



WASHINGTON AVIATION SUMMARY

APRIL 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. Billy Nolen Named Acting FAA Administrator.

The U.S. Federal Aviation Administration (FAA) named Billy Nolen to serve as acting Administrator, succeeding Steve Dickson who resigned for personal reasons. Nolen has been FAA's Associate Administrator for Aviation Safety since January. Deputy Administrator Bradley Mims will also take on an expanded role during the interim period, focusing on FAA's workforce and airports. Nolen has held safety leadership positions at WestJet, Qantas, American, and Airlines for America (A4A). He was an American Airlines pilot, and served in the U.S. Army as an airplane and helicopter pilot. A search is underway for a permanent Administrator, a position that carries a five-year term and must be confirmed by the Senate.

2. IATA: Impact of Russian War in Ukraine on Aviation Industry.

As of March 25, 36 countries, including the United States, European Union (EU) and UK, had closed their airspace to Russian airlines, reports the International Air Transport Association (IATA). Russia in turn banned airlines from most of those countries from entering or flying over Russia. In 2021, traffic between Russia and the rest of the world accounted for 5.2% of global international traffic, and 1.3% of global total traffic. International air traffic to and from Russia accounted for 5.7% of total European traffic. Of European economies, Cyprus, Turkey, Poland and Bulgaria had the highest share of total passenger numbers coming from Russia and Ukraine. Markets most heavily impacted by rerouted or cancelled flights are Europe-Asia and Asia-North America. . . . Global international ticket sales for future travel fell from 55% of 2019 levels in days prior to conflict escalation, to 50% in early March, but in mid-March were 57% of 2019 values. Bookings for travel between Asia and Europe fell briefly in early March, while the North America-Asia route shows no impact. The Northeast Asia-Europe market did not deteriorate following onset of conflict, partly due to pandemic travel restrictions for countries in Northeast Asia. Ticket sales for U.S. to Europe trips fell to 65% of 2019 values in first week of March, followed by rapid rebound to 74% in mid-March. Deterioration was larger, and subsequent improvement weaker, with travel to Eastern Europe. Following start of war, Russian domestic ticket sales fell 40% below 2019 levels, but then trended up, as Russians opted for domestic holidays, and amid government efforts to promote domestic travel. . . . For air cargo traffic, total segment-based freight tonnes carried from and within Russia and Ukraine accounted for 0.9% of global total in 2021, including traffic that starts in the two countries and transit traffic which is sizeable due to large air-cargo-only carriers based in both markets.

Domestic and international dedicated cargo flights for Russia deteriorated markedly since the war escalated. International flights were 19% down year-on-year, following 10-20% growth rates earlier in 2022. Domestic was up 11% year-on-year in early March, but down from 30-40% earlier in 2022. The Europe-Asia air cargo market represented 20.6% of all international CTKs (cargo tonne kilometres) over past 12 months. Asia-North America trade lanes accounted for 26.7% of global international CTKs, and within Europe 2.2% (including Russia) over same period. Flight bans and sanctions will cause loss of capacity, especially affecting Europe-Asia and exacerbating the current capacity crunch. Airlines in other parts of the world may fill the gap, such as the super-connector airlines in the Middle East, said IATA. Cargo flights on the Asia Pacific-Europe route fell by 19% year-on-year in week starting March 7, compared to 3.1% year-on-year drop in period between start of year and start of war. Year-on-year growth shows Europe-Middle East route may be benefitting from those disruptions.

3. Nations Impose Aviation-Related Sanctions on Russia.

The United States imposed controls on aviation-related items destined for Russia and Belarus. Aircraft manufactured in the U.S., or in a foreign country if they include more than 25% U.S.-origin controlled content, are subject to a license requirement; providing service to these aircraft requires authorization. Enforcement actions could include substantial jail time, fines or loss of export privileges. The EU sanctioned exports, maintenance and insurance for civilian aircraft and parts and ordered aircraft leasing companies to revoke existing contracts by end of March. Bermuda's Civil Aviation Authority and the Irish Aviation Authority revoked airworthiness certificates for all Russian-operated aircraft on their registries. . . . Putin signed a law allowing domestic airlines to register rights to leased foreign aircraft. The Russian Federal Air Transport Agency (Rosaviatsiya) recommended that carriers with aircraft leased from foreign lessors and registered abroad suspend international flights, "in the wake of high risks regarding a possible detention or arrest of aircraft." International flights scheduled by Aeroflot, Rossiya and Aurora were suspended. . . . European Union Aviation Safety Agency warned of possible intensified spoofing, jamming or other problems with Global Navigation Satellite Systems around the conflict zone and other areas, and proposed mitigation actions for national aviation authorities, air navigation service providers and air operators. . . . UPS, FedEx and other cargo operators suspended deliveries to Russia. Delta suspended code sharing with SkyTeam partner Aeroflot; Delta does not operate services to Ukraine or Russia. American and Alaska suspended links with Aeroflot and oneworld partner S7. Amadeus and Sabre terminated their global distribution system (GDS) agreements with Aeroflot.

4. U.S. Assists in China Eastern Accident Investigation.

The U.S. National Transportation Safety Board (NTSB) appointed a senior investigator as U.S. accredited representative for the March 21 crash of a China Eastern Boeing 737-800 near Wuzhou. Civil Aviation Administration of China (CAAC) is leading the investigation, with representatives from Boeing, General Electric and FAA serving as technical advisors. CAAC said there were no survivors among the 132 people on board Flight MU-5735. The 737-800 has a good safety record and China Eastern has had no fatal crashes since 2004. The cockpit voice recorder and flight data recorder have been recovered from the wreckage.

5. Former Boeing Test Pilot Acquitted in MAX Case.

Former Boeing 737 MAX chief technical pilot Mark Forkner was acquitted by a Fort Worth jury on charges of misleading FAA about training needs for pilots of the airplane. The Department of Justice (DOJ) had charged him with “providing FAA with “materially false, inaccurate, and incomplete information” about the Maneuvering Characteristics Augmentation System (MCAS), which contributed to the two fatal MAX crashes. “Because of his alleged deception,” said DOJ, “Boeing’s U.S.-based airline customers were deprived of important information when making and finalizing their decisions to pay Boeing tens of millions of dollars for 737 MAX airplanes.” Defense attorneys said Forkner was a scapegoat for Boeing and FAA officials, who have not been charged with crimes related to the crashes.

6. U.S. Mask Mandate Extended to April 18.

The Biden Administration extended the federal transportation mask mandate, which was set to expire on March 18, to April 18, and said it will develop revised policy on the basis of COVID-19 community levels, risk of new variants, national data, and the latest science. U.S. airlines, in a letter from Airlines for America, urged the White House “to sunset federal transportation travel restrictions—including the international predeparture testing requirement and the federal mask mandate—that are no longer aligned with the realities of the current epidemiological environment.” Their request was made “not only for the benefit of the traveling public, but also for the thousands of airline employees charged with enforcing a patchwork of now-outdated regulations implemented in response to COVID-19.” A coalition of businesses urged the Administration to “replace pandemic-era travel advisories, requirements and restrictions with endemic-focused policies that enable travel to resume fully and safely and the American economy to accelerate its recovery.” In 2021, as many other sectors of the economy reached a full recovery, business travel spending was 50% below 2019 levels, and international was down “a staggering” 78%, wrote U.S. Travel Association, American Hotel and Lodging Association, A4A, and U.S.

Chamber of Commerce. . . . Centers for Disease Control and Prevention (CDC) was the target of several new lawsuits opposing the federal mask mandate. Plaintiffs include a group of 17 Republican members of Congress; several pilots from JetBlue, American and Southwest; Southwest flight attendants; and a group of 21 states. . . . Of 961 reports of unruly passengers from January 1 to March 23, FAA said 635 were related to face masks. . . . United Airlines allowed unvaccinated employees to return to their jobs starting March 28, “due to substantial changes in the scope and severity of the pandemic as well as the guidance of public-health authorities.”

7. IATA Welcomes Relaxation of COVID-19 Travel Restrictions.

IATA welcomed “increasing momentum towards re-opening of borders and relaxation of travel restrictions, as COVID-19 moves into the endemic phase.” An IATA survey of travel restrictions for the world’s top 50 air travel markets found that 25 markets representing 38%, and 38 markets representing 65%, of 2019 international demand were open to vaccinated travelers without quarantine or testing requirements in mid-February. Travel in Asia remains heavily compromised by COVID restrictions, though several countries have relaxed requirements. From March 18, all UK restrictions were removed and British Airways, Virgin Atlantic and London Heathrow changed face mask policies. “Where we’re clear the destination you’re travelling to doesn’t require a face mask on board, it will become optional,” tweeted British Airways. “Please continue to respect fellow passengers’ mask preferences.” All noted that previous policies may be reinstated should a significant rise in COVID cases or a future variant of concern materialize. . . . The World Health Organization (WHO) said the highly contagious BA.2 subvariant of Omicron made up about 86% of cases reported between February 16 and March 17. In some regions, such as Europe, authorities were too quick to relax restrictions, said officials. Mainland China largely returned to lockdown conditions, amid an outbreak of BA.2. In mid-March, there reportedly were 2,125 new cases across 19 provincial areas, a fourfold rise from prior week, after fewer than 200 cases daily in February. . . . CAAC said it would divert international flights scheduled to arrive in Shanghai to other domestic cities from March 21 to May 1 due to COVID-19. Hong Kong planned to lift flight bans for nine countries, including the United States, and relax other travel requirements, effective April 1, as the number of new infections receded; officials said the public had reached the limits of tolerance for the strictest anti-pandemic measures in the world.

8. Rule Would Improve Lavatory Accessibility on Single-Aisle Aircraft.

The U.S. Department of Transportation (DOT) published a Notice of Proposed Rulemaking (NPRM) that would improve accessibility of lavatories for people with disabilities traveling on new single-aisle aircraft with 125 or more passenger

seats. The proposed rule requiring airlines to make at least one lavatory large enough for use by a passenger with a disability (with help of assistant, if necessary) would apply to new aircraft ordered 18 years after effective date of final rule. DOT seeks comment on whether these improvements could be implemented more quickly and may adjust the timeline as part of the final rule.

9. Administration Proposes 2023 Budget.

The Biden Administration’s proposed 2023 budget provides \$15.2 billion for FAA to improve aviation safety, transform aviation infrastructure, and improve cybersecurity. It also provides \$500 million to reduce climate impacts of the aviation industry, as part of a \$972 million request for NASA’s Aeronautics program. This includes the Sustainable Flight National Partnership, through which NASA and U.S. companies would develop and fly a highly-efficient, next-generation airliner prototype as early as 2026. These budget items complement funds provided in the Infrastructure Investment and Jobs Act to upgrade air traffic control facilities and improve safety, capacity, accessibility and efficiency of airports. . . . The Budget provides \$7.1 billion for Transportation Security Administration (TSA) pay and benefits, an increase of \$1.6 billion from the 2021 enacted level, to compensate employees at rates comparable to other federal workers and address retention issues. The budget also supports expanding TSA workforce access to labor benefits such as collective bargaining and merit systems protection.

10. DOT Leads White House Supply Chain Initiative.

DOT will lead the Freight Logistics Optimization Works (FLOW) pilot program, an initiative to address supply chain vulnerabilities and congestion and speed up movement of goods. FedEx and UPS are among 18 initial participants representing diverse perspectives tasked with developing a proof-of-concept information exchange. “The lack of digital infrastructure and transparency makes our supply chains brittle and unable to adapt when faced with a shock,” said the White House. “The different actors have made great strides in digitizing their own internal operations, but they do not always exchange information with each other.”

II. AIRPORTS

1. DOT to Increase Newark Access for Low-Cost Carriers.

DOT issued a notice finalizing procedures to reassign 16 peak afternoon and evening slots previously operated by Southwest at Newark Liberty, and requested applications from U.S. low-cost or ultra-low-cost carriers to help address competition issues at the airport. Based on comments received in response to its September 20, 2021 notice proposing the reassignment, DOT will consider applications seeking fewer than 16 slots, if no airline submits an application for all 16 that adequately addresses selection criteria. This notice and action are in response to a Court of Appeals decision in Spirit Airlines v. DOT, et al., and fulfills President Biden's Executive Order to promote competition at major gateway airports. Confidential carrier proposals were submitted on March 11, 2022.

2. FAA to Extend Minimum International Slot Usage Waiver.

FAA issued an extension of limited waiver through October 29 of the minimum-slot-usage requirement for international operations at New York Kennedy and LaGuardia and Reagan Washington National. Additionally, FAA extended through October 29, COVID-19-related policy for prioritizing flights canceled at designated IATA Level 2 airports—Chicago O'Hare, Newark, Los Angeles and San Francisco—for purposes of establishing a carrier's operational baseline in the next corresponding season.

3. Southwest to Invest \$230 Million in Houston Hobby Expansion.

Southwest will invest \$230 million to expand its operations at William P. Hobby Airport; Houston's City Council is providing \$20 million. Southwest is proposing to plan, design and construct seven new gates, six of which will be used for domestic flights, and one a common-use international gate, as well as passenger loading bridges and aircraft parking positions.

4. Sea-Tac International Arrivals Facility Completed.

Construction of the new International Arrivals Facility (IAF) at Seattle-Tacoma was completed and final readiness testing precedes full passenger operations this spring. The new structure includes an aerial pedestrian walkway that connects to international arrivals at the S Concourse, and a Grand Hall. Replacing a 50-year-old customs facility, the IAF increases international gates from 12 to 20; passenger capacity by more than double to 2,600 per hour; and bag claim carousels from four to seven. Minimum passenger connection time is reduced from 90 to 75 minutes. International services include Qatar to Doha, WestJet to Calgary, American to London, and Alaska to Belize. New

destinations coming in 2022 are Air Canada to Montreal, Aer Lingus to Dublin, Delta to London, Alaska to Edmonton, and Finnair to Helsinki.

5. New Funding for Toronto Pearson Projects.

The government of Canada announced investments in airport infrastructure, including more than \$142 million for Toronto Pearson to rehabilitate airfield pavement; develop and install new check-in, boarding, and border clearance systems; enable COVID-19 testing and screening of passengers and employees; and technical studies and concept design work for a proposed connection between the airport and a future light rail extension. The investment will better position us to create the airport that Canada needs as it recovers from the pandemic, said Deborah Flint, President & CEO Greater Toronto Airports Authority.

6. Berlin Brandenburg Terminal 2 Begins Operations.

Berlin Brandenburg opened Terminal 2 for the summer flight schedule, with Ryanair as primary user. Terminal 2 was completed in September 2020, before the opening of the airport, but was not used due to low passenger numbers during the pandemic. In related news, the European Commission approved German plans to grant up to €1.7 billion for the recapitalization of state-owned airport operator Flughafen Berlin Brandenburg (FBB), by allowing its public shareholders, the Länder Berlin and Brandenburg and the Federal Republic of Germany, to inject the capital into FBB's capital reserve. FBB will use part of the aid to repay subsidized interest loans granted under a previous scheme approved in August 2020.

III. SECURITY AND DATA PRIVACY

1. **TSA Statistics Update.**

The Transportation Security Administration screened 2,200,172 travelers at U.S. airport checkpoints on Monday, March 14, compared to 1,267,345 on same weekday 2021 and 2,465,709 on same weekday 2019. . . . On March 15, TSA had 217 employees with active COVID-19 infections. Cumulatively 22,330 federal employees have tested positive and 36 died, as did two screening contractors. . . . TSA investigates incidents reported by operators of passengers who refuse to comply with face mask security directives and become disruptive or aggressive. Of 3,800 incidents investigated from February 2021 to March 2022, TSA issued 2,700 warning notices and 900 civil penalties. Separately, FAA investigates incidents of unruly passengers who interfere with crew and flight safety. This year, as of March 7, FAA had received 814 reports of unruly passengers and initiated 224 investigations.

2. **Former TSA Administrator Kip Hawley Dies.**

Kip Hawley, TSA Administrator from 2005 to 2009, has died of lung cancer; he was 68. Hawley was tapped by DOT Secretary Norman Mineta to serve as senior adviser to the team that established TSA after the 9/11 terrorist attacks.

3. **TSA Awards \$781.2 Million for CT X-Ray Scanners.**

TSA awarded two orders for a combined total value of up to \$781.2 million to Analogic for procurement and maintenance of base and full-size Computed Tomography (CT) x-ray systems for carry-on items at TSA checkpoints. Deployment is expected to begin this summer. Last year, TSA awarded \$198 million to Analogic for procurement of mid-size CT x-ray systems, which are being installed at TSA checkpoints across the country.

4. **Viva Air Joins TSA PreCheck.**

Viva Air has joined TSA PreCheck. The Colombia-based airline serves Orlando and Miami.

IV. TECHNOLOGY AND EQUIPMENT

1. Cathay Pacific Selects Sabre Solutions to Manage Fares.

Cathay Pacific signed on for Sabre's AirVision Fares Manager and Fares Optimizer. The solutions incorporate "publicly available competitor fare benchmarking and automating fare rule adjustments, empowering analysts to make astute pricing decisions." . . . Sabre closed the sale of its AirCentre airline operations portfolio to CAE. The transaction, valued at \$392.5 million, includes the Sabre AirCentre product portfolio, related technology and intellectual property and transfer of AirCentre employees to CAE. Sabre plans to identify and maximize new revenue opportunities.

2. eDreams ODIGEO Ends Operations in Russia, Belarus.

Europe's largest online travel company, eDreams ODIGEO, ceased operations in Russia and Belarus, closed its Russian website and app, removed all Russian and Belarus airlines from its inventory and banned all transactions made from these countries and all local payment methods. The company, which includes GO Voyages, Opodo, Travellink, and Liligo, serves 17 million customers per year across 45 markets. February bookings were 31% above pre-COVID 19 levels.

3. OAG: Reinvent Travel Retail Experience with Data, Digitization.

"Only 5-10% of travelers visit duty-free retail stores in the terminal," says a new report from OAG; most want experiences that are personal and consistent across physical and digital channels. Consequently, airports and airlines are utilizing data, automation, self-service, and mobile technologies to enhance offerings and customization. For example, Amsterdam Schiphol, Dallas Love Field and Chicago Midway launched automated shopping experiences in partnership with airport retailers. AirAsia Ride offers delivery and ride share services. JetBlue's Paisly website accesses booking data to cater to travelers' needs. Singapore Airlines' e-commerce subsidiary, Pelago, offers trip planning services, loyalty rewards and experience-focused purchases. Malaysia Airports' shopMYairports features products offered by airport retailers. Toronto Pearson created a digital retail platform, in partnership with Dufry, that gives the public access to designer products. Many airports offer mobile food ordering and delivery through partners like Grab Airport Marketplace, AtYourGate or UberEats.

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

The average price of aviation jet fuel on March 11 was \$132.86/barrel, up 19.5% on the month and up 82.3% compared to a year ago, reports IATA. Jet fuel price average for 2022 was \$112.5/barrel.

2. Delta, Airbus Collaborate on Hydrogen-Powered Aircraft Development.

Delta will be the first U.S.-based airline to collaborate with Airbus on research and development of hydrogen-powered aircraft, with focus on exploring technical and economic viability, identifying the pathway for introduction into Delta's fleet and operations, and potential performance in the fleet. That includes identifying flight range limits, refueling time and airport compatibility. . . . Separately, Gevo will supply 75 million gallons of sustainable aviation fuel (SAF) to Delta annually for seven years, from mid-2026. Delta will need to secure 400 million gallons annually by end of 2030 to meet 10% SAF procurement commitment and 4 billion gallons annually for SAF-only flight.

3. SFO to Use New Technology to Reduce Aircraft Noise.

San Francisco International (SFO) received FAA approval to use the Ground-Based Augmentation System (GBAS), which may eventually help reduce aircraft noise over nearby communities. The new technology uses a broadcast station located on airport grounds to produce an enhanced Global Positioning System (GPS) signal more accurate than what satellites alone can provide. Properly equipped aircraft can utilize this system to land with a greater degree of precision than current systems. FAA has yet to formally adopt this technology on a federal level, but SFO hopes to demonstrate its effectiveness for use at airports across the nation. SFO has been working with airline flight crews and FAA technical staff to guide the siting, installation, and testing of required hardware. Efforts included airline testing of GBAS procedures in flight simulators and real-world testing by United Airlines on non-passenger flights. The final phase involved FAA flight testing of the system to support operational use at SFO. FAA also approved use of the system to replicate existing procedures, a critical step before future innovative procedures can be pursued. SFO staff will conduct noise testing of existing GBAS flight operations to validate ongoing computer modeling.

4. Pittsburgh Airport Could Produce Gas-To-Fuel Onsite.

National Energy Technology Laboratory (NETL) finds it is technically feasible to construct and operate a gas-to-liquids (GTL) facility on Pittsburgh International property that could produce about 6,000 barrels per day (70 million gallons per

year) of synthetic jet fuel. Such volume could supplant nearly all current jet fuel consumption at the airport, while excess capacity could be made available for the U.S. Air Force Pittsburgh Air Reserve Station and the 171st Air Refueling Wing co-located there. NETL estimates that plant design and construction would take four years and cost between \$550 million and \$740 million. Last summer, PIT became the first major U.S. airport to have a self-sustaining microgrid producing electricity, heating and cooling for airport operations powered by natural gas and solar power produced on airport property. GTL technology converts natural gas into liquid hydrocarbons, including synthetic jet fuel. NETL suggests that a GTL facility could help insulate the airport from possible supply disruptions, and concluded that it “has the potential to become a living laboratory and test bed for further technological advances. The proximity to several premier academic, industrial, and governmental research institutions; abundant supplies of domestic natural gas; and a regional commitment to energy innovation all underscore this potential.” NETL is a U.S. Department of Energy national laboratory.

5. DHL Express Signs SAF Agreements with bp, Neste.

Under new strategic collaborations, bp and Neste will provide 800 million liters of SAF to DHL Express in the next five years. With previously announced SAF introduction in the DHL network in San Francisco, East Midlands and Amsterdam, DHL expects to save 2 million tons of carbon dioxide emissions over the aviation fuel lifecycle, equivalent to annual greenhouse gas emissions of 400,000 passenger cars. . . . DHL Express purchased six additional Boeing 777 Freighters, bringing total orders to 28 since 2018; 15 have been delivered. The 777 Freighter improves fuel efficiency and reduces CO2 emissions by 17% compared to legacy airplanes, said Boeing. Deutsche Post DHL aims to achieve zero-emissions logistics by 2050.

6. FlyZero Creates Hydrogen-Powered Aircraft Concepts.

Three next-generation aircraft concepts have been created as part of the UK’s FlyZero project to help understand and demonstrate the potential of zero-carbon emission technologies in aviation. The FlyZero regional aircraft is designed to demonstrate feasibility of a fuel cell-powered aircraft. The narrowbody explores how hydrogen could replace carbon-based fuels in the largest commercial aviation sector, and the midsize assesses potential for hydrogen to cover long-haul routes, “overturning the view that hydrogen aircraft would be limited to shorter routes.” A FlyZero Technology Roadmap identifies six hydrogen technology bricks—hydrogen fuel systems and tank, hydrogen gas turbines, hydrogen fuel cells, electrical propulsion systems, aerodynamic structures and thermal management—and seven cross cutting technologies critical to ensuring accelerated introduction of hydrogen aircraft and associated reduction in carbon

emissions. FlyZero is an Aerospace Technology Institute project aiming to realize zero-carbon emission commercial aviation by 2030.

7. **Swiss Launch Customer for Synhelion Solar Fuel.**

Lufthansa Group unit Swiss will be launch customer for 'sun-to-liquid' fuel made by Switzerland-headquartered Synhelion. The process uses concentrated solar heat to manufacture syngas which can then be synthesized into kerosene using standard industrial processes. When combusted, the fuel will produce only as much CO₂ as went into its manufacture. Synhelion will build a facility for industrial production of solar fuel in Germany this year, and Swiss will become the first customer for the solar kerosene in 2023. Swiss and Lufthansa Group will also support development of Synhelion's planned commercial fuel production facility in Spain.

VI. U.S. CONGRESS

1. Senate Passes Bill to Repeal Federal Mask Rule.

The Senate passed a joint resolution to repeal the CDC rule that requires use of face masks on planes and other public conveyances and at transportation hubs to prevent transmission of COVID-19. Introduced by Senator Rand Paul (R-KY), it passed without amendment. The White House said, “If Congress were to pass this resolution, the President would veto it.”

2. Hearing on Aviation Noise.

The House Aviation Subcommittee held a hearing to examine aircraft and airport noise, mitigation strategies, methodologies for measuring noise, FAA community engagement, new and emerging technologies, and implementation of noise provisions from the FAA Reauthorization Act of 2018. Panels included representatives from FAA, airlines, airports, manufacturers, the Government Accountability Office (GAO) and a community-based association. . . . FAA representatives noted that the number of people living in areas exposed to significant levels of aircraft noise in the United States had declined from 7 million in mid-1970s to 440,000 in 2019. Noise produced by one Boeing 707-200 flight in the 1970s is equivalent in noise to 30 Boeing 737-800 flights today. But communities experience more frequent operations of much quieter airplanes; the number of passengers increased from 200 million in 1975 to 935 million in 2019. The introduction of satellite-enabled Performance Based Navigation (PBN) procedures and more precise flight paths reduced the geographical area that flight paths cover, resulting in a reduction in overall number of people exposed to aircraft noise, so again, communities are experiencing increased number of flights. FAA said it is addressing noise concerns and working with communities, airports, and other key stakeholders. . . . GAO noted that new entrants to the national airspace, such as drones, may contribute to noise issues. Electric take-off and landing vehicles (eVTOL) have the potential for quieter operations but may also operate closer to populations; FAA has said that noise concerns will need to be considered when designing corridors (defined airspace) where these aircraft might operate. . . . Hollywood Burbank Airport plans to conduct a new Noise Compatibility Study to measure current and future aircraft noise levels and associated effects on surrounding communities, and outline actions to reduce or minimize aircraft noise over sensitive areas. . . . “Effectively addressing aircraft noise also requires prioritizing funding for critical noise mitigation projects. Typically, these projects are funded through FAA’s Airport Improvement Program (AIP),” said Transportation Committee Chairman Peter DeFazio (D-OR). “Unfortunately, AIP funding has remained largely flat since this committee reauthorized the

program in 2018 and, consequently, has been oversubscribed and is incapable of meeting the growing demand for noise mitigation in local communities.” DeFazio noted the recently passed Infrastructure Investment and Jobs Act provided \$25 billion over five years to modernize and upgrade airports, and added, “I will continue to support an increase in the passenger facility charge, which hasn’t been raised in over 20 years and is still critical to addressing airport’s long-term infrastructure needs.”

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. ICAO Reiterates Concern Over North Korea Missile Testing.

In light of continued missile testing in international airspace, the International Civil Aviation Organization (ICAO) urged the Democratic People's Republic of Korea to act in accordance with the Convention on International Civil Aviation (Chicago Convention) and comply with applicable Standards and Recommended Practices (SARPs). As an ICAO Member State, North Korea is expected to notify adjacent countries of any activity or incident arising from its territory which may pose risks to nearby civil aviation routes or operations. This would include matters such as volcanic ash clouds from local eruptions, or aerial testing which may affect civil aviation. Recent episodes involving unannounced missile launches posed a serious risk to international civil aviation. The tests are also in defiance of United Nations Security Council Resolutions. The Council has requested the UN Secretariat to continue to actively monitor the situation.

2. FAA, UK CAA Discuss Safety Standards for eVTOL Aircraft.

In recognition of the potential of electric vertical take-off and landing and other Advanced Air Mobility (AAM) aircraft to significantly benefit the public, FAA and the UK Civil Aviation Authority are engaged in bilateral and multilateral discussions focused on facilitating certification and validating new eVTOL aircraft, production, continued airworthiness, operations and personnel licensing. As these aircraft enter into the aviation ecosystem, we must continue to maintain the high safety standards that the public expects, they said. To streamline and expedite integration, this technology should use existing regulatory frameworks on which that strong safety record is founded.

VIII. EUROPE AND AFRICA

1. Delta Adds Trans-Atlantic Flights for Summer.

Delta's updated summer schedule includes new Salt Lake City to London Heathrow and New York Kennedy to Stockholm service. In all, Delta is offering "up to 74 daily flights to 21 European destinations from 10 U.S. gateways this summer."

2. United Offers African Heritage Travel Packages.

United Airlines has teamed with travel and tour company Certified Africa to create options for travelers seeking African heritage experiences. United offers three weekly flights to Accra, Ghana and Lagos from Washington Dulles and a year-round, daily nonstop from Newark to Johannesburg.

3. Ethiopian CEO Tewolde GebreMariam Retires for Health Reasons.

Ethiopian Airlines CEO Tewolde GebreMariam has taken early retirement for health reasons. He is succeeded by COO Mesfin Tasew Bekele, who has been with the airline since 1984. Tewolde led the airline for over a decade, taking it "from one billion USD annual turn-over to 4.5 billion, from 33 airplanes to 130 airplanes and from 3 million passengers to 12 million passengers (pre-COVID)," said the company. Former CEO Girma Wake is the new Chairman of Ethiopian Airlines Group. . . . Ethiopian agreed to purchase five Boeing 777-8 Freighters and has started construction on "the largest E-commerce Hub Terminal in Africa," said Tewolde. "Today, our air cargo services cover more than 120 international destinations around the world with both belly-hold capacity and dedicated freighter services."

4. Finnair Begins Dallas/Fort Worth Service.

Finnair began four weekly flights to Dallas/Fort Worth, with full connectivity to American Airline's U.S. network. Three weekly flights to Seattle begin June 1. Finnair also flies to New York Kennedy and Chicago daily, and Los Angeles three times a week, and from Stockholm to New York daily and Los Angeles four times a week. "Summer sees us increasing flights to over 300 daily," said the airline. "Some long-haul flights to Asia are cancelled due to Russian airspace closure, and consequently, frequencies in Finnair's European network are adjusted to the resulting decrease in transferring customers." With fewer flights and increasing fuel, crew and navigation costs, Finnair is negotiating pilot and cabin crew furloughs. Previously, Finnair's flights between Europe and Asia "used the shortest, fastest, and most environmentally sound route over Russia." Flight time between Helsinki and Tokyo Narita is around 13 hours now, instead of the normal 9.5-10 hours, for instance. "When planning the detour around

Russia, winds or jet streams play a key role. Depending on the winds, we fly either the southern or northern way around Russia to Japan . . . Back in 1983 Finnair was the first airline to fly nonstop from Europe to Japan, flying over the North Pole, so operating in the polar region is not new to Finnair.”

5. IAG Proposes €100 Million Loan for Air Europa Owner.

International Airlines Group (IAG) offered a €100 million loan to Air Europa parent Globalia, with an option to acquire an up to 20% equity stake in the Spanish carrier. An earlier acquisition effort was terminated.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. **JetBlue, Qatar to Expand Partnership.**

JetBlue and Qatar Airways intend to expand their partnership with more code sharing, enhanced loyalty benefits and refinements to flight schedules. They also plan to develop an integrated airside transfer option for customers connecting at New York Kennedy. The airlines have partnered since 2011.

2. **Air New Zealand Offers Ultra-Long-Haul New York Route.**

Air New Zealand begins three weekly year-round flights from New York Kennedy to Auckland on September 17. In partnership with United, domestic customers across the U.S. can connect to New Zealand through New York and other Air New Zealand gateways. The Boeing 787-9 service is one of the longest routes in the world, at just over 16 hours northbound and 17.5 hours southbound, said CEO Greg Foran. The New Zealand post-pandemic border reopening is May 2 to U.S. passport holders.

3. **Atlas Air, Cainiao Expand Partnership.**

Atlas Air and Cainiao are expanding their strategic partnership by adding a new Boeing 747-8 Freighter under a long-term agreement to increase capacity on routes between China and the Americas. The new aircraft is among the last 747s ever to be produced by Boeing. Cainiao, the logistics arm of China's Alibaba Group, partners with Atlas Air to operate daily charter flights between China and Latin America. . . . Cainiao and Atlas Air, in partnership with Qatar Airways Cargo, launched weekly B777 cargo service from Hong Kong to Sao Paulo Guarulhos, with tech stop in Doha. Qatar is the 777-8 Freighter launch customer with a firm order for 34 and options for another 16, at \$20 billion the largest freighter commitment in Boeing history by value; first delivery is anticipated in 2027.

4. **Air India CEO Search Resumes.**

Former Turkish Airlines Chairman Ilker Ayci was named CEO of Air India by new owner Tata Group, but soon withdrew due to political opposition. Tata Group Chairman Natarajan Chandrasekaran is Chair of Air India.

5. **Sanjiv Kapoor Named CEO of Jet Airways.**

Sanjiv Kapoor was named CEO of India's Jet Airways, which is returning to service after declaring bankruptcy in 2019. Kapoor's airline experience began in 1997 at Northwest Airlines and he later was Chief Strategy and Commercial Officer at Vistara, a TATA-Singapore Airlines Joint Venture, and CEO of

SpiceJet. He led the airline practice at Bain and Company (Singapore, Dallas, and London).

6. ANA to Launch AirJapan Next Year.

ANA Holdings unveiled its new AirJapan unit, which will begin medium-haul service in second half FY2023, subject to “trends in the recovery of demand for international flights.” AirJapan is neither a full-service airline nor a low-cost carrier, said ANA, but combines fares in “an affordable price range” and “a comfortable cabin space for all passengers.” ANA Holdings comprises 71 companies, including All Nippon Airways (ANA) and low-cost Peach Aviation.

X. AMERICAS

1. Airlines Contribute to Ukrainian Relief Effort.

FedEx was among airlines worldwide contributing to the Ukrainian relief effort, transporting 76 tons of medical relief supplies to Poland to aid refugees, as part of a \$1.5 million donation. United is matching the first five million MileagePlus miles and \$100,000 donated and will award up to 1,000 bonus miles for cash donations; partners are Americares, American Red Cross, World Central Kitchen, and Airlink, a non-profit providing airlift and logistical solutions to partners responding to disasters. Delta contributed \$1 million to the American Red Cross and Global Red Cross Movement and \$100,000 to the UN High Commissioner for Refugees. American raised funds for UNICEF's Change for Good program, a partner of the international airline industry; and all donations to American's Miles for Social Good program in March were directed to Airlink to help transport physicians and relief workers to Eastern Europe. Air Canada, Airlink, Project C.U.R.E. and freight forwarder Flexport partnered to bring medical supplies and hospital beds to Warsaw; supplies destined for a Ukrainian hospital provided by Canadian disaster relief organization GlobalMedic were also aboard the Air Canada Boeing 787-9. Sabre donated \$1 million to the Polish Red Cross, for purchase of "food, hygiene products and sleeping bags, and will support the provision of medical assistance to those seeking shelter in Poland."

2. Raj Subramaniam Named President and CEO of FedEx Corp.

Raj Subramaniam was named President and CEO-elect of FedEx Corp., effective immediately. Founder, Chairman and CEO Fred Smith will become Executive Chairman, effective June 1. Subramaniam joined FedEx in 1991 and among executive positions was President and CEO of FedEx Express. . . . Smith's son, Richard Smith, becomes President and CEO-elect of FedEx Express on April 1, and assumes full duties on September 1. He succeeds Donald Colleran, who retires effective December 31. Colleran joined FedEx from Flying Tigers in its acquisition by FedEx in 1989. Smith has held numerous leadership positions at FedEx.

3. DHL, Cargojet Announce Long-term Strategic Partnership

DHL Express and Canadian freight operator Cargojet entered into a five-year deal, with options for an extra two years. Cargojet will provide ACMI, CMI, charter, and aircraft dry lease services to support DHL international requirements for Europe and North, South, Central and Latin America, as well as Asia. DHL is intended to be Cargojet's inaugural launch customer for state-of-the-art B777 wide body long-range conversion cargo aircraft, expected to be

deployed in late 2023 or early 2024. Cargojet will issue warrants to DHL for up to 9.5 percent of Cargojet's outstanding voting shares over a period of seven years.

4. Alaska, Horizon Launch Ascend Pilot Academy.

Alaska Airlines and regional unit Horizon Air are teaming with flight school Hillsboro Aero Academy to launch the Ascend Pilot Academy (APA). Cadet pilots will be eligible for low-interest financial aid, a \$25,000 stipend to cover cost of commercial pilot license, mentorship and guidance from Alaska and Horizon pilots and a conditional job offer at Horizon, with an opportunity to fly with Alaska. The program "is part of a larger effort to address a growing pilot shortage coupled with increased travel demand," said the airlines. During the pandemic, thousands of pilots at major airlines took early retirement. In 2022 alone, mainline airlines are expected to hire more than 10,000 pilots, twice the amount hired in 2019; 80% likely will be sourced from regional airlines. Combined, Alaska and Horizon estimate they will need to hire 500 pilots a year by 2025. They are advocating for expanded federal student loan aid to cover costs associated with flight education, which could run to \$90,000 for training, schooling, and licenses.

5. Spirit Adding Crew Bases in Miami, Atlanta.

Spirit plans to add new pilot and flight attendant bases at Miami International and Hartsfield-Jackson Atlanta this summer, bringing total number to nine across the network. In other news, at Atlanta Spirit has introduced its automated self-bag drop with biometric photo-matching system, which represents a new paradigm for the U.S. airline industry. Spirit also announced completion of its move of all LaGuardia flights to terminal A – the historic Marine Terminal.

6. Breeze Airways Adds 10 Cities.

Breeze is introducing 35 new routes and 10 new cities, including Jacksonville, San Francisco, Nashville, Savannah, Sarasota, Las Vegas, Syracuse, Fort Myers, Los Angeles and San Bernardino. David Neeleman's newest airline has partnered with ATP Flight School, providing graduates with a path to a First Officer position with the airline.

7. Amerijet Expands Cargo Fleet.

Amerijet International added six B757-200(PCF) freighters, bringing the fleet to 20, including B767-200F and -300F models. Amerijet operates a dedicated fleet from its primary hub at the Miami International to destinations in the Caribbean, Mexico, Central America, South America and Europe.

8. WestJet Group to Acquire Sunwing.

WestJet Group will acquire Sunwing Vacations and Sunwing Airlines, subject to regulatory approvals, with transaction close expected this year. A new tour operator unit will include Sunwing Vacations and WestJet Vacations, led by Sunwing CEO Stephen Hunter. Sunwing's current shareholders will become equity holders in WestJet. The tour operator business will be headquartered in Toronto, with a Quebec head office in Laval; WestJet will maintain its head office in Calgary. Sunwing Airlines will operate year-round in Canada, instead of supplementing seasonal demand, and will expand WestJet Group's "low-cost footprint in Canada." In other news, Alexis von Hoensbroech became CEO of WestJet Group in February; he has extensive aviation experience and was with Lufthansa Group where he restructured Austrian Airlines. WestJet Group also appointed Alex Cruz, CEO and Chairman of British Airways, to its Board of Directors.

9. Aeromexico Exits Bankruptcy.

Aeromexico concluded financial restructuring and emerged from bankruptcy protection. The airline plans to spend \$5 billion over the next five years on fleet modernization. The largest shareholders of the reorganized company include funds managed by Apollo Global Management, Delta Air Lines, and Mexican investors. Aeromexico currently flies 84 national and international routes.

10. New Caribbean Airline Arajet Orders 20 MAX Jets.

Startup Arajet, headquartered in Santo Domingo, Dominican Republic, ordered 20 Boeing 737 MAX airplanes, with options for an additional 15. The Caribbean market's first ultra-low-cost airline, Arajet is set to begin operations from Las Americas International to Caribbean islands and Central America initially, and add flights later this year to North American markets with populations having significant familial ties to the Dominican Republic, including New York, Boston, Miami and Chicago. An estimated 2.2 million people of Dominican descent live in the United States. Founder and CEO Victor Pacheco Mendez will lead the airline with former Wizz Air CFO Mike Powell. The airline has the support of Vinci Airports and the government, which seeks to develop tourism.

11. Delta Adds Trans-Atlantic Flights for Summer.

See Section VIII, item 1.

12. United Offers African Heritage Travel Packages.

See Section VIII, item 2.

13. Finnair Begins Dallas/Fort Worth Service.

See Section VIII, item 4.

14. **JetBlue, Qatar to Expand Partnership.**
See Section IX, item 1.
15. **Air New Zealand Offers Ultra-Long-Haul New York Route.**
See Section IX, item 2.
16. **Atlas Air, Cainiao Expand Partnership.**
See Section IX, item 3.