable law or adversely affect the public interest." We are requiring these schedules to be filed no later than the close of business on July 29, 2025.

The Department will continue to engage the GoM and SICT to press for a solution that allows our carriers fully to exercise the rights available to them under the Agreement.

ACCORDINGLY,

1. The above-captioned carriers shall file with the Department (via electronic mail to ScheduleFiling@dot.gov and in Docket DOT-OST-2025-0436) by the close of business on July 29, 2025, any and all of their existing schedules for combination and all-cargo services, including code-share, common branding, and extra sections, between any point or points not in the United States and any point or points in the United States. Such filings shall include:

- the type of equipment used or to be used,
- the frequency and day(s) of operation of each flight,
- the specific airport served at each point, and
- the time of arrival and departure at each point;

2. The above-captioned carriers shall file with the Department (via electronic mail to ScheduleFiling@dot.gov and in Docket DOT-OST-2025-0436) any and all of their proposed schedules for combination and all-cargo services, including code-share, common branding, and extra sections, between any point or points not in the United States and any point or points in the United States. Such filings shall include the information noted in ordering paragraph 1 above,

¹⁰ See, e.g., <u>https://www.aeromexico.com/cms/sites/default/files/2024-</u>

^{10/2110%20}ENG%20PRESS%20RELEASE%20PHOENIX.pdf

the proposed effective date of such schedules, and the proposed termination date of such schedules (if known), at least 30 days prior to inauguration of service;

3. We may amend, modify, or revoke this Order at any time and without hearing; and

4. We will serve this Order on the above-captioned air carriers; the Secretariat of Infrastructure, Communications and Transportation in Mexico; the Embassy of Mexico in Washington, D.C.; the Departments of Commerce and State; the Transportation Security Administration; and the Federal Aviation Administration.

By:

SEAN P. DUFFY Secretary of Transportation

(SEAL)

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