



## WASHINGTON AVIATION SUMMARY

### MARCH 2022 EDITION

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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. Eastern European Airspace Closes as Russia Attacks Ukraine.**

As Russian staged a full-scale invasion of Ukraine on February 24, the European Union Aviation Safety Agency (EASA) warned operators to avoid airspace of Ukraine, due to “a risk of both intentional targeting and misidentification of civil aircraft.” Airspace of Belarus and Moldova was also affected and air operators were told to exercise caution “when operating in the whole Flight Information Region of Moscow and Rostov due to heightened military activity, which may include launches of mid-range missiles penetrating into controlled airspace.” The Federal Aviation Administration (FAA) prohibited U.S. airlines from flying over Ukraine, Belarus, and parts of western Russia. (See also Section VII, item 1.).

### **2. Steve Dickson Leaving FAA.**

Steve Dickson will leave FAA, as of March 31. Sworn in on August 12, 2019 for a five-year term as Administrator, Dickson said he is stepping down for family reasons. Dickson was a commercial and military pilot and a Delta executive before landing at FAA. He told reporters he was not asked by the White House to resign. “They asked me to stay,” he said.

### **3. FAA Sends 80 Unruly Passenger Cases to FBI for Review.**

FAA sent 80 unruly passenger cases from January 2021 to February 16 to the Department of Justice to be reviewed by the FBI for criminal prosecution. Of those 80 referrals, 37 were made in 2021 and 43 in 2022. . . . FAA recorded 5,981 unruly passenger reports in 2021; 4,290 were mask-related. There were 607 reports year-to-date, as of February 23, 2022; 397 were related to facemasks. . . . Delta CEO Ed Bastian asked U.S. Attorney General Merrick Garland to help set up a national no-fly list of unruly passengers, barring them from boarding any commercial air carrier. Delta has placed nearly 1,900 people on its own no-fly list for refusing to comply with masking requirements and submitted more than 900 banned names to the Transportation Security Administration to pursue civil penalties, Bastian said. Association of Flight Attendants-CWA (AFA) also advocates creation of a no-fly list of unruly passengers. Eight Republican Senators expressed strong opposition to Delta's no-fly proposal, in a letter to Garland, saying passengers who are skeptical of the mask mandate would equate to terrorists who seek to attack the homeland. The proposal “would result in a severe restriction on the ability of citizens to fully exercise their constitutional right to engage in interstate transportation,” they added. AFA called the letter “irresponsible and political brinkmanship that puts

our economic security at risk right along with our lives.” . . . Labor unions cited numerous examples of “egregious incidents” by aggressive passengers, in a letter to President Biden, Attorney General Garland, Homeland Security Secretary Alejandro Mayorkas and Transportation Secretary Pete Buttigieg. The recently issued memorandum calling for an interagency coordination to address criminal conduct on commercial flights “unfortunately excluded airport and ground service workers,” wrote Communications Workers of America, International Association of Machinists and Aerospace Workers, International Brotherhood of Teamsters, Transport Workers Union of America, and the AFL-CIO’s Transportation Trades Department. . . . As Southwest announced it would resume inflight alcohol sales, the airline’s flight attendants expressed outrage, given “the level of aggression that has been exhibited towards our flight crews.” American will be the only major U.S. airline that has not resumed main cabin alcohol sales.

**4. Wizz Air Applies to DOT for Foreign Air Carrier Permit.**

Wizz Air Hungary filed an application for a foreign air carrier permit for charter cargo flights under U.S.-EU reciprocal recognition procedures. The application is opposed by several pilot unions including the Air Line Pilots Association (ALPA) and the Allied Pilots Association (APA) which asked DOT to deny the application, alleging an “established anti-union record, poor labor standards, questionable safety culture, the impact its foreign carrier permit would have on competition, and its issues with consumer access and protection.” Ultra-low-cost Wizz Air is partially owned by the U.S. aviation investment group Indigo Partners. ALPA said DOT approval should be contingent upon Wizz Air eligible employees being free to unionize without negative career repercussions, among other things, and noted that the application contains very little detail about planned operations in the U.S.; e.g., points to be served, frequency of service. In a highly unusual filing, a European pilots union – the European Cockpit Association – which has had a long running feud with Wizz filed information to support ALPA. Prior to the ECA filing, Wizz responded to the unions, noting that the application for cargo charters with a single aircraft is fully within the scope of the U.S.-EU bilateral, the filing is complete under the bilateral requirements and issues about the carrier’s safety and labor practices properly belong before the EASA and other agencies in the EU.

**5. DOT Fines Air China, FlightHub Group.**

The U.S. Department of Transportation (DOT) fined Air China \$300,000 for three tarmac delay rule violations that occurred in 2018. Air China allowed the flights to remain on the tarmac at New York Kennedy for over five hours. . . . DOT fined ticket agent FlightHub Group and its brand JustFly.com \$300,000 for violating aviation consumer protection rules and federal law prohibiting unfair

and deceptive practices by ticket agents with misleading online advertising displays. This is the highest civil penalty the agency has assessed against a ticket agent. The company advertised prices for air transportation that were not available, misrepresented fares, cancellation charges, and ticket refunds, and provided inaccurate information on the applicable fee for checked baggage in e-ticket confirmations. The violations addressed occurred before a FlightHub Group restructuring in 2021 under Canadian bankruptcy law.

**6. FAA Issues 5G Interference AD for Boeing 737s.**

FAA issued an Airworthiness Directive (AD) revising landing requirements for certain Boeing 737 series airplanes at airports where 5G interference could occur. The AD does not apply to landings at airports where the aircraft radio altimeters are safe and reliable in the 5G C-band environment, nor to airports where 5G is not deployed. “Many systems on Boeing 737 aircraft rely on the radio altimeter, including autothrottle, ground proximity warning, thrust reversers and Traffic Collision Avoidance System,” said FAA. The AD affects approximately 2,442 airplanes in the United States and 8,342 worldwide. (See also Section VI, item 3.)

## II. AIRPORTS

### 1. LaGuardia Completes \$4 Billion Terminal B Project.

New York LaGuardia's \$4 billion Terminal B project has been completed. The new facilities include 35 gates, a 3,000-car parking garage, and covered pickup areas. Dual pedestrian skybridges span active aircraft taxi lanes, connecting the arrivals and departures hall to two island concourses and offering views of the Manhattan skyline. Construction of the skybridges enabled two additional miles of taxiway space to be built, reducing delays for arrivals and departures. Measuring 482 feet long and 60 feet above the ground, the two pedestrian bridges assure that aircraft that are taxiing have two ways to enter or exit their gates. An \$8 billion project to construct an entirely new LaGuardia Airport, funded through private financing and existing passenger fees, broke ground in 2016. Terminal B recently received the UNESCO's 2021 Prix Versailles architecture and design award for best new airport in the world. "We have gone from worst to best," said Rick Cotton, Executive Director of airport operator Port Authority of New York and New Jersey, "something no one thought was possible when this project began."

### 2. American, British Airways Plans for JFK Terminal 8.

Atlantic Joint Business partners American and British Airways will co-locate operations at New York Kennedy's Terminal 8 beginning December 1. The expanded and reconfigured terminal will include five new widebody gates and 130,000 square feet of new and renovated space. Premium customers traveling on oneworld airlines will have access to expanded offerings, "enabled by a \$400 million investment to redevelop the terminal."

### 3. Memphis International Opens New Concourse.

Memphis International completed a \$245 million modernization of the stem and southeast leg of Concourse B. The project consolidates all airline, retail and restaurant operations. The 23 gates can accommodate 6 million passengers, about 50% more than pre-pandemic levels. Continued long-term growth could facilitate a modernization phase for the west leg of the B Concourse, which contains another 15 gates that could increase capacity to nearly 11 million annual passengers. The airport does not receive local tax revenue; funding includes general airport revenue bonds, state and federal grants, passenger facility charges (PFCs), and Memphis-Shelby County Airport Authority capital funds.

**4. Gatwick to Reopen South Terminal in March.**

London Gatwick will reopen its South Terminal on March 27. It closed in June 2020 as traffic waned during the pandemic, with all flights operating from the North Terminal. Airlines that will operate from the South Terminal include: British Airways, Vueling, Wizz, Ryanair, Norwegian, Turkish Airlines, TAP, Eastern Airways, Aurigny, Aer Lingus, Air Baltic, Air Malta, Air Europa, and Enter Air, while easyJet will operate across both South and North Terminals. Gatwick operator VINCI holds a 50.01% stake in the airport; Global Infrastructure Partners (GIP) manages the remaining 49.99% interest.

**5. ACI World Launches Interactive Airport Intelligence Tool.**

A platform enabling users to explore airport traffic and financial data “in a self-serve and interactive manner” was launched by Airports Council International (ACI) World. With the ACI Intelligence Hub, users can browse, extract or visualize traffic and economic data, using up-to-date data from airports around the world. Users can interact with passenger, cargo and aircraft movement data in multiple modules. The platform initially features three modules available through subscription, with a fourth to be released later in 2022. “It will enable airports, consulting firms and a wide variety of aviation and travel stakeholders to gain actionable insights with reliable and extensive data. This is especially important as the air transport, travel and tourism, and other related sectors recover and aim to build back better.”

### **III. SECURITY AND DATA PRIVACY**

1. **TSA Update.**

The Transportation Security Administration screened 1,479,653 travelers at U.S. airport checkpoints on Tuesday, February 15, compared to 738,825 on same weekday 2021 and 2,190,300 on same weekday 2020. . . . On February 16, TSA had 439 employees with active COVID-19 infections, and cumulatively 21,944 federal employees have tested positive, 36 died, as did two screening contractors.

2. **TSA PreCheck in The Bahamas.**

TSA PreCheck was expanded to The Bahamas at Lynden Pindling International Airport in Nassau, the first international location for the expedited screening program. Nassau is one of 16 U.S. Customs and Border Protection (CBP) international Preclearance locations in which CBP personnel inspect travelers prior to boarding U.S.-bound flights. Travelers leaving from those airports proceed directly to connecting flights or destinations upon landing in the United States. Ten airlines with flights within the United States maintain regular routes between Nassau and several U.S. cities.

3. **ICAO Pact Advances Counter-Terrorism Initiatives.**

Juan Carlos Salazar, Secretary General of the International Civil Aviation Organization (ICAO), signed a cooperative agreement with the United Nations Office of Counter-Terrorism (UNOCT) to further advance joint counter-terrorism cooperation to strengthen the security of international air transport, trade, and border management. The agreement builds on ICAO's role in supporting implementation of the UN Global Counter-Terrorism Strategy and numerous Security Council resolutions on counter-terrorism, aviation security, and facilitation (identity and border control management). Initiatives pertaining to unmanned aircraft systems (drones) and cybersecurity will be addressed. Salazar noted the particular importance of "future capacity-building efforts under the Threat Assessment Models Program to support States in the enhancement of their national information-sharing mechanisms, threat assessments, and risk-based decision-making."

## **IV. TECHNOLOGY AND EQUIPMENT**

### **1. Boom Supersonic to Begin Production in 2024.**

Boom Supersonic selected Piedmont Triad International Airport in Greensboro, North Carolina as the site of its first manufacturing plant. The 400,000 square foot Overture Superfactory will include the final assembly line, test facility, and customer delivery center for the Overture supersonic airliner. Boom expects to break ground later this year and will begin production in 2024. The first aircraft is slated to roll out in 2025, fly in 2026, and carry its first passengers by 2029. Commercial interest in Overture, including orders and options, totals \$14 billion from United and Japan Airlines. Boom is also working with the U.S. Air Force on government applications. Carrying 65 to 88 passengers, Overture is capable of flying on 100% SAF at twice the speed of today's fastest passenger jets, said founder and CEO Blake Scholl. Boom corporate headquarters remains near Denver, Colorado.

### **2. Orders for Vertical Aerospace eVTOL Valued at \$5.4 Billion.**

Vertical Aerospace said it has pre-orders or pre-order options for its VX4 electric vertical takeoff and landing (eVTOL) aircraft from American Airlines, Avolon, Virgin Atlantic, Iberojet, Bristow Group and Marubeni, "totaling up to 1350 aircraft with a value of \$5.4 billion." The VX4 is a piloted four-passenger, zero operating emissions electric aircraft that is projected to fly at speeds of up to 200 mph, over a 100-mile range. It is expected to be near silent when in flight, and, with a low cost per passenger mile, will be an affordable option for passengers with a cost at a slight premium to a taxi. Capital A, formerly known as AirAsia, is the launch airline for the eVTOL in Southeast Asia, with plans to lease up to 100 from Avolon and create a ride sharing platform.

### **3. Delta, Aeromexico Launch Touchless Check-In.**

Delta and Aeromexico launched SkyTeam's Digital Spine, which enables travelers to check-in for multi-airline travel via airlines' existing apps or websites. They can get boarding passes through an airline's self-service channels, then go directly to security without needing to use a kiosk or see an agent. A wider rollout of the technology across more SkyTeam members will take place this year.



## **V. ENERGY AND ENVIRONMENT**

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

The average price of aviation jet fuel on February 11 was \$111.17/barrel, up 8.1% on the month and up 68% compared to a year ago, reports IATA. Jet fuel price average for 2022 was \$105.3/barrel.

### **2. EU's Toulouse Declaration Supports Net Zero Emissions by 2050.**

The Toulouse Declaration, an EU initiative supporting the goal of net zero CO2 emissions by 2050 in the aviation sector, was signed by 35 countries, aviation associations, and more than 200 airports in Europe. In a joint statement, Airbus, Air France-KLM, ATR, Dassault Aviation, Groupe ADP, Safran and Thales said they “will continue to invest in the maturation, development and implementation of decarbonization technologies,” i.e., operations, next-generation aircraft and engines, sustainable aviation fuels (SAF) and synthetic fuels. And they will look to “institutions to support development and deployment of innovations, especially through proven public-private research partnership instruments (such as Clean Aviation, SESAR, and CORAC), as well as appropriate support policies to accelerate fleet renewal and SAF incorporation under viable economic conditions for all stakeholders.” The companies urged the European Commission to launch industrial alliances “that will be critical to align the entire ecosystem around this joint ambition, particularly the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance, the Alliance for Zero Emission Aviation and the European Raw Materials Alliance.” They called for partners worldwide to work together toward adoption at the 41st ICAO Assembly of an ambitious long-term aspirational goal (LTAG) for international aviation. Separately, Destination 2050 partners, including Airlines for Europe, Airports Council International-Europe, the Civil Air Navigation Services Organization and European Regions Airline Association, called on the Toulouse Declaration signatories to develop and support an EU Pact for Aviation Decarbonization, with such measures as public and private funding to channel investments.

### **3. DHL Purchases 33 Million Liters of SAF from AFKLMP.**

DHL agreed to purchase 33 million liters of SAF from Air France KLM Martinair Cargo (AFKLMP). The three-year cooperation, one of the most significant SAF purchases in the freight forwarding industry, will save 80,000+ tons of carbon dioxide emissions by blending SAF with regular aviation fuel in AFKLMP flights. Deutsche Post DHL Group's Sustainability Roadmap aims to spend €7 billion on green technologies by 2030 and reduce all logistics-related emissions to zero by 2050.

4. **Virgin Atlantic Agrees on SAF Supply with Neste, ExxonMobil.**

The UK supply of 2.5 million liters/2,000 metric tons of neat SAF will be delivered in first half 2022 to London Heathrow, announced Virgin Atlantic and Neste, which are supported by ExxonMobil in supply and distribution of jet fuel. ExxonMobil is Virgin Atlantic's largest fuel supplier at Heathrow. The supply is enough to operate 140 flights between London and New York. Neste MY Sustainable Aviation Fuel™ is made from sustainably sourced, renewable waste and residue raw materials, which, in its neat form can reduce greenhouse gas emissions by up to 80% of life cycle, compared to traditional fossil jet fuel. The agreement represents the first commercial supply of SAF for Virgin Atlantic, which operated the first commercial aircraft using sustainable fuels in 2008.

5. **ExxonMobil to Supply SAF in Singapore Pilot.**

Civil Aviation Authority of Singapore (CAAS), Singapore Airlines (SIA), and Singapore-based investment company Temasek selected ExxonMobil to supply and deliver SAF in Singapore. Under the pilot, SIA will purchase 1.25 million liters of neat SAF, supplied by Neste and produced from used cooking oil and waste animal fats, and blended with refined jet fuel at ExxonMobil facilities in Singapore. This blended fuel will be delivered to Changi Airport via the airport's existing fuel hydrant system by end-July. From third quarter 2022, all SIA and Scoot flights will use the blended fuel.

6. **Group to Study Development of Hydrogen Aviation Hub in Singapore.**

CAAS signed a Cooperation Agreement with Airbus, Changi Airport Group, and Linde to study development of hydrogen supply and infrastructure for aviation. They will conduct market analysis on projected aviation demand and supply for hydrogen, regional readiness, and commercial and technical feasibility of hydrogen adoption. They will also evaluate infrastructure requirements for a hydrogen airport hub, and electrification of airport operations with hydrogen fuel cells. Linde has expertise in hydrogen production, processing, storage and distribution. Airbus will provide characteristics of aircraft configuration and fleet energy usage, insight on hydrogen-powered aircraft for ground operations, and data on the estimated hydrogen aircraft ramp-up at airports.

## **VI. U.S. CONGRESS**

### **1. DOT OIG Review of FAA Oversight on Boeing MAX Requested.**

House Transportation Committee leaders asked the DOT Office of Inspector General (OIG) to review FAA's "reluctance to consider civil enforcement actions against Boeing and/or responsible individuals regarding FAA's oversight of the 737 MAX." The request came as FAA "failed to provide an adequate response" to a November 2021 letter sent to Administrator Steve Dickson, said Committee Chair Peter DeFazio (D-OR) and Aviation Subcommittee Chair Rick Larsen (D-WA). They asked the OIG specifically to review and reevaluate FAA's actions relating to oversight of Angle of Attack (AOA) and Maneuvering Characteristics Augmentation System (MCAS) issues; assess whether FAA's actions followed applicable statutes, policies, and procedures; and identify legal or regulatory hurdles that precluded FAA from pursuing civil enforcement related to either matter.

### **2. Hearing on Surge in Firearms at TSA Checkpoints.**

The House Transportation & Maritime Security Committee held a hearing on the surge in firearms at TSA checkpoints. Last year, TSA found nearly 6,000 firearms in bags at U.S. checkpoints, 86% of which were loaded. Hartsfield-Jackson Atlanta General Manager Balram Bheodari and Miami International CEO Ralph Cutié testified that most people said they forgot the guns were there. Panel Chair Bonnie Watson Coleman (D-NJ) was skeptical and said "it is still an illegal act and needs to be treated as such." Better wages for and treatment of TSA screeners were solutions suggested, as well as airport signs, higher fines, mandatory gun safety training, revoking trusted traveler status, and placing people on the no-fly list. Greg Regan, President of Transportation Trades Department, urged Congress to pass bills that would give transportation safety officers the same type of workplace rights and protections as other federal employees and bar moving revenue from aviation security fees to non-security activities. House Homeland Security Committee Chairman Bennie Thompson (D-MS) said Congress and TSA must make gun owners aware of legal ways to transport firearms. "We must all work together to curb the rise in firearm incidents, or there could be deadly consequences."

### **3. House Hearing on 5G Deployment & Aviation Safety.**

"Spectrum is a limited resource, but the demand is infinite and will likely increase in coming years . . . we firmly believe that, by working together, 5G and aviation can—and will—safely coexist," FAA Administrator Stephen Dickson told the House Transportation Committee at a hearing titled, "Finding the Right Frequency: 5G Deployment & Aviation Safety." The 5G C Band service can

“significantly degrade or completely interrupt radio altimeter operation during critical phases of flight,” Dickson said. New data has enabled FAA to determine which combination of altimeters and aircraft could be cleared to land in low-visibility conditions for specific runways at airports with 5G towers nearby. . . . “The current interagency process for auctioning off spectrum is completely broken,” said Committee Chair Peter DeFazio (D-OR). “Deployment of 5G originally proceeded without any of the safety mitigations the FAA, aviation industry, and I have long called for. This resulted in a disorienting display of 5G fits and starts over the last several months, inevitably due to the FCC auctioning off 5G spectrum without any concrete plan in place to safely deploy these technologies without interfering with aviation.” The telecom industry has argued that safety mitigations the FAA and aviation industry are advocating are unnecessary because 5G deployment is occurring 40 other countries, with no confirmed reports of harmful interference with aircraft, said DeFazio. “However, what they fail to mention is that most of these countries use either drastically lower 5G power levels than the U.S., operate 5G further away from the frequency used by aircraft radio altimeters, or have required significant safety mitigations, such as airport exclusion zones or 5G antennae placement requirements, to limit the potential for harmful interference to aircraft. Additionally, no other country even comes close to having the level and complexity of civil aviation activity that exists in the U.S.” . . . Capt. Joe DePete, President of Air Line Pilots Association, Int’l (ALPA), said the new 5G service has injected more complexity and risk into already-complex flight operations. “We must now analyze how 5G-related regulatory directives affect departure, arrival, and alternative airports,” he said. “The increased pilot workload reinforces the importance of having at least two qualified, trained, and rested pilots on every flight deck.” ALPA said Congress should require FCC to share publicly new service transmitting data when issuing a new or revising an old license, and collaborate with, and defer to, U.S. government agencies charged with safety oversight; and grant FAA authority to reject new or expanded FCC spectrum applications that affect aviation until safety can be ensured. . . . Airlines for America President and CEO Nicholas Calio said the aviation and telecommunications industries were thrust into an “avoidable economic calamity by a government process that failed to provide an adequate amount of interagency communication, understanding and recognition of decisional consequences. The circumstances and challenges we face currently could and should have been directly addressed prior to the spectrum auction.”

## **VII. BILATERAL AND STATE DEPARTMENT NEWS**

### **1. Airlines Suspended Flights to Ukraine as Russian Threat Loomed.**

In the run-up to Russia's full-scale February 24 invasion of Ukraine, the U.S. Department of State, on February 12, issued a 'Level 4: Do Not Travel Advisory,' telling U.S. citizens not to travel to Ukraine, to leave immediately, or to exercise increased caution.' KLM, Lufthansa, Air France and SAS were among airlines that suspended flights to Ukraine and through its airspace. No U.S. carriers fly to Ukraine. Ryanair and Wizz Air were among the last airlines to halt flights to/from Ukraine, as Boryspil Airport in Kiev closed. . . . Many countries sent repatriation flights to Ukraine. Israeli airlines added flights to evacuate Israelis and non-Israeli Ukrainian Jews, and planned to conduct land evacuations via eastern Europe if airspace closed. Israel estimates a possible 15,000 Israelis in Ukraine. EL AL formed a special operations team and allocated additional aircraft "to assist thousands of American citizens stuck in the Ukraine, which will allow them to travel back to the U.S., via Tel Aviv." . . . On February 15, Ukraine International Airlines said it had worked out a compromise with insurance companies, with the consent of lessors, and reduced the fleet to 13 aircraft; two aircraft were sent to Spain for safekeeping. Ukrainian low-cost carrier Bees said leasing companies required relocation of its aircraft outside Ukraine. . . . The U.S., the European Union and other nations announced sanctions against Russia that would include travel bans. A Reuters report noted that if Russia restricts access to its airspace, connections to Asia, India and the Middle East would be disrupted, throwing "east-west trade into chaos."

## VIII. EUROPE AND AFRICA

### 1. EU Lifting Restrictions on Vaccinated Non-EU Travelers.

The Council of the European Union recommended that member states lift restrictions on fully vaccinated non-EU travelers, effective March 1, and end a “patchwork of different travel rules.” Member states can also lift the restriction on non-essential travel for persons who have recovered from COVID-19 within 180 days prior to travelling to the EU, and can consider moving to a purely person-based approach. “There is no evidence to support any other approach,” said Airports Council International. The International Air Transport Association welcomed the “logical” recommendation and called for further action to help restart air connectivity.

### 2. United Plans Newark-Cape Town Service.

United plans to offer three weekly Boeing 787-9 nonstops between New York Newark and Cape Town year-round, beginning June 5, subject to government approval. United is the only airline to offer direct flights between the U.S. and Cape Town.

### 3. Alaska, Finnair Expand Codeshare Agreement.

Finnair starts three weekly nonstop Airbus A330 services on June 1 from Helsinki to Seattle, where passengers can connect to 60 destinations in Alaska's network. Since becoming a oneworld member in 2021, Alaska has added codeshare routes with Qatar and Iberia and expanded cooperation with American, British Airways, Cathay Pacific, Finnair, Japan Airlines and Qantas. By this summer, Alaska and oneworld airlines will offer 78 daily international flights from Seattle, Portland, San Francisco and Los Angeles.

### 4. British Airways Adds New York Service.

British Airways will resume ‘daylight’ service to New York Kennedy from London Heathrow in March and add a third daily flight to Newark in June. Flights from Gatwick to Kennedy resume in May. British Airways will offer up to 15 peak daily departures this summer to the New York area from London with joint business partner American Airlines. Joint operations at Kennedy Terminal 8 begin in December.

### 5. Aer Lingus Resumes U.S. Flights.

Aer Lingus will resume direct service from Dublin to Miami in October, operating three weekly flights. Direct Dublin to Orlando resumed in November, and San Francisco in February. Daily flights to Los Angeles and five per week to Seattle start in May. Shannon service to the United States begins in March, with 14

flights a week to New York and Boston. The Irish flag carrier launched a sale on nonstops from its new northern hub in Manchester to New York, Orlando and Barbados, and in 2022 will operate 16 routes from Dublin, Shannon and Manchester to North America and the Caribbean.

**6. Iberia to Fly to Washington, Dallas, San Francisco.**

Iberia will begin four weekly nonstops from Madrid to Washington DC and Dallas/Fort Worth, and resume direct Madrid-San Francisco flights, all from June 1 to October 29, on the Airbus A330. The Spanish airline is increasing frequencies to New York, Boston and Los Angeles.

**7. Air France-KLM Reports Positive Fourth Quarter Operating Result.**

Fourth quarter 2021 marked a turning point for Air France-KLM, as for the first time the Group posted better than pre-covid results, with a positive operating result of €178 million, driven by an increase of capacity and unit cost reduction. As of December 31, the Group had €10.2 billion of liquidity and credit lines. Air France-KLM received €10.4 billion in loans backed by France and the Netherlands, its largest shareholders, in 2020, and says it is committed to repaying the state aid as soon as practicable.

**8. UK Court Orders Airbus to Delay Qatar Jet Cancellation.**

A British judge ordered Airbus to postpone its decision to revoke Qatar Airways orders, in the long-running dispute over eroding paint on 21 A350s found to be a safety issue by the Qatar Civil Aviation Authority. Airbus acknowledged the problem, but said the airline wrongly called them a safety issue to secure compensation. In January, Airbus canceled a Qatar order for 50 A321neos. . . . Meanwhile, Qatar ordered up to 50 Boeing 777-8 Freighters during a State visit to the United States in February. The firm order is valued at more than \$20 billion and the largest freighter commitment in Boeing history by value. “The order also supports hundreds of U.S. suppliers from across 38 states, will sustain more than 35,000 U.S. jobs, and provide the American economy with an annual estimated economic impact of \$2.6 billion during the contract's delivery period,” said Boeing. Qatar also signed a memorandum of understanding (MOU) for a firm order of Boeing 25 737-10s and purchase rights for another 25 valued at \$7 billion.

## **IX. ASIA/PACIFIC AND MIDDLE EAST**

### **1. Asia-Pacific Region Will Need 17,600 New Aircraft by 2040.**

Airbus predicts the Asia-Pacific region will require 17,620 new passenger and freighter aircraft by 2040 amid per annum traffic increases of 5.3% for passenger and 3.6% for cargo, as well as accelerated retirement of older less fuel-efficient aircraft. Globally, there will be a need for 39,000 new-build passenger and freighter aircraft, of which 15,250 will be for replacements. . . . The Airbus Global Market Forecast was released at the Singapore Air Show where, according to Show News, Singapore Airlines and Etihad each ordered seven Airbus A350F freighters. Western Global Airlines purchased two Boeing 777 freighters. Australia's Microflite and HeliSpirit ordered up to a total 90 low-noise zero-emission eVTOLs from Eve UAM (an Embraer company), and AirAsia signed a non-binding MOU to lease a minimum of 100 VX3 eVTOL aircraft from Avolon.

### **2. 14,000 International Tourists Fly Qantas to Australia.**

Qantas Group flew 14,000 passengers into Australia, as entry for fully vaccinated international tourists returned after almost two years of quarantine. A Qantas flight from Los Angeles was the first to land, and Sydney to Dallas resumed. Jetstar begins flights from Melbourne and Sydney to Honolulu in March, and Qantas resumes Brisbane to Los Angeles in April.

### **3. ANA Announces New CEO, Chairman.**

ANA Holdings announced that Koji Shibata, Senior Executive Vice President and Board Member, will succeed Shinya Katanozaka as President and CEO from April 1. Shibata has been with ANA since 1982. Katanozaka will replace Shinichiro Ito as Chairman. Ito will continue to act as Senior Advisor to ANA Holdings.

### **4. Tata Completes Purchase of Air India.**

Tata Group completed its purchase of Air India from the government. The transaction also includes low-cost carrier Air India Express and ground and cargo handling company AI SATS. The Tata family founded Air India in 1932. Ilker Ayci was named CEO & Managing Director of Air India, effective April 1; he previously was Chairman of Turkish Airlines.

### **5. AirAsia Group Renamed Capital A in Reorganization.**

Holding company AirAsia Group was renamed Capital A. AirAsia Aviation Limited, the holding company for the airline group, was renamed AirAsia Aviation Group Limited (AAAGL). Jamaludin Ibrahim is independent non-



executive Chairman of AAAGL, which will oversee all airlines in Capital A and support functions. AAAGL said the reorganization “supports the rapid expansion of Capital A's portfolio companies [and] paves the way for new airline ventures.”

6. **El Al to Acquire Arkia.**

El Al signed a non-binding MOU to buy Arkia Israeli Airlines. Arkia's shareholders would get a 10%-14% stake in El Al. Arkia would be a subsidiary of El Al and continue operating as an independent brand. The agreement must be approved by government regulators, unions and shareholders.

7. **Singapore Clears Korean Air-Asiana Merger.**

Singapore's Competition and Consumer Commission cleared Korean Air's proposed takeover of Asiana. The merger is contingent upon additional regulatory approvals.

8. **Stanley Ng Named President of Philippine Airlines.**

Stanley Ng was named Acting President and CEO of Philippine Airlines. He is the son-in-law of owner Lucio Tan and a pilot who has been with the airline for almost 20 years, most recently serving as Senior Vice President for Airline Operations. He replaces Gilbert Santa Maria who recently led the airline through a bankruptcy process in which 25% of the fleet and a third of the workforce were cut. The Philippines opened to fully vaccinated foreign tourists in February.

9. **UK Court Orders Airbus to Delay Qatar Jet Cancellation.**

See Section VIII, item 8.

## **X. AMERICAS**

### **1. Frontier, Spirit Propose Merger.**

Spirit Airlines, Inc. and Frontier Group Holdings, Inc. announced a merger agreement, under which Frontier equity holders will own 51.5% and Spirit equity holders will own 48.5% of the combined airline. The plan was unanimously approved by both Boards of Directors. The combined company would have annual revenues of \$5.3 billion based on 2021 results; deliver annual operating synergies of \$500 million; and offer 1,000 low-fare daily flights to 145 destinations across complementary networks. Bill Franke, Chair of Frontier's Board and managing partner of Indigo Partners, Frontier's controlling shareholder, will be Chairman of the combined company. The Board will be comprised of 12 directors (including CEO), seven named by Frontier and five by Spirit. The management team, branding and headquarters will be determined by a committee led by Franke prior to close of transaction, expected in second half 2022. Franke was Chairman of Spirit from 2006 to 2013.

### **2. American to Invest \$200 Million in GOL.**

American Airlines and GOL completed an agreement to form an exclusive partnership. American will make a \$200 million equity investment in the Brazilian airline, as announced last September. The combined networks will include 30 destinations in the U.S. served by American and 34 in South America served by GOL.

### **3. Delta Adds Detroit, New York, Atlanta Nonstops to Hawaii.**

Delta will begin daily nonstops from Atlanta to Maui and Detroit to Honolulu on November 19, and from New York Kennedy to Honolulu on December 17.

### **4. Bob Jordan New CEO of Southwest.**

After 18 years as CEO of Southwest, Gary Kelly retired and is serving as Executive Chairman of the Board. New CEO Robert Jordan is a 34-year Southwest veteran and most recently was Executive Vice President Corporate Services. . . . Southwest and Transport Workers Union Local 550 reached a tentative agreement covering flight dispatchers, assistant dispatchers, flight superintendents, dispatch specialists, and dispatch ATC specialists, after three years of negotiating.

### **5. Alaska's Brad Tilden Retires May 5.**

Brad Tilden will retire as Alaska Air Group Chairman on May 5, and will be replaced by Patricia Bedient. He retired as CEO in March 2021 and was replaced by Ben Minicucci, in a planned succession. Bedient has served on the

Board since 2004 and as lead independent director since 2016. She earlier held executive positions with Weyerhaeuser and Arthur Andersen. . . . Alaska introduced Flight Pass, which allows subscribers to fly up to 24 roundtrip flights a year to popular California routes and nonstop from California airports to Reno, Phoenix and Las Vegas, for a fixed monthly rate. Annual plans start at \$49 per month. . . . Alaska plans to spend \$7 million on lounge upgrades at Seattle, and will open an all-new, 20,000-square-foot lounge as part of the C Concourse Expansion Project. An investment of \$1.5 million for lounge upgrades in Portland is also planned.

**6. JetBlue Adds 30 Airbus A220s.**

JetBlue agreed to exercise its option for 30 additional Airbus A220-300s, bringing total number of A220s in the fleet and on order to 100. The A220s will replace Embraer E190s by 2026. JetBlue launched four times weekly service between New York Kennedy and Puerto Vallarta, its third destination in Mexico.

**7. Allegiant Names John Redmond CEO, Gallagher Executive Chairman.**

Maurice Gallagher, Jr., Allegiant Chairman and CEO, will assume the role of Executive Chairman of the Board, while John Redmond, company President, will take on additional role of CEO, effective June 1. Redmond has been President since 2016 and a Board member for 15 years. Gallagher said the transition will create opportunities for upward mobility within the company; he will continue to remain actively involved in the strategic direction of the company. . . . Allegiant recorded a full-year adjusted profit in 2021. “We grew scheduled capacity more than 8%, compared to 2019,” said Gallagher, and fourth quarter revenue grew by 7.8% with total operating revenue of \$1.7 billion, 7% below 2019.

**8. 1,500 Flight Hour Rule for Pilots Questioned.**

On the 13th anniversary of the February 2009 crash of Continental Connection Flight 3407, families of victims called for adherence to provisions in a 2010 bill that addressed factors that played a role in the accident, including a requirement that all commercial airline pilots hold an Airline Transport Pilot certificate, which requires a minimum of 1,500 flight hours; the previous requirement for regional pilots was 250 flight hours. “We must remain vigilant,” said newly named U.S. Ambassador to ICAO Sully Sullenberger. “Some in the regional airline industry are once again trying to weaken the critically important pilot experience standards that are keeping safe everyone who flies.” An example is Jonathan Ornstein, CEO of regional Mesa Airlines, who blames the rule for the current pilot shortage and is calling for modifications. Airline Pilots Association (ALPA) said some airlines are claiming a lack of available pilots to “distract from their profit-first business decisions to cut service and hire inexperienced aviators for

less pay.” ALPA made several recommendations “to maintain a robust pilot pipeline” and said it “will defend against any action that would erode airline safety standards.”

**9. Air Canada Adds 13 New Routes for Summer.**

Air Canada will add 13 new routes across Canada and to the U.S. this summer, including Montreal to San Diego, Seattle, Detroit, Minneapolis, Nashville and Atlanta; Toronto to Salt Lake City; and Vancouver to Austin.

**10. United Plans Newark-Cape Town Service.**

See Section VIII, item 2.

**11. Alaska, Finnair Expand Codeshare Agreement.**

See Section VIII, item 3.

**12. British Airways Adds New York Service.**

See Section VIII, item 4.

**13. Aer Lingus Resumes U.S. Flights.**

See Section VIII, item 5.

**14. Iberia to Fly to Washington, Dallas, San Francisco.**

See Section VIII, item 6.