



WASHINGTON AVIATION SUMMARY

SEPTEMBER 2021 EDITION

CONTENTS

I.	REGULATORY NEWS	1
II.	AIRPORTS	5
III.	SECURITY AND DATA PRIVACY	7
IV.	TECHNOLOGY AND EQUIPMENT	9
V.	ENERGY AND ENVIRONMENT	11
VI.	U.S. CONGRESS	13
VII.	BILATERAL AND STATE DEPARTMENT NEWS	14
VIII.	EUROPE/AFRICA	15
IX.	ASIA/PACIFIC/MIDDLE EAST	17
X.	AMERICAS	18

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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. Civil Reserve Air Fleet Supports Afghanistan Evacuation.

With an August 31 deadline to complete the American withdrawal from Afghanistan and the Taliban in control of the country, the U.S. Department of Defense (DOD) activated the Civil Reserve Air Fleet (CRAF) to aid in the evacuation of U.S. citizens and personnel, Special Immigrant Visa applicants, and other at-risk individuals. While military aircraft handle operations in and out of Kabul, 18 civil aircraft — three each from American, Atlas Air, Delta and Omni; two from Hawaiian; and four from United — provide onward movement of passengers from temporary safe havens and interim staging bases. Alaska Airlines, Southwest and Eastern Airlines are assisting as well. European allies also accelerated evacuation efforts and airlines such as Lufthansa provide onward airlift. . . . CRAF is a voluntary program involving the Department of Transportation (DOT), DOD and the U.S. civil air carrier industry to augment DOD aircraft capability during a crisis. Airlines volunteer their aircraft through contractual agreements with U.S. Transportation Command (USTRANSCOM), and in return are given preference in carrying commercial peacetime cargo and passenger traffic for DOD. This is the third CRAF activation since its inception in 1951. The first occurred in support of Operations Desert Shield/Storm (August 1990 to May 1991), and the second was for Operation Iraqi Freedom (February 2002 to June 2003).

Reported intelligence about a terrorist attack on the airport proved true, when, on August 26, a suicide bomber killed 13 U.S. service members and at least 170 others. ISIS-K, the Afghan affiliate of the Islamic State, claimed responsibility. Though the White House believes another terror attack is likely, crowds continued to try to access the airport and evacuation flights resumed. By August 27, said DOD, 111,000 people — American citizens, Afghan allies and foreign nationals — had been evacuated.

Hamid Karzai International Airport is locked down and Kabul airspace, which served major traffic flows between Europe and Asia, is without civilian Air Traffic Service, said the International Air Transport Association (IATA). The International Civil Aviation Organization (ICAO) Coordinated Contingency Coordination Team (CCT) was activated, combining resources of ICAO and IATA, all affected States and Eurocontrol. Nearby countries can accommodate additional traffic, but while these alternative routes support safe and secure operations, they have time, operational and fuel impacts on airlines.

2. FAA Fines Against Unruly Passengers Reach \$1 Million This Year.

The Federal Aviation Administration (FAA) proposed another \$531,545 in civil penalties against 34 airline passengers for alleged unruly behavior, bringing the 2021 year-to-date total to more than \$1 million. Of about 3,889 unruly passenger reports year-to-date, some 2,867 were due to non-compliance with the federal facemask mandate. The largest fines were \$45,000, \$42,000 and \$32,500; these incidents involved an emergency landing, a flight diversion and a return to gate, respectively. FAA does not put passengers on no-fly lists, but they can be banned by individual carriers. . . . As alcohol contributes to a large number of these incidents, FAA Administrator Steve Dickson asked airport managers to help bring awareness to the prohibition on passengers carrying open alcohol onboard flights “through signage, public service announcements and concessionaire education.” . . . American Airlines extended its suspension of alcohol sales in the main cabin until January 18, to align with the extension of the federal mask mandate; alcoholic drinks are available in first class. Southwest also suspended alcohol sales. . . . Over 85% of respondents to an online survey of 5,000 flight attendants, across 30 airlines, dealt with unruly passengers in first half 2021; 58% experienced at least five incidents, and 17% experienced a physical incident. The survey was conducted by Association of Flight Attendants-CWA, AFL-CIO (AFA), which urged the Department of Justice “to utilize existing statute to conduct criminal prosecution, and implement a series of actions proposed by our union to keep problems on the ground and respond effectively in the event of incidents.” AFA said 71% of flight attendants who filed incident reports with airline management “received no follow-up and a majority did not observe efforts to address the rise in unruly passengers by their employers.” AFA encourages members to participate in Crewmember Self Defense Training classes, offered by the Transportation Security Administration (TSA) free of charge at 24 U.S. locations.

3. COVID Updates: Face Mask Requirement Extended to January 18, 2022.

With the Delta variant causing a surge in COVID-19 cases, TSA extended the federal face mask mandate to January 18, 2022 for all transportation networks including airports and commercial aircraft. The rule previously was to expire September 13. Centers for Disease Control and Prevention (CDC) has an open-ended requirement for wearing a mask on planes and in airports.

IATA commended the European Commission for its leadership and speed in delivering the EU Digital COVID Certificate (DCC) and urged states to make it their global standard. Travelers can upload the EU DCC and UK NHS COVID Pass into IATA Travel Pass as verified proof of vaccination and access accurate COVID-19 travel information for their journey, create an electronic version of their passport and import their vaccination certificate in one place. This can be

shared with airlines and border control authorities. IATA urged the World Health Organization (WHO) to revisit its work to develop a global digital vaccine standard.

CDC is collaborating with XpresCheck and Ginkgo Bioworks to conduct biosurveillance monitoring among international travelers, initially from India, at New York Kennedy, Newark Liberty and San Francisco International. The pilot program aims to identify existing and new SARS-CoV-2 variants.

Congressional Republicans introduced legislation that would prohibit COVID-19 federal mask mandates on public transportation, regardless of vaccination status, and ensure no use of taxpayer funds to enforce any federal mask mandate in response to COVID-19.

The U.S. reportedly plans to require foreign visitors to be vaccinated. At this time, all inbound air passengers, including U.S. citizens, are required to have a negative test result or documentation of recovery.

United will require employees in the U.S. to be vaccinated against COVID-19 by October 25. Frontier requires same by October 1 and Hawaiian by November 1. Delta will require unvaccinated employees to pay a \$200 monthly surcharge for company-provided health insurance, and to be tested weekly.

Hawaii's governor asked visitors to limit travel to the islands to essential activities, at least through October, to stem the surge in COVID cases.

Canada allowed fully vaccinated American citizens entry as of August 9; other fully vaccinated foreign nationals can enter as of September 7. Canada will require all employees in the air, rail, and marine transportation sectors to be vaccinated by the end of October, and "will engage with key stakeholders, including bargaining agents and transportation sector operators, as we plan for the implementation of these initiatives."

4. IATA: Blocked Airline Funds Could Slow Recovery

IATA urged governments to abide by international agreements and treaty obligations to enable airlines to repatriate close to \$1 billion in blocked funds from the sale of tickets, cargo space and other activities. Approximately \$963 million in airline funds are being blocked from repatriation in nearly 20 countries. Four countries — Bangladesh (\$146.1 million), Lebanon (\$175.5 million), Nigeria (\$143.8 million) and Zimbabwe (\$142.7 million) — account for over 60% of this total, although there has been progress in reducing blocked funds in Bangladesh and Zimbabwe. An unresolved \$4 billion in airline revenues blocked

in Venezuela is not included in IATA's tracking. "We encourage governments to work with industry to resolve the issues that are preventing airlines from repatriating funds. This will enable aviation to provide the connectivity needed to sustain jobs and energize economies as they recover from COVID-19," said IATA Director General Willie Walsh.

5. Jennifer Homendy Sworn in as Chair of NTSB.

Jennifer Homendy was sworn in as 15th Chair of the National Transportation Safety Board (NTSB). Acting Chair Bruce Landsberg returned to his position as Vice Chairman. Homendy joined NTSB in 2018, after 14 years as Democratic Staff Director of the House Subcommittee on Railroads, Pipelines, and Hazardous Materials. . . . NTSB recommended that FAA, National Weather Service and the airline industry act to reduce turbulence-related injuries, including improving turbulence encounter reporting and turbulence forecasting. A recent study revealed that more than one-third of all Part 121 accidents in the U.S. involving a serious injury are caused by turbulence, making it the most prevalent type of air carrier accident. Flight attendants account for nearly 80% of injuries because they are up and about without benefit of a seat belt. Most injuries occurred below 20,000 feet in the vicinity of thunderstorms.

II. AIRPORTS

1. FAA Awards \$766 Million to Airports

FAA awarded more than \$766 million to 279 airports in the fifth round of FY 2021 Airport Improvement Program (AIP) grants. They include \$12.2 million to Baltimore/Washington International for the first phase of moving a taxiway to meet current FAA design standards; and \$10.6 million to Louisville Muhammad Ali International to install a geothermal system that will heat and cool the 400,000 square foot terminal building. Airports across Alaska will receive a total of \$85 million, including \$7.3 million for Anchorage International. The AIP receives \$3.2 billion in funding each year.

2. Restructured Agreement for \$3.9 Billion JFK Terminal 6 Approved.

Port Authority of New York and New Jersey approved a restructured agreement with JFK Millennium Partners (JMP) for a new \$3.9 billion Terminal 6 at New York Kennedy; a plan to break ground in 2020 was delayed by the pandemic. Costs will be privately financed by JMP, a consortium comprised of JetBlue, Vantage Airport Group, American Triple I (ATI) and RXR Realty. The new terminal will connect to JetBlue's Terminal 5 and have capacity for ten new gates. JetBlue said it will keep its headquarters in Queens, rather than moving to Florida, which had been considered. The new 1.2 million square foot terminal will be built on sites of the former Terminal 6, which was demolished in 2011, and aging Terminal 7, which will be torn down after British Airways relocates to Terminal 8. Port Authority capital funding of \$130 million was authorized for enabling infrastructure for the Terminal 6 project, including airside and utility improvements. Groundbreaking anticipated in 2022; first new gates to go live in 2025.

3. Proposed Newark Liberty AirTrain Wins FAA Environmental Approval.

FAA issued a Final Environmental Assessment (EA) for the proposed \$2.05 billion AirTrain replacement at Newark Liberty, with a Finding of No Significant Impact/Record of Decision, based on a review of 17 areas of assessment. Construction is scheduled to begin in mid-2022, with new service set to start in 2026. AirTrain Newark will be a 2.5-mile elevated guideway train system. It will replace the existing AirTrain, which opened in 1996 and was extended in 2001 and is vulnerable to frequent breakdowns and delays. Other Newark Liberty capital projects underway include a new \$2.7-billion Terminal A. . . . In July, FAA issued a record of decision for a LaGuardia AirTrain following environmental review, and Port Authority has released a short list of four teams in the project procurement.

4. Mauka Concourse at Honolulu Airport Opens.

The new Mauka Concourse at Honolulu Daniel K. Inouye International has opened. The two-story extension to Terminal 1 adds 11 new gates, which can accommodate narrow and widebody aircraft, and six new TSA lanes. The \$270 million, 230,000 square foot Concourse is part of Hawaii's \$2.6 billion airport modernization project. It was financed by bond sales and passenger facility charges.

5. Amazon Air Opens CVG Cargo Hub, Plans Newark Expansion.

Amazon Air began operations at Cincinnati/Northern Kentucky International (CVG). The \$1.5 billion facility, which will serve as the company's main U.S. hub, includes an 800,000 square foot sortation building, aircraft parking and a multi-story vehicle parking structure. Separately, Port Authority of New York and New Jersey authorized a 20-year lease with Amazon Global Air at Newark Liberty, subject to final negotiation. Amazon will transform two existing structures into a new \$125 million air cargo campus; no Port Authority capital funding required. Amazon Air has 40 locations in the U.S. and a European hub at Germany's Leipzig/Halle Airport.

6. FedEx Adds Paine Field Service.

FedEx Express will expand its Seattle-area operations this fall with a daily Boeing 757 flight from Memphis to Paine Field Snohomish County Airport. FedEx will occupy a 19.24-acre, 68,745 square foot facility, with ability to add gates. Alaska and United also operate from the Everett facility.

7. India to Monetize 25 Airports.

India plans to monetize 25 airports managed by Airports Authority of India (AAI) through public-private partnerships over the next four years. Also being considered is divestment of AAI's stake in private sector operated airports in Mumbai (26 %), Delhi (26%), Hyderabad (13%) and Bangalore (13%). AAI manages 24 international and 103 domestic airports.

III. SECURITY AND DATA PRIVACY

1. **TSA Update.**

Transportation Security Administration screened 1,826,310 travelers at U.S. airport checkpoints on Thursday, August 26, compared to 721,060 on same weekday 2020 and 2,561,109 same weekday 2019. . . . On August 27, TSA confirmed it had 683 employees with active COVID-19 infections. TSA cumulatively has had 9,632 federal employees test positive for COVID-19; 21 died, as did one screening contractor.

2. **Biometric Self-Boarding E-Gate Tested at Newark.**

A biometric self-boarding e-gate was tested at Gate 62 of Terminal B at Newark Liberty and will be assessed for potentially wider implementation. Port Authority is working with partners EASIER and Idemia, who manufacture the hardware and software, respectively, and Lufthansa, which has integrated the e-gate into its departure control system. Instead of requiring passengers to wait while an attendant scans boarding passes and passports, the passenger's face is scanned at the e-gate and if cleared to board the gates open automatically. U.S. Customs and Border Protection (CBP) cross-references images. The biometric picture taken before boarding must match the images in CBP's database, which all passport holders have already entered. Once CBP sends confirmation, the airline deletes all scans within 12 hours. Trials at a biometric Delta terminal at Atlanta International found that the system saves up to nine minutes per flight. Port Authority plans a phased approach in implementing biometric scanners, first at international gates and then throughout Terminal B.

3. **DOT IG: FAA Air Traffic Organization Security Risks Remain.**

The DOT Office of Inspector General (OIG) found that some security risks remain for FAA's Air Traffic Organization (ATO), which is responsible for providing safe and efficient air navigation services in U.S. controlled airspace. ATO provides air navigation services in over 17% of the world's airspace and includes large portions of international airspace over the Atlantic and Pacific Oceans and the Gulf of Mexico. Until recently, FAA ATO had never applied the high-impact security categorization rating to any of its information systems. While many of these systems provide safety-critical services and would have adverse high impact to FAA's mission in the event of system failure, and on the safety and efficiency of the National Airspace System (NAS), FAA categorized all of them as low or moderate. Given the importance of ATO's information systems to air traffic control security and traveler safety, the IG initiated the audit to assess FAA's information system categorization process and security controls that FAA has selected for the systems it recently re-categorized as high

impact. Due to the security sensitivity of OIG's findings, much of the report is redacted. In general, the audit found that FAA is taking steps to properly categorize high-impact information systems. OIG cautioned that security risks will remain until high security controls are fully implemented. FAA concurred with OIG's recommendations.

IV. TECHNOLOGY AND EQUIPMENT

1. Delta, Travelport Sign Multi-Year Agreement.

Delta signed a multi-year content distribution agreement that gives Travelport-connected travel buyers “access to Delta’s enriched content through the Travelport+ platform with enhanced retailing capability to better understand, compare and customize offers for travelers.”

2. United, Fareportal Sign Three-Year Agreement.

Under a new three-year agreement, Fareportal will offer additional United Airlines "Travel Options" products, which provide “an enhanced shopping path with access to bundled products and services to create a complete travel experience.” Fareportal powers online travel agencies CheapOair and OneTravel. Fareportal launched Economy Plus Seating with the airline in 2015 and rolled out United’s new distribution capability (NDC) in 2020, which gave travelers access to the airline's retail platform within CheapOair's online ecosystem.

3. Emirates Enhances NDC Offers with Routehappy Content.

Emirates has partnered with ATPCO to enhance its NDC offers with Routehappy Content, “enabling a more bespoke shopping experience for travel agents and corporate shoppers who use Emirates Gateway.”

4. DHL Express Orders All-Electric Cargo Planes.

DHL Express ordered 12 fully electric Alice eCargo planes from Seattle-area based Eviation, with delivery expected in 2024. Alice can be flown by a single pilot and will carry 2,600 lbs. It will require 30 minutes or less to charge per flight hour and have a maximum range of up to 440 nautical miles. Alice will operate in all environments currently serviced by piston and turbine aircraft. Advanced electric motors have fewer moving parts to increase reliability and reduce maintenance costs, and operating software constantly monitors flight performance to ensure optimal efficiency. The aircraft is ideal for feeder routes and requires less investment in station infrastructure. The Alice can be charged while loading and unloading operations occur, ensuring quick turnaround times that maintain DHL Express' tight schedules. The logistics company plans to build several zero emission Alice feeder networks in the U.S., most likely starting in California.

5. Azul Plans to Build eVTOL Network in Brazil.

Azul is planning a strategic partnership with Lilium to build an electric vertical take-off and landing (eVTOL) network in Brazil. The potential commercial

arrangement has a total value of up to \$1 billion and includes a fleet of 220 Lilium eVTOL aircraft expected to start operating in 2025.

6. Embraer-Backed Eve to Roll Out eVTOL Air Taxi Networks.

Eve Urban Air Mobility, an Embraer company, and Ascent Flights Global aim to develop an Urban Air Mobility (UAM) ecosystem in the Asia Pacific region. Beginning in 2026, Eve will provide Ascent with up to 100,000 hours of flight time per year on its eVTOL aircraft, also known as EVA (Electrical Vertical Aircraft), for use in key cities such as Bangkok, Manila, Melbourne, Singapore and Tokyo, subject to parties entering into definitive final agreements. Eve plans to deploy up to 100 aircraft to be marketed by Ascent, which acts as an independent on-demand platform. . . . Eve signed a Memorandum of Understanding with Fahari Aviation, the unmanned aircraft systems (UAS) division of Kenya Airways, to deliver a strategy to provide a sustainable, accessible and affordable transportation option. It is estimated that using UAM from the airport to downtown, EVA can reduce conventional road trips by up to 90% turning an hour and a half ride into a 6-minute flight.

7. Carlyle Aviation Completes Acquisition of Fly Leasing

Carlyle Aviation Partners completed a \$2.36 billion acquisition of Fly Leasing, with receipt of regulatory approval from government authorities required by the merger agreement and approval by FLY's shareholders. Fly Leasing has a fleet of 84 aircraft, with value of \$2.5 billion, leased to 37 airlines in 23 countries. AirAsia Group received gross proceeds of \$56.83 million from the merger, having acquired a 10.94% stake in Fly Leasing in 2018 in a divestment of aircraft leasing operations.

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

The average price of aviation jet fuel on August 13 was \$77/barrel, down 2.3% on the month and up 70.7% compared to a year ago, reports IATA. Jet fuel price average for 2021 was \$71.6/barrel.

2. FAA Awards \$20.4 Million to Reduce Airport Emissions.

FAA awarded \$20.4 million in grants to reduce emissions and improve air quality at U.S. airports. The grants are 100% funded by FAA. The White House and federal agencies, including the Energy and Agriculture Departments, FAA and NASA, plan to hold a virtual roundtable with public and private sectors leaders on the path to decarbonizing the aviation sector. The event will emphasize the importance of collaboration across government and industry to put aviation on a pathway to net zero emissions by 2050 in line with broader climate commitments of the Biden Administration.

3. Japan, Boeing Collaborate on Airframe Noise Reduction.

The Japan Aerospace Exploration Agency (JAXA) has set up joint research structures to facilitate development of airframe noise reduction technology, with an eye toward validation using a medium size passenger aircraft with around 200 to 400 seats. While continuing collaboration with Japanese manufacturers, JAXA will also work with Boeing to develop a plan for validation by a flight test. JAXA plans to identify design concepts for noise reduction devices by March 2022, followed by development of the devices for a flight test and evaluation plans.

4. Congress Considers Legislation to Establish SAF Tax Credit.

As the Senate and House consider new legislation to establish a tax credit for sustainable aviation fuel (SAF) this year, several organizations asked that it be based on the most updated and accurate science-based lifecycle carbon assessment (LCA) methods. “Without a sound LCA as its basis, a SAF tax credit will be significantly less effective in driving investment in new fuels and reducing aviation emissions,” wrote the American Farm Bureau Federation, Growth Energy, National Biodiesel Board, National Corn Growers Association, National Farmers Union and Renewable Fuels Association, whose members “are poised to produce SAF or sustainable feedstocks for SAF [or] looking to work toward participation in the full value chain in the relatively near future.” They requested that the Department of Energy (DOE) be the lead agency in establishing a regularly updated LCA for any SAF credit, as “ICAO methodology does not use the most comprehensive modeling approaches or most recent data for some

important SAF production pathways, with some data more than a decade old. Therefore, carbon intensity estimates under ICAO for some SAF pathways are inaccurate and inappropriately penalized.” The letter was addressed to Senate Finance Committee Chairman Ron Wyden and Ranking Member Mike Crapo, and to House Ways & Means Chairman Richard Neal and Ranking Member Kevin Brady, who were asked to “consider establishing or directing a clear baseline emissions value for petroleum-based aviation fuel, informed by the most recent science and data.”

VI. U.S. CONGRESS

1. DeFazio Supports FAA on Response to Unruly Passengers.

In an August 6 letter to FAA Administrator Stephen Dickson, House Transportation Committee Chair Peter DeFazio (D-OR) supported a strong federal response to the rise in air rage incidents — 628 investigated year-to-date. He urged appropriate action to ensure that airline workers can easily report air rage incidents and other inappropriate conduct among passengers, a continued zero-tolerance policy regarding enforcement of prohibitions on interference with crewmembers and other unruly conduct, and use of “every tool at your disposal to protect passengers and crew.” He asked that FAA provide the number of additional safety inspectors needed to handle the enforcement caseload; and any additional authorities or tools needed from Congress to make the prohibition on interference with crewmembers easier to enforce. Noting concerns that judicial authorities could take an unreasonably narrow view of the meaning of “interference,” DeFazio asked for suggestions regarding appropriate statutory changes. “Aircrews and the flying public should not pay the price if a single administrative judge establishes a bad precedent based on a restrictive reading of the statutes and regulations.” He also wrote: “It would be naïve to ascribe all such incidents to the mask mandate; we may be seeing the reemergence of a spate of air rage incidents that plagued the airlines in the late 1990s and early aughts, the causes of which were as varied as the circumstances themselves.”

2. Bill Would Help DOD Pilots Qualify for Civilian Pilot Licenses.

A bill that would require FAA to modify existing regulations so that DOD civilian pilots who receive the same training, instruction and qualifications as active-duty, reserve and national guard counterparts receive the same treatment, with respect to FAA recognition of pilot ratings, was introduced by Alabama Congressman Mo Brooks. “It is unjust to force DOD civilian pilots to pay out-of-pocket (which can easily exceed \$20,000) in order to qualify for FAA pilot’s license and/or type rating when they have proven to be as competent flying their aircraft as other military pilots,” said Brooks.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. U.S., China Spar over China's "Circuit Breaker" Policy.

DOT limited each of four Chinese carriers — Air China, China Eastern, China Southern and Xiamen — to 40% capacity over four weeks. The move was in retaliation to limits imposed by Civil Aviation Authority of China (CAAC) on United Airlines flights, allegedly because five United passengers who traveled from San Francisco to Shanghai tested positive for COVID-19. DOT said China's "circuit breaker" policy violates the air services agreement between the two nations. China's action also places undue culpability on carriers with respect to travelers that test positive for COVID-19 after their arrival in China, said DOT, adding that carriers have no means to independently verify positive test results alleged by Chinese authorities and there is no way to establish where or when a traveler may have contracted the virus. DOT said it is fully prepared to revisit the action, "should CAAC adjust its policies to bring about the necessary improved situation for U.S. carriers."

VIII. EUROPE AND AFRICA

1. Delta Resumes UK Service for Vaccinated Travelers.

Delta will restart Seattle and Detroit service to London Heathrow in October, and double flights to twice daily from New York Kennedy. Customers must provide proof of vaccination and a negative test taken within three days of departure take a test after arrival and, to re-enter the U.S., provide proof of a negative test. Delta and joint venture partner Virgin Atlantic offer a combined 43 weekly flights, operated in conjunction with KLM and Air France. . . . Delta launched an Air+Rail program in partnership with Thalys high-speed trains between Amsterdam Schiphol and Brussels and Antwerp; journey times are just over an hour. The Netherlands and Belgium are open to all U.S. travelers.

2. JetBlue Begins New York to London Service.

JetBlue entered the transatlantic market with daily nonstop service between New York Kennedy and London Heathrow, to increase to four times weekly in September on Airbus A321 Long Range (LR) aircraft. Flights between New York and London Gatwick start September 29, and London service from Boston is planned to start next summer.

3. Lufthansa Sees First Positive Cash Flow Since Start of Pandemic.

Lufthansa generated a positive cash flow in second quarter, the first since the beginning of the pandemic. "The fact that more than 30,000 colleagues have left us in the process so far hurts us all, but is unavoidable to sustainably save the more than 100,000 remaining jobs," said CEO Carsten Spohr. . . . Germany is selling some of its 20% stake in Lufthansa. The investment was part of government stabilization measures as the pandemic wore on.

4. ITA to Succeed Alitalia on October 15.

Alitalia ceased selling tickets for flights from October 15, when flag carrier operations will be assumed by Italia Trasporto Aereo (ITA), which has received its air operator certificate and has begun selling tickets.

5. PLAY Applies for Permit to Fly to U.S.

Reykjavík-based PLAY applied to DOT for authority to operate scheduled and charter Airbus A321 services from and via Iceland to the United States in 2022. PLAY flies from Keflavik to Alicante, Barcelona, Berlin Brandenburg, Copenhagen, London Stansted, Paris Charles de Gaulle and Tenerife. CEO Birgir Jónsson, COO Arnar Magnússon and other executives were with former Icelandic carrier WOW Air.

6. Spanish Startup World2Fly Wins DOT Approval for U.S. Routes.

Mallorca startup, World2Fly, won DOT approval to operate scheduled and charter flights to the U.S. The leisure carrier, which flies Airbus A350-900s from Madrid to Punta Cana, Cancun and Havana, was founded by Iberostar, which owns hotels in cities worldwide, including Miami and New York.

7. SAA, Comair to Resume Operations in September.

South African Airways (SAA) received a renewed operating license and confirmed that flights will begin on September 23, initially from Johannesburg to Cape Town, Accra, Kinshasa, Harare, Lusaka and Maputo, with more destinations added “in response to market conditions.” Interim CEO is Thomas Kgokolo. . . . Comair suspended flights in July but intends to fly again as of September 1. The airline operates kulula.com. Flights operated for British Airways resume November 30.

8. Emirates Ramps up Operations.

See Section IX, item 2.

9. Etihad, Ethiopian to Provide P2F Conversions with Israel.

See Section IX, item 3.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. Singapore Begins Los Angeles-Taipei Service.

Singapore Airlines (SIA) began three times weekly Airbus A350-900 flights from Los Angeles International to Taiwan, bringing its U.S. service to nearly half of pre-COVID frequency.

2. Emirates Ramps up Operations.

Emirates has resumed passenger services to 120 destinations, recovering close to 90% of its pre-pandemic network. In August, Emirates added capacity on its four weekly services to New York Kennedy and additional frequencies to Houston, Boston and San Francisco. By October, the airline will increase UK services to 73 weekly, including six daily to London Heathrow; double daily A380 flights to Manchester, 10 weekly to Birmingham and daily to Glasgow. . . . Emirates signed a code share agreement with Azul for flights operated by Azul from eight cities in Brazil to Emirates flights from Sao Paulo (GRU) to Dubai and beyond. Emirates operates five weekly Boeing 777-300ER flights to Sao Paulo. . . . Emirates and Aeromar entered into an interline partnership for service to and from cities in Mexico and Texas via Mexico City to Barcelona and Dubai. Emirates flies four times weekly to Dubai via Barcelona. Aeromar flies to 19 domestic cities and to Texas (Laredo and McAllen) with a fleet of 10 ATR 42 and 72 aircraft, of which nine are new generation series -600. . . . Emirates and Airlinck expanded their partnership into a unilateral code share agreement, which “provides connectivity to Emirates customers not offered by any other carrier in Africa, and augments the long-standing partnership that Emirates has with South African Airways.” Customers travelling to South Africa can transfer from Johannesburg, Cape Town and Durban to domestic points and points across Southern Africa.

3. Etihad, Ethiopian to Provide P2F Conversions with Israel.

Etihad Engineering signed a strategic partnership with Israel Aerospace Industries (IAI) to provide Passenger to Freighter (P2F) conversions on Boeing 777-300ERs, their first cooperation agreement. . . . IAI also signed an agreement with Ethiopian Airlines to establish a conversion site in Addis Ababa for Boeing 767-300 passenger aircraft. IAI also operates conversion sites at Ben Gurion and in Mexico for that aircraft.

X. AMERICAS

1. Delta Orders 30 Additional Airbus A321neos.

Delta is converting purchase rights for 30 A321neo aircraft into firm orders under existing agreement with Airbus. This follows a similar transaction in April, when Delta and Airbus converted 25 A321neo purchase rights into firm orders and added 25 incremental A321neo options. Delta has purchase rights for an additional 70 A321neos. Delta expects to take delivery of its first A321neo in first half 2022, with deliveries continuing through 2027. With seating for 194 customers, they will be deployed across the domestic network. . . . SkyWest announced an agreement with Delta to buy and operate 16 new Embraer E175s under a multi-year capacity purchase agreement. The 76-seat aircraft will be placed into service in 2022. SkyWest expects the new E175s will replace 16 SkyWest-owned or financed CRJ900s currently under its Delta contract, with expirations ranging from second half 2022 to early 2023. With a fleet of 450 aircraft, SkyWest operates through partnerships with United, Delta, American and Alaska, carrying more than 21 million passengers in 2020 and 43 million in 2019. Chip Childs is President and CEO of SkyWest.

2. American to Acquire Stake in JetSMART.

American intends to acquire a minority ownership stake in, and code share with, JetSMART, an ultra-low-cost carrier that operates from Chile and Argentina. JetSMART operates 20 Airbus A320-family aircraft, with an order for another 79, and serves 33 destinations. American and Indigo Partners would jointly fund potential future opportunities in the region. Phoenix-based Indigo is also an investor in Wizz Air, Frontier, Volaris, Cebu Pacific and Canadian startup Enerjet. JetSMART CEO is Estuardo Ortiz. Investments and code share agreements subject to definitive documentation and governmental and regulatory approvals. . . . Pilots at American Airlines affiliate Piedmont reached a tentative agreement that would provide competitive pay, benefits and career progression opportunities.

3. Southwest Trims Schedule to Solve Operational Problems.

Southwest addressed operational problems by trimming the September and October schedules. “We’re confident these adjustments will create a more reliable travel experience,” Chairman and CEO Gary Kelly said, apologizing to customers “whose journey with us fell short of their expectation this summer.” The airline is “aggressively” hiring and offering incentives for employee referrals Southwest and International Association of Machinists and Aerospace Workers (IAM) reached a tentative agreement for the airline’s 5,000 customer service employees.

4. **Allegiant to Expand Routes, Add Aircraft, Crew Bases.**
Allegiant announced 22 new nonstop routes, expanding service in 25 U.S. cities, with one-way fares as low as \$39. . . . The Las Vegas-based carrier plans to establish new aircraft and crew bases during first quarter 2022 at Flint Bishop International in Michigan and Appleton International in Wisconsin.
5. **Richard Trumka Dies, Succeeded by First AFL-CIO Female President.**
Association of Flight Attendants paid tribute to AFL-CIO President Richard Trumka upon his death, saying, “the very best way to honor Rich’s legacy is to fight back stronger than ever for American workers.” Trumka was succeeded by Liz Shuler, the first woman to lead the AFL-CIO, and “a staunch advocate for workers,” said Air Line Pilots Association, “dedicated to ensuring unprecedented union growth in U.S. workplaces and committed to increasing diversity and equity in our country’s workforces.” Fred Redmond was named AFL-CIO Secretary-Treasurer, the first African-American to hold that office.
6. **Eastern Enters Cargo Market With Acquisition of 35 B777s.**
Eastern Airlines (EAL) announced its entrance into the cargo market with the acquisition of 35 B777 aircraft. EAL will convert most of the B777 into Class-E cargo aircraft in the first-of-its kind Passenger-to-Freighter conversion for its aircraft. Eastern Air Cargo is due to enter service in Q1 2022 and will offer general cargo sales, cargo charters, ACMI/wet-leasing, and dry leasing.
7. **Delta Resumes UK Service for Vaccinated Travelers.**
See Section VIII, item 1.
8. **JetBlue Begins New York to London Service.**
See Section VIII, item 2.
9. **PLAY Applies for Permit to Fly to U.S.**
See Section VIII, item 5.
10. **Spanish Startup World2Fly Wins DOT Approval for U.S. Routes.**
See Section VIII, item 6.
11. **Singapore Begins Los Angeles-Taipei Service.**
See Section IX, item 1.
12. **Emirates Ramps up Operations.**
See Section IX, item 2.