



13 June 2018

Canada Jetlines finalizes Definitive Lease Agreement for Airbus aircraft

By John McDermott

Canada Jetlines, a planned ultra-low-cost carrier (ULCC) headquartered in Vancouver, has announced the closing of a Definitive Lease Agreement with AeroCap, an aircraft leasing company, for two Airbus A320 aircraft. The delivery of the two aircraft is scheduled for the first half of 2019.

“AerCap has a proven reputation of leasing high-quality aircraft and we look forward to continuing to build a positive relationship with them. Through my experience with Airbus, I believe that these planes are the right aircraft to commence operations with. The majority of ultra-low-cost carriers worldwide operate with the Airbus A320 fleet based on its fuel-efficient narrow-body framework that supports a high-density seat configuration,” said incoming Canada Jetlines CEO Lukas Johnson.

“Our operations team has worked diligently on securing quality aircraft, carrying out a meticulous vetting process to ensure that the aircraft are fit for Jetlines and our future passengers,” said Mark Morabito, Executive Chairman of Canada Jetlines. “I am pleased to report that we are now positioned to carry out the remainder of work to complete our licencing process and that we are continuing to advance our financing initiatives,

personnel recruitment, and airport agreements.”

The two A320s involved in the order are sister aircraft, meaning that they are almost identical in design, features, and equipment. This will allow Canada Jetlines to expedite necessary training and maintenance processes, allowing the carrier to start operations at an earlier time. The two planes are currently twelve years old.

“We are very pleased to welcome our new customer airline, Jetlines, and particularly pleased to play a role in the start-up of their new operations. We wish the board and



Canada Jetlines has leased two A320s from AeroCap until a Boeing 737 order is fulfilled.

management team every success and we look forward to working with the Jetlines team as they begin operations,” said AeroCap President and Chief Commercial Officer Philip Scruggs.

Canada Jetlines reports that a pre-existing agreement with Boeing for 737 MAX aircraft remains in place. The aircraft are set to be delivered in 2023. Canada Jetlines will use the two A320s to begin start-up operations.

“[We are] not limited from securing a Boeing fleet in future, should the Company decide to do so,” Canada Jetlines said in a statement.

Upon service commencement, Canada Jetlines will become Canada’s first “true” ULCC. (Swoop, a ULCC by WestJet, could also be considered Canada’s first ULCC. Whether or not it can be considered a “true” ULCC, its status as a subsidiary taken into account, is up for debate.) Canada Jetlines plans to provide service to destinations across Canada, the United States, Mexico, and the Caribbean. The carrier reports that the Canadian Government has allowed it to fly domestic services with 49% of its funding coming from foreign interests. The airline is part of the King & Bay Group.