



WASHINGTON AVIATION SUMMARY

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For further information, including documents referenced, contact:

Joanne W. Young
Kirstein & Young PLLC
1750 K Street NW
Suite 700
Washington, D.C. 20006
Telephone: (202) 331-3348
Fax: (202) 331-3933
Email: jyoung@yklaw.com

<http://www.yklaw.com>

The Kirstein & Young law firm specializes in representing U.S. and foreign airlines, airports, leasing companies, financial institutions and aviation-related companies before U.S. Government agencies, Congress, the courts and in commercial and financing matters.

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I. **REGULATORY NEWS**

1. **Buttigieg Sworn in as Secretary of Transportation.**

Pete Buttigieg was sworn in as Secretary of Transportation. A graduate of Harvard and a Rhodes Scholar, he served two terms as Mayor of South Bend, Indiana, and as an officer in the U.S. Navy Reserve for seven years, taking a leave of absence from the Mayor's office for deployment to Afghanistan in 2014. . . . The White House nominated Polly Trottenberg to be Deputy Secretary of Transportation. She served as New York City Transportation Commissioner and was a transportation official in the Obama Administration.

2. **IATA: Outlook Gray Amid New Strains of COVID-19.**

The airline industry is expected to remain cash negative throughout 2021, said the International Air Transport Association (IATA). "Estimates for cash burn in 2021 have ballooned to the \$75 billion to \$95 billion range from a previously anticipated \$48 billion." Global passenger demand fell by 65.9% in 2020, compared to 2019, the sharpest traffic decline in aviation history; international demand was down 75.6% and domestic demand dropped 48.8%. Bookings for future travel made in January 2021 were down 70% compared to a year ago. IATA's baseline forecast for 2021 is for a 50.4% improvement on 2020 demand that would bring the industry to 50.6% of 2019 levels. Optimism that vaccines would lead to a restoration in global air travel have been dashed with more severe travel restrictions imposed amid new outbreaks and strains of COVID-19, said Alexandre de Juniac, IATA Director General and CEO, urging governments to work with industry to develop standards for vaccination, testing and validation to enable a reopening of borders, and to provide continued financial support to enable airlines to remain viable. . . . The government of Panama and Copa Airlines are trialing the IATA Travel Pass. The mobile app includes a registry of COVID-19 test, and eventually vaccination, centers and labs at departure location that meet requirements of the destination. Test results or vaccination certificates are sent directly to passengers. Panama is the first government to participate in a trial of IATA Travel Pass; Copa will be the first carrier in the Americas to trial the program, to begin in March on select flights from Panama City.

3. **Major U.S. Airlines to Support Intl. Contact Tracing.**

Major U.S. airlines agreed to support implementation of an international contact tracing program and will collect data from passengers traveling into the United States and transmit it to the Centers for Disease Control (CDC) during the COVID-19 pandemic, said Airlines for America (A4A). Alaska Airlines, American, Delta, Hawaiian, JetBlue, Southwest and United will ask customers

to voluntarily provide legal name, two phone numbers, email address and U.S. address. “We are hopeful that this measure, coupled with existing testing requirements for passengers flying to the U.S., will lead policymakers to lift travel restrictions so that international travel can resume,” said A4A President and CEO Nicholas Calio.

4. **Boeing 777 Engine Incident Leads to Emergency AD.**

The National Transportation Safety Board (NTSB) is investigating the right engine fan-blade failure on a United Airlines Boeing 777-200, which resulted in an in-flight engine fire and damage to the airplane. The incident occurred shortly after takeoff from Denver International and the aircraft returned safely to the airport with no injuries to the 229 passengers or 10 crewmembers. Photos of the engine cowling on the lawn of a home in a Denver suburb and other debris were widely shared on social media. Boeing recommended suspending operations of 777s powered by Pratt & Whitney PW4000-112 engines and national authorities did so. The Federal Aviation Administration (FAA) issued an Emergency Airworthiness Directive (AD) requiring U.S. operators of airplanes equipped with these engines to inspect them before further flight; United is the only U.S. operator affected. The fan blades will be shipped to Pratt & Whitney where Thermal Acoustic Imaging will be used to confirm airworthiness. PW said it powers approximately 125 Boeing 777 aircraft with the 4000-112, and the fan blades are unique to this engine type. FAA said it will review inspection results on a rolling basis. Based on initial results, as well as other data gained from the ongoing investigation, FAA may revise the AD to set a new interval for this or subsequent inspections. The previous inspection interval for this engine was 6,500 flight cycles.

5. **FAA Warns of Post-Pandemic Safety Risks.**

A new industry will emerge after the disruptions of COVID-19, FAA Administrator Steve Dickson told an aviation safety town hall. Thousands of pilots have taken early retirement or were laid off and many are not flying enough to maintain necessary currency. New fleets with complex aircraft and less international flying further add safety risks into the system. Industry needs to take proactive steps to ensure that accident rates remain low, he said.

6. **FAA Upgrades Costa Rica’s Safety Assessment Rating.**

FAA announced that the Republic of Costa Rica complies with international safety standards and has been granted Category 1 status, under which properly authorized Costa Rican carriers are permitted to serve the United States and carry the code of U.S. carriers without limitation. A Category 2 rating, assigned in May 2019, allowed Costa Rica carriers to continue existing service to the United States, but not to establish new routes. The safety

standards apply to regulators and are set by the International Civil Aviation Organization (ICAO).

7. Boeing 737 MAX Update.

FAA has contracted with Virginia-based Aireon to track performance of every Boeing 737 MAX flight worldwide via the Automatic Dependent Surveillance-Broadcast (ADS-B) transmitter on the aircraft and stream the data via satellite to the FAA Technical Center near Atlantic City, New Jersey. The ADS-B transmitter continually broadcasts the airplane's identity, accurate GPS position, trajectory, ground speed, altitude and vertical rate of climb or descent, as well as any indication from the airplane systems of an emergency event. The system "will flag deviations from certain parameters during all phases of flight and alert the FAA's aviation safety division," FAA told the *Seattle Times*. "Safety engineers and inspectors will use the early notification to further analyze the incident." Investors in Aireon include air navigation authorities aiming to replace the world's current radar-based air traffic control systems with a more precise and global ADS-B system. . . . United became the second U.S. carrier to return the MAX to service, after American. The UK Civil Aviation Authority (CAA) cleared the MAX for return to service and removed the ban on the aircraft operating in UK airspace; TUI currently is the only UK operator of the aircraft, said CAA, which "will have full oversight of the airline's plans including its pilot training programs and implementation of the required aircraft modifications." The United Arab Emirates General Civil Aviation Authority authorized the MAX to resume flying. Ethiopian Airlines CEO Tewolde GebreMariam said MAX operations will resume in July and the airline will honor orders for new MAX planes. . . . FAA concurred with all 14 recommendations made by the DOT Inspector General to improve its aircraft certification process and oversight of Boeing's Organization Designation Authorization (ODA), and provided appropriate actions and planned completion dates. . . . A lawsuit filed on behalf of Boeing shareholders discloses that the board, including current CEO David Calhoun, participated in a misleading public-relations campaign prior to the grounding and failed in evaluating the safety of keeping the aircraft in operation. The claims are part of a derivative suit first filed in 2019 after the Lion Air and Ethiopian crashes, which together killed 346 people. Boeing will seek to have the suit dismissed, saying the claims lack merit.

II. AIRPORTS

1. \$2 Billion COVID Relief Grant Program for U.S. Airports.

FAA is making nearly \$2 billion available to more than 3,000 commercial service, reliever and publicly owned general aviation airports under a program funded under the Coronavirus Response and Relief Supplemental Appropriations Act of 2020. The program includes funds for reimbursing operational expenses, debt service payments and costs related to combating the spread of pathogens at the airport, as well as rent relief to airport concessions and support to FAA contract towers for items such as cleaning and sanitizing facilities affected by COVID-19 cases. Airports must apply for the grants by June 30, 2021.

2. \$76 Million in Airport Improvement Grants Awarded.

Three grants for infrastructure projects will be awarded through the FAA FY 2021 Airport Improvement Program. The first of approximately \$3.2 billion in funding available through this program annually will provide a total of \$76 million to Chicago O'Hare (\$25 million), Dallas-Fort Worth (\$31 million) and Fort Lauderdale/Hollywood (\$20 million).

3. Washington National to Open 14-Gate Concourse.

Construction of a new 14-gate concourse at Reagan Washington National has been accelerated, with opening as soon as April 20. American Airlines plans to move regional operations to the new north concourse, eliminating busing operations from Gate 35X. . . . American Express will construct an 11,500-square-foot lounge at National, to open by end of 2022, said Metropolitan Washington Airports Authority. The American Express Centurion Lounge will be located post-security near Terminal B.

4. Pittsburgh Terminal Modernization to Begin.

Pittsburgh International plans to begin work this spring on the \$1.1 billion Terminal Modernization Program, on hold since April 2020. Design and construction documents are ready to bid, said CEO Christina Cassotis, and "management and design teams have been working closely with airlines and key stakeholders to re-evaluate the project in light of new public health concerns." The new terminal is expected to open in early 2025.

5. EU Extends Slot Relief Measures.

The European Parliament extended temporary measures to relax slot rules to March 27. Airlines only have to use 50% of their planned take-off and landing slots for the 2021 summer season (instead of the 80% required before the

pandemic) in order to keep them in the following summer season. The measures also delegate authority to the European Commission to extend the new rules to other seasons in the future, and adjust the minimum utilization rate to between 30% and 70%. This will enable swift reaction to changing air traffic levels during the pandemic.

6. France Cancels de Gaulle Terminal 4 Project.

The French government asked Groupe ADP to abandon the Paris Charles de Gaulle Terminal 4 project and present a new development plan that meets environmental protection objectives. “Air travel must accelerate its energy transition,” said ADP Chairman and CEO Augustin de Romanet; “the Parisian platforms have a vocation in becoming the leaders in green aviation, for the benefit of all our stakeholders, and in particular the territories neighboring the airports.”

7. Fraport Completes Modernization of Greek Regional Airports.

Fraport Greece completed a four-year infrastructure development program at 14 regional airports. The €440 million program included five new terminals, five expanded and modernized existing terminals, and four upgraded terminals. Airside projects included renovating 12 runways, improving ramp areas, and constructing and renovating 12 fire stations. All of the airports have also been equipped with new state-of-the-art baggage handling and security detection systems.

8. Ferrovial, Lilium to Develop Vertiports in the U.S.

Ferrovial and Lilium signed a framework agreement to develop a network of at least ten vertiports in major cities across Florida. Lilium is building an all-electric, vertical take-off and landing (eVTOL) jet for “regional journeys that are faster than rail or road, yet competitive in price.” The five-seater Lilium Jet has “ultra-low noise electric jet engines,” which allow it to operate in densely populated urban areas and cover longer distances at high-speed with zero operating emissions. The first vertiport location in South Florida will be announced as soon as Spring 2021. Ferrovial operates 33 airports around the world.

III. **SECURITY AND DATA PRIVACY**

1. **Mayorkas Sworn in as Secretary of Homeland Security.**

Alejandro Mayorkas was sworn in as the seventh Secretary of Homeland Security. He is the first immigrant to serve in the role, having fled Cuba with his family in 1960. He served as DHS Deputy Secretary from 2013 to 2016 and previously was the Director of U.S. Citizenship and Immigration Services.

2. **TSA Requires Face Masks at Airport Security Checkpoints.**

The Transportation Security Administration (TSA), in implementing provisions of President Biden's Executive Order on Promoting COVID-19 Safety in Domestic and International Travel, is requiring face masks in U.S. airports and by passengers and crewmembers flying aboard airplanes operated by domestic and foreign air carriers with inbound flights to U.S. ports of entry. Passengers without a mask may be denied entry, boarding or continued transport. Failure to comply with the mask requirement can result in a fine ranging from \$250 for the first offense to \$1,500 for repeat offenders. The requirement will remain effective until May 11, 2021. . . . A CDC Emergency Order requires the wearing of masks by all travelers into, within, or out of the United States, and "recommends that non-essential travel be avoided." . . . TSA screened 773,422 people at U.S. airport checkpoints on February 17, compared to 2,129,862 on same weekday in 2020. . . . On February 18, TSA had 460 employees with active COVID-19 infections. Since the start of the pandemic, TSA has had 6,729 employees test positive for COVID-19; 15 have died as has one screening contractor.

IV. TECHNOLOGY AND EQUIPMENT

1. Learjet, Dash 8-400 Production to End.

Learjet production will end this year, said Bombardier, which acquired the line in 1990 and will continue to provide support. The iconic aircraft entered service in 1963. . . . De Havilland Canada will suspend production of the Dash 8-400 regional turboprop, due to “prevailing industry circumstances.” Some 500 employees will be affected.

2. Amadeus Signs Agreements with Air Senegal, Alibaba’s Fliggy.

Air Senegal has partnered with Amadeus to implement the Altéa Suite including the Passenger Service System (PSS) featuring full reservation, inventory, and departure control capabilities, as well as real-time, personalized alerts to inform of flight changes, services or personalized offers. The Senegalese flag carrier is expanding, with plans to add European destinations and ordering eight Airbus A220-300s. . . . Fliggy, Alibaba’s online travel platform, extended its agreement with Amadeus to implement search and shopping technology for Chinese travelers. The new multi-year agreement will enable Fliggy to leverage Amadeus’ MetaConnect technology.

3. WestJet Expands Sabre Agreement.

Sabre and WestJet announced the expansion of their partnership with the renewal of the SabreSonic PSS agreement and adoption of additional offer, order and data management solutions. . . . Sabre is integrating Sabre Travel AI into certain products in its existing portfolio, including Smart Retail Engine™ as it builds “a new marketplace for personalized travel by 2025.”

V. **ENERGY AND ENVIRONMENT**

1. **Fuel Bill for Global Airline Industry.**

The average price of aviation jet fuel on February 12 was \$66.17/barrel, up 9.4% on the month and down 1.9% compared to a year ago, reports IATA. Jet fuel price average for 2021 was \$61.6/barrel.

2. **United Plans to Acquire Short-Haul Electric Aircraft.**

United plans to acquire a fleet of up to 200 eVTOL aircraft from Archer within the next five years, to provide “customers a quick, economical and low-carbon way to get to United's hub airports and commute in dense urban environments.” The battery-powered aircraft can travel up to 60 miles at speeds of up to 150 miles per hour while producing minimal noise, said Palo Alto-based Archer. Under terms of the agreement, United will contribute its expertise in airspace management to assist Archer with development. Once the aircraft are in operation and have met United's operating and business requirements, United, together with Mesa Airlines, would acquire them to be operated by a partner. “Now is the time to embrace cleaner, more efficient modes of transportation,” said United CEO Scott Kirby. “With the right technology, we can curb the impact aircraft have on the planet, but we have to identify the next generation of companies who will make this a reality early and find ways to help them get off the ground.” United estimates that using Archer's eVTOL aircraft could reduce CO2 emissions by 47% per passenger on a trip between Hollywood and Los Angeles International, one of the initial cities where Archer plans to launch its fleet. Archer plans to unveil its full scale eVTOL aircraft in 2021, begin production in 2023, and launch consumer flights in 2024; United will provide strategic guidance around FAA certification, operations and maintenance.

3. **Move to Accelerate Hydrogen Adoption as Aviation Fuel.**

Los Angeles-based Universal Hydrogen is accelerating its effort to bring to market the first certified hydrogen powertrain suitable for regional and eVTOL applications. The fuel is transported in modular capsules over the existing freight network from green production sites to airports around the world. A conversion kit to retrofit existing regional airplanes with a hydrogen-electric powertrain compatible with its modular capsule technology is under development. New investment has been secured; former Bombardier executive Rod Williams was named Chief Commercial Officer; and a Strategic Advisory Board includes former Airbus executives Tom Enders and John Leahy.

4. **British Airways, ZeroAvia in Hydrogen-Powered Aircraft Project.**

British Airways has teamed with ZeroAvia in a project to explore how hydrogen-powered aircraft can play a leading role in the future of sustainable flying. Based in London and California, ZeroAvia has secured experimental certificates for its two-prototypes, passed flight test milestones such as its successful world's first hydrogen-electric flight in September 2020, and is on track for commercial operations in 2023 with flights of up to 500-miles in up to 20-seat aircraft. By 2027, it plans to have powerplants in service capable of powering commercial flights of over 500 miles in aircraft with up to 100 seats, and by 2030 more than 1,000-miles in aircraft with 100+ seats. . . . British Airways retired the last of its 747s, four years earlier than originally planned. They are being replaced by aircraft that are 25 to 40% more fuel efficient, such as the Airbus A350 and Boeing 787.

5. **KLM Operates First Flight With Synthetic Kerosene.**

A commercial KLM flight carried passengers from Amsterdam Schiphol to Madrid in January using regular fuel mixed with 500 liters of sustainable synthetic kerosene produced by Royal Dutch Shell with carbon dioxide, water and renewable energy from sun and wind from Dutch soil. . . . Among other announcements made at the international conference on Synthetic Sustainable Aviation Fuels (SAF) in The Hague, start-up Synkero is collaborating with Port of Amsterdam, Schiphol, KLM and SkyNRG on a commercial synthetic sustainable kerosene factory in the Amsterdam port. The project seeks to link with sustainable initiatives in the North Sea Canal area, such as the establishment of a 100-megawatt hydrogen plant where up to 15,000 tons of green hydrogen can be produced with sustainable electricity. . . . Another initiative is construction of a demonstration factory for sustainable kerosene using captured CO₂ from the air as a raw material in Rotterdam. The Zenid initiative, in which Uniper, Rotterdam The Hague Airport, Climeworks and SkyNRG are participating, uses a combination of innovative technologies to focus on CO₂-neutral aviation with sustainable synthetic kerosene.

VI. U.S. CONGRESS

1. Pandemic Relief Proposal Would Extend Payroll Support Program.

A House Transportation Committee COVID-19 relief proposal to help fill out President Biden's \$1.9 trillion framework includes \$8 billion for airports, with \$800 million for concessionaires, and \$3 billion for a temporary payroll support program for aerospace manufacturers to retain or rehire workers. A provision to further extend the Payroll Support Program for airline employees through September 30, 2021 is included in reconciliation proposals.

2. Cantwell First Woman to Chair Senate Commerce Committee.

Maria Cantwell (D-WA) became the first woman to chair the Senate Committee on Commerce, Science, and Transportation. She succeeds Roger Wicker (R-MS), who now is Ranking Member. Kyrsten Sinema (D-AZ) now chairs the Commerce Aviation Safety Subcommittee; Ted Cruz (R-TX) is Ranking Member.

3. Essential Transportation Employee Safety Act Introduced in Senate.

The Essential Transportation Employee Safety Act was introduced by members of the Senate Commerce Committee. Building upon President Biden's Executive Order that mandated masks on certain modes of transportation, the legislation would require the Secretary of Transportation to work with the CDC and Federal Emergency Management Agency (FEMA) to support efforts of state and local governments to provide for priority testing of transportation workers. It would also implement personal protective equipment and disinfection and sanitization requirements for owners and operators of equipment or facilities used by certain transportation employers. The bill is endorsed by transportation labor unions.

4. Competition & Antitrust Law Enforcement Reform Act Introduced.

The Competition and Antitrust Law Enforcement Reform Act was introduced in the Senate by Democrats on the Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights. The bill would authorize increases to enforcement budgets at the Justice Department's Antitrust Division and Federal Trade Commission (FTC) "to keep pace with the growth of the economy, the steady increase in merger filings, and increasing demands on agency resources." Among other things, it would strengthen prohibitions against anticompetitive mergers, and establish a new, independent FTC division to conduct market studies and merger retrospectives. It will also implement reforms to seek civil fines for antitrust violations, study the effect of past mergers and strengthen whistleblower protections.

5. **Bill Would Protect, Restore Aerospace Supply Chain Jobs.**

The Aviation Manufacturing Jobs Protection Act of 2021 was reintroduced in the House. The bipartisan legislation establishes a temporary relief program to help cover pay, benefits and training for employees at risk of being furloughed or who were furloughed due to the pandemic. Provisions are included to restore jobs, boost labor protections and prevent use of relief funding for stock buybacks or to pay dividends.

6. **Bill Would Prevent COVID-19 Testing Mandate for Domestic Air Travel.**

Legislation was introduced in the House to prohibit the Secretary of Transportation from imposing COVID-19 testing mandates on air carriers for domestic flights. “Such a mandate would devastate the airline industry and destroy massive sectors of our recovering economy,” said Andy Biggs (R-AZ), Ranking Member of the Judiciary Subcommittee on Crime, Terrorism and Homeland Security; he also serves on the House Committee on Oversight and Reform.

7. **National Aviation Preparedness Plan Act Reintroduced in House.**

The National Aviation Preparedness Plan Act was reintroduced in the House. Building on the House-passed HEROES Act and the Healthy Flights Act of 2020, the legislation requires DOT, with the Departments of Health and Human Services (HHS), Homeland Security (DHS) and other relevant federal agencies, to develop a national aviation preparedness plan for communicable disease outbreaks. It directs DOT to work with airlines, airports, labor unions representing frontline at-risk workers, and key aviation stakeholders on a plan to, among other things, improve coordination between agencies, industries and nations for screening, testing, quarantining and contact-tracing; require that frontline employees be equipped with appropriate personal protective equipment; ensure frontline employees are appropriately considered for access to necessary vaccines and therapeutics; require aircraft, airports and other enclosed facilities to be sanitized and have appropriate protective infrastructure in accordance with public health guidelines; and identify opportunities to develop and deploy emerging technologies and solutions to reduce communicable disease transmission. It calls for a Government Accountability Office (GAO) assessment of the plan, including whether it responds to previous public health recommendations, meets the nation’s obligations under international conventions and treaties, and to what extent U.S. aviation is prepared to respond to future public health emergencies. The legislation is supported by airlines, airports and labor.

8. **Congressman Questions FAA on SEAT Act Testing Results.**

FAA Administrator Stephen Dickson was asked about results of testing mandated in the Seat Egress in Air Travel (SEAT) Act, by Steve Cohen (D-

TN), who, with Adam Kinzinger (R-IL), co-authored the bill which became law in 2018. “The testing to determine whether aircraft can be safely evacuated in the regulated minimum time permitted got under way after the bill’s mandated deadline in 2019 and the results still remain unknown,” wrote Cohen. FAA was required to report to Congress with results and recommendations for revisions to assumptions and methods for assessing evacuation certification, and to issue regulations establishing minimum dimensions for passenger seats necessary for the safety of passengers. Cohen requested “an explanation for this significant delay” and “a date in which I and the rest of my colleagues can expect the inspector’s general report to be published.” DOT Secretary Pete Buttigieg and congressional leaders were copied on the letter.

9. Sustainable Aviation Fuel Act Introduced in House.

The Sustainable Aviation Fuel Act was introduced in the House. The legislation would “incentivize the production of sustainable aviation fuel and help the aviation sector reduce carbon emissions.” It would create a blender’s tax credit for SAF linked to carbon reductions and an Investment Tax Credit to help finance new SAF facilities and infrastructure. It would authorize \$1 billion in federal funding for U.S. projects that produce, transport, blend or store SAF, and \$175 million in research funding. It would require the Environmental Protection Agency to establish an aviation-only Low Carbon Fuel Standard (LCFS), similar to California’s transportation-wide LCFS. The bill is endorsed by groups including the Environmental Defense Fund, World Wildlife Fund and the Union of Concerned Scientists.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. Brazil to Launch New Negotiations on Subsidies at WTO.

The Brazilian government is withdrawing its World Trade Organization (WTO) case against Canada and Bombardier over subsidies for the launch, development and production of the C-Series program. “After Bombardier exited the Commercial Aviation segment and transferred the C-Series program (now called A220) to Airbus, which has a second assembly line in the United States, the trade dispute against Canada at the WTO is no longer the most effective means to achieve Brazil's and Embraer's goal of reestablishing a level playing field in this sector,” said Embraer. Brazil intends “to launch negotiations for more effective disciplines on government support . . . as previously seen with the successful experience of the OECD's Aircraft Sector Understanding (ASU), signed in 2007 to regulate export credits.”

VIII. EUROPE AND AFRICA

1. United Plans New Daily Boston-London Nonstops.

United plans new, daily Boeing 767-300ER nonstops between Boston Logan and London Heathrow. “We will continue to monitor the demand recovery and travel restrictions as we finalize a start date for this service later in 2021,” said the company, which has maintained continuous service between the U.S. and London during the pandemic. Boston will be United's 19th daily flight between the United States and London Heathrow.

2. Air France-KLM Posts €7.1 Billion Loss in Net Income for 2020.

Air France-KLM posted a €7.1 billion loss in net income for year 2020. Revenue at €11.1 billion was down 59% compared to 2019. Group net employee cost was down 35%, “supported by staff reductions, state support mechanisms and activity related wages”; employee count in December 2020 decreased by 8,700 compared to December 2019. Due to the lockdown and travel restrictions, the Group anticipates a challenging first quarter 2021. “There is limited visibility on the demand recovery curve as customer booking behavior is much more short-term oriented and also highly dependent on the imposed travel restrictions,” said the company, which “will progressively ramp up capacity towards summer 2021 and expects recovery in the second and third quarter 2021 thanks to the vaccine deployment.”

3. Lufthansa Integrates Test Certificates into Digital Travel Chain.

Lufthansa Group is integrating COVID-19 test results into the digital travel chain, making travel easier in times of pandemic. A Health Entry Support Center has been set up to receive test certificates and confirmations of digital entry applications from passengers prior to flights. The option is already in place for flights from Frankfurt to Istanbul and from Newark to Frankfurt and Munich. SWISS customers will be able to use this service on the Newark to Zurich route in March. Passengers receive advance notification and a link to the portal where the relevant contact data and certificates can be stored. The documents are checked and the customer receives a confirmation by e-mail as to whether documents meet entry requirements or are not sufficient. Original certificates must continue to be carried on the trip. Depending on findings of this initiative, it is planned to enable test certificates to be sent for all flights.

4. Ryanair to Appeal Rulings on Air France, SAS State Aid.

Ryanair will appeal the EU Court of Justice decision on French and Swedish airline aid. The court said French aid for French registered airlines is

appropriate for making good the economic damage caused by the Covid-19 pandemic and does not constitute discrimination; and the loan guarantee scheme put in place by Sweden for Swedish registered airlines is intended to remedy the serious disturbance to the economy and is compatible with EU law. “Now is the time for the European Commission to stop caving in to national governments’ inefficient bail-out policies and start protecting the single market, Europe’s greatest asset for future economic recovery,” said Ryanair.

5. Air Namibia Ceases Operations.

Air Namibia ceased operations, effective February 11. The Namibian government said the demise of the flag carrier is a result of the COVID-19 pandemic. . . . In other news from Africa, United Nigeria received its Air Operators Certificate from the Nigerian Civil Aviation Authority and began operations between Lagos, Abuja, Enugu and Asaba.

6. Emirates Resumes Flights to Newark via Athens.

See Section IX, item 2.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. American Airlines to Begin Miami-Tel Aviv Nonstops in June.

American Airlines will begin three weekly Boeing 777-200 services from Miami to Tel Aviv on June 4, and also recently announced service from New York Kennedy to Tel Aviv.

2. Emirates Resumes Flights to Newark via Athens.

Emirates will resume daily Dubai-Athens-Newark Boeing 777-300ER flights on June 1, bringing the airline's U.S. network to 10 destinations following resumption of service to Seattle, Boston, Chicago, Houston, Los Angeles, New York JFK, Washington DC, Dallas and San Francisco (to resume on March 2).

3. Etihad Resumes Flights to Qatar.

Etihad Airways resumed service to Qatar, operating daily Airbus A320 and Boeing 787-9 flights. . . . Etihad and Gulf Air announced a strategic cooperation agreement, with expanded code sharing on flights beyond Abu Dhabi and Bahrain and enhanced reciprocal frequent flyer benefits.

4. HNA Group Begins Bankruptcy Proceedings.

Creditors filed for China's HNA Group to be placed into bankruptcy and restructuring amid embezzlement charges and huge losses, and the company said it will comply with court instructions, promote debt disposition, protect legal rights and interests of creditors, "and safeguard our normal business to be operated successfully." Affiliates placed in reorganization include Grand China Air, Air Changan, Lucky Air, Fuzhou Airlines, Urumqi Air and GX Airlines. The group's chief carrier, Hainan Airlines, is operating normally, reported Reuters, and is "negotiating to bring in strategic investors."

X. AMERICAS

1. American Reports \$8.9 Billion Net Loss for 2020.

American Airlines reported fourth quarter revenue of \$4 billion, down 64% year over year; full-year net loss was \$8.9 billion.

2. JetBlue, American Launch First Phase of Northeast Alliance.

JetBlue and American Airlines launched the first phase of their Northeast Alliance, which will include code sharing on 80 routes and introduce 33 new routes. The alliance was approved on January 10, 2021 by the previous Administration without public comment; Spirit Airlines filed a Complaint with the DOT Office of Consumer Protection requesting an on the record review of competition issues raised by the carriers' agreements; the new Administration said it is determining whether a new review is needed. . . . JetBlue pilots rejected a tentative agreement that would have given the company contractual relief in order to implement its full partnership with American. The union asked for "acceptable assurances that our jobs are safe and valued for years to come." Scope clauses in a 2018 agreement restrict code share and joint venture arrangements. The tentative agreement gave some relief from these limits with respect to the American Airlines partnership for the next 10 years in exchange for an additional pay raise and enhancement in job security.

3. Delta Resumes New York-Sao Paulo Service.

Delta resumed flights between New York Kennedy and Guarulhos International in Sao Paulo, operating four times weekly with Boeing 767-400 aircraft. The schedule remains subject to change due to the evolving nature of COVID-19, customer demand and government travel regulations. . . . Delta is testing digital concierge, which aims to "guide customers seamlessly through booking, COVID-test scheduling and document verification, all available via Delta channels. Delta shares current travel requirements with customers based on destination booked, provides them with available test scheduling options and automatically validates test results. . . . Delta launched a pilot with CLEAR Health Pass for passengers traveling from Los Angeles to Honolulu on one flight per day to better understand how the tool can be used to speed up customer re-entry into the U.S. Participation in the pilot is optional.

4. Frontier to Open Crew Bases in Tampa, Atlanta.

Frontier will open a crew base at Tampa International in May, with an initial 250 flight attendants and 140 pilots. A crew base at Hartsfield-Jackson Atlanta will open in late 2021. "With our low-cost structure and focus on leisure travel, Frontier is exceptionally well positioned to increase operations this year and

continue to expand in these two growing markets,” said President and CEO Barry Biffle. The airline has 150 new Airbus planes on order.

5. **Allegiant to Add 34 New Nonstops.**

Allegiant announced 34 new nonstop routes to begin this spring and summer, with introductory one-way fares as low as \$39; 21 new routes were announced in January. . . . Allegiant reported fourth quarter revenue of \$247 million, up 85% from Q2. “We still have a long road ahead to a full recovery, but we are gaining momentum and moving in the right direction,” said Chairman and CEO Maurice Gallagher. “Improvements observed in the fourth quarter coupled with the vaccine rollout suggest recovery is on the horizon. Furthermore, our internal weekly tracking surveys indicate customer travel intention has been improving for the last several weeks. Our 100 percent domestic network focusing on the leisure traveler and predicated around a low cost, low utilization model positions us favorably for a quick recovery.”

6. **Air Canada Cuts Jobs, Routes.**

Air Canada temporarily cut at least 1,500 jobs and suspended international routes, including flights to New York, Boston, Washington, D.C., Seattle, Denver and Fort Myers. Air Canada Rouge operations were halted. . . . The Canadian government approved Air Canada's plans to acquire Transat but the sale has not been approved by the European Commission, which has requested additional information. Because the February 15 deadline for completion of the transaction has passed, and approval of the Commission is still outstanding, “either party has the ability of terminating the agreement upon simple notice.”

7. **United Plans New Daily Boston-London Nonstops.**

See Section VIII, item 1.

8. **American Airlines to Begin Miami-Tel Aviv Nonstops in June.**

See Section IX, item 1.

9. **Emirates Resumes Flights to Newark via Athens.**

See Section IX, item 2.