



WASHINGTON AVIATION SUMMARY

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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. Record Number of Passengers Fly Since COVID Onset.

Sunday, November 27, the final day of the 2022 Thanksgiving weekend, saw the highest number of air travelers in the U.S. since the start of the COVID-19 pandemic, with 2.56 million passengers screened by the Transportation Security Administration. “The system did well,” tweeted U.S. Transportation Secretary Pete Buttigieg; the weather “led to an elevated but not extreme level of delays (5.3%) & overall cancellation rates held below 1.0%.”

2. DOT Fines Airlines for Consumer Rule Violations.

The U.S. Department of Transportation (DOT) announced enforcement actions against six airlines, assessing more than \$7.25 million collectively for extreme delays in providing refunds for a canceled or significantly changed flight. This is in addition to \$600 million in refunds airlines have paid. Fines assessed are: Frontier (\$2.2 million), Air India (\$1.4 million), TAP Portugal (\$1.1 million), Aeromexico (\$900,000), El Al (\$900,000) and Avianca (\$750,000). DOT also fined Etihad \$200,000 for violations with respect to handling and reporting disability-related complaints, and fined Swoop \$175,000 for failing to provide timely refunds for flights to and from the United States that were cancelled or significantly changed.

3. DOT: August Consumer Complaints 320% Above Pre-Pandemic Levels.

DOT reported a 6% increase in air travel service complaints from July to August, as they climbed to more than 320% above pre-pandemic levels. The previous report showed a 16.5% increase from June to July, when complaints rose 260% above pre-pandemic levels. Of the 7,243 complaints received in August, 4,052 (55.9%) were about U.S. carriers, 2,692 (37.2%) about foreign carriers, and 497 (6.9%) about travel companies. Most complaints received in August (2,321 or 32.0%) concerned cancellations, delays or other schedule deviations. Baggage-related complaints ranked second in August (1,675), with 1,079 about foreign air carriers and 596 about U.S. carriers.

4. JetBlue-American Antitrust Trial Concludes.

An antitrust hearing examining the JetBlue-American Airlines partnership known as the Northeast Alliance concluded in Massachusetts federal court. After the alliance was approved during the final days of the Trump Administration, the Justice Department under President Biden, along with attorneys general in Arizona, California, Florida, Massachusetts, Pennsylvania, Virginia and D.C., sued to disband it, calling it a de facto merger of the airlines' Boston and New

York operations. During the trial, the Justice Department argued that the alliance harms consumers by allowing former competitors to collaborate on scheduling and revenue sharing. The airlines said the alliance allows them to compete more effectively against United and Delta. Justice cited an economic analysis that predicts between \$500 million and nearly \$700 million in higher fares for consumers on affected routes. The two airlines said prosecutors could not point to actual fare increases. U.S. District Judge Leo Sorokin in Boston plans to hold another hearing before he issues a decision in the case.

5. ALPA Cites “Alarming Increase” in U.S. Visas for Foreign Pilots.

Air Line Pilots Association, Int’l (ALPA) urged the government “to ensure airlines do not exploit existing visa programs to displace American pilots with foreign workers and undermine collective bargaining rights.” They expressed concern about a DOT decision to remove a clause in its approval of the Delta-LATAM joint venture agreement “that provided unionized U.S. pilots and other personnel a fair and equitable share of growth in flying.” ALPA said the effort to bring foreign airline pilots to the United States on visas “is nothing more than airlines’ attempting to undercut U.S. workers and their collective bargaining power, all part of a larger effort to weaken aviation safety rules by reducing pilot training and, ultimately, removing pilots from the flight deck.”

6. New Audit Initiated of FAA Oversight of Boeing MAX Certification.

The DOT Inspector General launched its fourth audit of FAA’s certification process of the Boeing 737 MAX. . . . Relatives of passengers killed in the MAX crashes asked Justice Department officials to arraign Boeing on felony charges, after a federal judge in Texas ruled that the deceased have rights as crime victims. Boeing avoided criminal prosecution in a \$2.5 billion settlement in 2021. A relative said the Department is staying with its “sweetheart agreement that provided immunity to the company responsible for our loved ones’ deaths.” . . . A U.S. appeals court in New Orleans threw out class-action lawsuits accusing Boeing and Southwest of concealing a serious safety flaw in the design of the MAX, and ordered the litigation dismissed; plaintiffs could not prove they suffered physical or economic injury from the alleged fraud.

II. AIRPORTS

1. Newark Unveils \$2.7 Billion Terminal A.

Newark Liberty's \$2.7 billion Terminal A is set to open on December 8. The one million sq. ft. terminal has 33 gates and common-use check-in area and security and baggage claim areas expected to handle 13.6 million passengers a year. Sensor technology at check-in and security, smart restrooms, waypoints, and departure gate doors will "help reduce wait times, increase overall efficiency of operations, and improve the customer experience," said Port Authority of New York and New Jersey. Sustainable design initiatives include integral solar panels on a curbside glass canopy and roof of an integrated parking structure, electric buses to support shuttle operations, water-efficient fixtures, a 'cool roof,' and energy-efficient indoor lighting and controls. The new Terminal A was designed and built by Tutor Perini/Parsons, with work completed in phases. Munich Airport NJ oversees operations, maintenance and concession functions. The pandemic cost the Port Authority about \$3 billion in revenue from tolls and rents, wrote the New York Times. Passenger traffic at Newark Liberty, La Guardia and Kennedy has recovered to about 90% of pre-pandemic levels. "The pandemic also slowed work on Terminal A and disrupted the global supply chain for some of the components needed to build it. Much of the glass that forms the terminal's exterior walls was made by Ukrainian workers who were called away to fight in their country's war with Russia."

2. Construction of \$4.2 Billion Terminal 6 at JFK Begins Next Year.

Financial investments and approvals have been secured for the first phase of the new Terminal 6 at John F. Kennedy International (JFK) and construction will proceed early next year. The project is a public-private partnership between Port Authority of New York and New Jersey and JFK Millennium Partners, a consortium that includes Vantage Airport Group; American Triple I; New York real estate operating company RXR; and JetBlue Airways. First new gates open in 2026 and project completion is expected in 2028. The 1.2 million sq. ft. terminal, with capacity for 10 gates, including nine widebody, will connect to JetBlue's Terminal 5. Terminal 7's current primary tenant, British Airways, will move to a modernized and expanded Terminal 8, and the 60-year-old Terminal 7 will be demolished. The Terminal 6 project is part of the Port Authority's \$18 billion transformation of JFK.

3. O'Hare Terminal Area Construction Cleared.

An FAA environmental review found "no significant impact" of the proposed \$7.1 billion Chicago O'Hare Terminal Area Plan (TAP), paving the way for construction to begin on Satellite Concourses 1 and 2 and related airfield work

“when the ground thaws this spring.” The first satellite concourse is expected to be completed in 2027 and the second in 2028. Demolition of Terminal 2, the airport’s oldest passenger facility, begins in 2026, with completion of the O’Hare Global Terminal in 2030. Construction of a tunnel connecting passengers, baggage and utilities between the terminal and satellite concourses begins in 2024, with completion in 2030.

4. Denver Completes Gate Expansion Program.

Denver International completed its Gate Expansion Program with the opening of new gates on Concourses A and B. The 12 new gates on A-West and 10 new gates on B-East are leased by United, bringing the airline up to a total of 90 gates at its largest hub. The Gate Expansion Program constructed 39 new gates across all three concourses, increasing gate capacity by 30%, with an original budget of \$1.5 billion. Once the gates were officially leased to United and Southwest, work to accommodate relocation of various airlines to other gates, including buildout of a new commuter facility, new airline support spaces, technology upgrades and construction of the ground load facility including five new gates for Frontier, brought the program budget to \$2.3 billion. The airport is an enterprise of the City and County of Denver and does not operate using General Fund tax dollars.

5. Sonoma County Opens Modernized Terminal.

Charles M. Schulz–Sonoma County Airport opened a new terminal that provides 27,000 additional square feet of space, part of an overall \$40 million modernization project. The airport offers the only scheduled air service into the San Francisco North Bay region, home to Northern California wine country, and is served by Alaska Airlines (Burbank, Los Angeles, Orange County, Portland, San Diego, Seattle); American (Dallas, Phoenix); and Avelo (Burbank, Las Vegas, Palm Springs).

6. Qatar Completes Phase A of Airport Expansion.

As Qatar prepared to host the 2022 FIFA World Cup and 1.8 million visitors, Phase A of the Hamad International expansion was completed, increasing annual capacity to 58 million passengers. A tropical garden includes 300 trees and 25,000 plants sourced from sustainable forests around the world. Phase B, to begin in early 2023, will increase capacity to 70 million passengers. . . . Doha International, which ceased operations for commercial flights in 2014, was refurbished and temporarily reopened to accommodate FIFA visitors.

7. **Two International Passenger Terminals Open at Riyadh.**

Terminals 3 and 4 opened at King Khalid International in Riyadh, coinciding with heavy traffic levels associated with the FIFA World Cup in Qatar. Total capacity of the airport is expected to reach 13 million passengers annually.

8. **ACI Survey Reveals Highest Intention to Travel Since Pandemic Began.**

According to a new survey, 86% of respondents plan to travel by air in the coming year, the highest intention score since the beginning of the pandemic. In comparison, the ASQ 2022 Global Traveler Survey, published by Airports Council International (ACI) World, notes that 76% of pre-pandemic travelers planned to travel in 2021-2022, while 68% “actually actioned those plans.” Most respondents (71%) expect airports to provide measures that keep them feeling safe; the top measure expected shifted from masks to enhanced cleanliness (31%). ACI encourages airports “to leverage the new Public Health & Safety Readiness Accreditation program to better align their public health and safety measures with ACI guidance, industry best practices, and recommendations from the International Civil Aviation Organization (ICAO) Council’s Aviation Recovery Taskforce (CART).”

III. SECURITY AND DATA PRIVACY

1. **Supreme Court Lets TSA Mask Mandate Stand.**

The U.S. Supreme Court let stand a ruling that allowed the Transportation Security Administration (TSA) to require masks on planes and other forms of transport, keeping in place a precedent issued by U.S. Court of Appeals for the DC Circuit which said TSA has broad authority to maintain security and safety during national emergencies. TSA dropped its mask mandate in April after the Centers for Disease Control and Preventions' mask mandate was struck down by a federal judge in Florida.

2. **British Airways Begins Trial of Biometrics at Heathrow Terminal 5.**

British Airways is the first UK airline to hold a trial of the use of biometric technology for international flights. Customers who sign up to take part in the trial, from London Heathrow Terminal 5, can scan their face, passport and boarding pass on their smartphone or tablet ahead of travel. The trial will run for six months on British Airways flights to Malaga, Spain. Customers who opt in can use the Fast-Track security lane and receive complimentary priority boarding. Automated biometric technology was introduced on British Airways domestic flights in 2017.

3. **New EU Laws Target Aviation Cybersecurity.**

New European Union cybersecurity regulations are meant to combat potentially dangerous attacks on the aviation industry, including manufacturers, airlines, airports, flight training schools, caterers and weather data providers.. The rules come into force in 2025. National aviation regulators will oversee compliance and companies will be required to create a governance system.

IV. TECHNOLOGY AND EQUIPMENT

1. Aviation Industry Calls for 5G Mitigation Extension.

In a letter to Administration leaders, a coalition of more than two dozen aviation stakeholders called for a meeting to discuss the need for C-Band 5G implementation and an extension to the July 2023 deadline for the retrofit of radio altimeters (RAs). After a year of discussions and despite accommodations made by Verizon and AT&T and the aviation industry, they wrote, “we are now seven months away from the next deadline, with significant risks still unresolved. We believe that by finding accommodations now, we can prevent another last-minute herculean intervention by the Administration and major disruption to our air transport system.” FAA has verified that certain aircraft RAs are susceptible to interference from 5G signals with a subsequent degradation of safety, notes the letter. “Since January 2022 the FAA has documented over 100 FAA incidents of potential 5G interference, the majority of which were found to have a direct RA impact resulting in safety alerts by systems such as the Terrain Avoidance Warning System.”

2. ICAO Holds RPAS Symposium.

International Civil Aviation Organization (ICAO) held a Remotely Piloted Aircraft Systems (RPAS) Symposium to discuss the regulatory framework being developed for unmanned systems and how it will be implemented. “Our first priority is to carry forward integration into the conventional air traffic management system,” tweeted ICAO, noting its “mission is to ensure a safe, secure, and efficient framework without disrupting operations, and contributing to the global goal of net zero emissions by 2050.” A Boeing official called for unity around the importance of bringing all advanced air mobility vehicles and operating systems to market with airliner levels of safety.

3. FAA Proposes Airworthiness Criteria for Joby eVTOL.

FAA proposed Special Class Airworthiness Criteria for the Joby Model JAS4-1 Powered-Lift; comments due by December 8. Joby revised its expected launch of air taxi service to 2025, rather than 2024.

4. United Plans eVTOL Taxi Between Newark Airport and Manhattan.

United plans to use Archer’s electric vertical take-off and landing aircraft (eVTOL) to provide taxi service between Newark Liberty and the Downtown Manhattan Heliport. This is the first route of an Urban Air Mobility (UAM) network across the New York Metropolitan Area planned by California-based Archer. Target date for launch is 2025. “We look forward to continuing our collaboration with United,” said Archer Founder and CEO Adam Goldstein, “and to working

closely with state and local government leaders in the New York and New Jersey area as we bring this exciting new form of transportation to life.” New York City Mayor Eric Adams welcomed the program, saying “We want New York to be a place of bold innovation and outside the box thinking, and I encourage other companies to follow their lead.”

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

The average price of aviation jet fuel on November 11 was \$136.63/barrel, down 5.4% on the month and up 47.3% compared to a year ago, reports IATA. Jet fuel price average for 2022 (year to date) was \$141.8/barrel.

2. COP27: Panel Formed to Advance Tourism Climate Goals.

During the UN Climate Change Conference (COP27) in Sharm El-Sheikh, the Tourism Panel on Climate Change (TPCC) launched a 'Foundation Framework,' setting milestones to support the tourism industry's transition to net-zero emissions. Under the framework, the TPCC will develop a new set of peer-reviewed and open-source indicators that track important connections between climate change and tourism, including progress on sector commitments in support of Paris Climate Agreement goals. TPCC will publish an update of these metrics every three years, with the first to be delivered at COP28 in 2023, and will undertake the first comprehensive synthesis in more than 15 years of the state of tourism relevant knowledge about climate change emission trends, impacts, future risks, and a focus on mitigation and adaptation solutions. This assessment will include an open and transparent review process and will be published in time for COP29 in 2024.

3. IATA Expands IEnvA for Airports, GSPs.

The International Air Transport Association (IATA) launched an Environmental Assessment for Airports and Ground Service Providers, with Edmonton International as the first participant. Some 50 airlines are part of the IEnvA program, 34 of them fully certified while others are in process. IEnvA is an Environmental Management System based on standards and best practices built in collaboration with airlines, airports, ground service providers, IATA and sustainability experts. It complies with ISO14001 (Environmental Management) requirements, and uses IATA's expertise with safety auditing (IOSA) for oversight, governance and quality control.

4. Nonprofits to Build SAF Certificate Registry.

A digital registry for sustainable aviation fuel certificates (SAFc) will be built by RMI Partners and Energy Web Foundation to "enable SAF suppliers, airlines, corporate flyers, freight carriers, logistics service providers, and freight shippers to demonstrate and verify that the SAF and SAFc they invest in meets specific sustainability criteria linked to certifications of each fuel's supply chain. It will support companies' ability to make auditable claims about their investments in climate disclosures." The SAFc registry, expected to go live in mid-2023, will

support work with Sustainable Aviation Buyers Alliance (SABA), a coalition of corporate buyers and aviators committed to decarbonizing aviation, co-founded by RMI and the Environmental Defense Fund. SAF certificates enable companies and other aviation customers to pay for environmental benefits (such as emissions reductions) of SAF, even if physical fuel is not yet available for their flights, said RMI. “Decoupling the environmental attributes of SAF from the physical fuel will democratize access to SAF’s benefits and catalyze SAF supply at scale. A digital registry in which SAFc can be securely and consistently issued, transferred, and retired is critical to ensure that these certificates represent unique and verified emissions reduction claims.”

5. United to Invest in Biofuel Refinery.

United Airlines Ventures (UAV) announced a strategic investment in NEXT Renewable Fuels, which is acquiring permits for a flagship biofuel refinery in Port Westward, Oregon, with production expected in 2026. Houston-based NEXT is developing the biorefinery which, at full production, could produce up to 50,000 barrels per day of SAF, renewable diesel, and other renewable fuels. UAV could invest as much as \$37.5 million into NEXT, if the company meets certain milestone targets. “One of the biggest barriers to increasing supply and lowering costs of sustainable fuel is that we don’t have the infrastructure in place to transport it efficiently, but NEXT’s strategic location and assets solve that problem and provide a blueprint for future facilities,” said UAV President Michael Leskinen. NEXT’s biorefinery benefits include access to a deep-water port, an existing industrial-grade dock, and multi-modal logistics options. NEXT has secured an agreement with BP for sourcing 100% of its feedstock and an air permit from State of Oregon. Once all necessary approvals and permits are obtained and the biorefinery is operational, it has the potential to be used as a platform to scale SAF and deploy additional future technologies.

6. Air Canada Invests in Direct Air Capture Technology.

Air Canada announced an equity investment/loan of \$6.75 million in Canadian climate solutions company Carbon Engineering (CE). The investment supports advancement of CE’s Direct Air Capture (DAC) technology, which pulls carbon dioxide (CO₂) directly out of the air at large, industrial scale, and extracts the CO₂ while returning the other air components to the environment. The captured atmospheric CO₂ can be used to reduce aviation emissions by producing SAF that can be drop-in compatible with today’s aircraft. The captured CO₂ can also be safely and durably stored in geologic reservoirs to provide CO₂ removals that can be used to offset GHG emissions. Airbus helps fund DAC and has purchased 400,000 tons of CO₂ removal credits from CE’s U.S. development partner 1PointFive.

7. **Study Shows Full Decarbonization of U.S. Aviation is Within Grasp.**

A new study led by Arizona State University researchers found that planting the grass miscanthus on 23.2 million hectares of existing marginal agricultural lands—land that often lays fallow or is poor in soil quality—across the United States would provide enough biomass feedstock to meet liquid fuel demands of the U.S. aviation sector fully from biofuels, an amount expected to reach 30 billion gallons/year by 2040.

8. **Airbus Facilitates SAF Commercial Flights in China.**

Airbus signed agreements with Xiamen Airlines, Zhejiang Loong Airlines and Colorful Guizhou Airlines to promote use of SAF for commercial flights in China. The SAF is produced locally from used cooking oil by state-owned SINOPEC Zhenhai Refining & Chemical Company. Since October, Airbus Delivery Centre in Tianjin has offered customers the option of using a 5% SAF fuel blend for A320neo Family and A350 aircraft delivery flights. The 14th Five-Year Plan for the green Development of Civil Aviation states that it is necessary to implement a low-carbon development strategy, promote breakthroughs in the commercial application of SAF, and strive to achieve a SAF consumption of over 20,000 tons by 2025.

VI. U.S. CONGRESS

1. House Hearing on Accessible Air Travel.

The House Aviation Subcommittee held a hearing on “Accessible Air Travel: Addressing Challenges for Passengers with Disabilities.” A Government Accountability Office (GAO) report issued in April 2021 found that passengers with disabilities continue to face “infrastructure, information and customer service barriers at U.S. airports,” noted Subcommittee Chair Rick Larsen (D-WA), adding: “As we look forward to the 2023 FAA reauthorization bill, this Subcommittee must find ways to enhance the air travel experience for people with disabilities. And this includes ALL people with disabilities, including people in wheelchairs as well as those who may be deaf, blind or have other types of mental or physical disabilities.”

In his testimony, Congressman James Langevin (D-RI), the first quadriplegic to serve in the House, described flying as a wheelchair user. Despite protections afforded by the 1986 “Air Carrier Access Act,” people with disabilities encounter significant barriers that include damaged assistive devices and wheelchairs, denied boarding, delayed assistance, poor communication, and a lack of accessible seating accommodations. “I’ve been wrongfully denied boarding on multiple occasions because of the lithium-ion batteries that power my wheelchair, despite presenting documentation that my wheelchair meets all applicable safety standards as determined by FAA,” said Langevin, who has introduced the “Working to Help Ensure Equity for Lithium-Ion-Powered Chairs on Airplanes Act,” which would ensure that airline policies are no more restrictive than FAA standards. In 2018 alone, passengers in the United States filed more than 36,000 disability-related complaints with airlines, said Langevin. “I think that we can all agree that this status quo is unacceptable.” He introduced language requiring DOT to create the “Airline Passengers with Disabilities Bill of Rights,” which became law as part of the “FAA Reauthorization Act of 2018,” and recently was a sponsor of the “Air Carrier Access Amendments Act,” which would direct the U.S. Access Board to update standards for new and existing aircraft, airport facilities, airline websites and kiosks, impose mandatory civil penalties for rights violations, and establish a private right of action so “passengers can have their day in court to enforce the law.”

An Airlines for America (A4A) official testified that members have committed to “taking distinct actions to improve air travel accessibility.” Each will have a passenger accessibility advisory group. Mobility aid handling is a focus area of improvement, including transfer of passengers between mobility aids and seats. Carriers will educate employees about passengers with disabilities and support

development of more accessibility features on aircraft, and are engaged in developing regulations for accessible lavatories. Led by IATA, the industry and the disability community are developing guidance and best practices for handling and stowage of mobility aids. A4A and Airports Council International–North America are establishing a working group to develop guidelines and best practices for assisting passengers with disabilities. Carriers plan to participate in a reconstituted Advisory Committee that DOT is reestablishing. The aviation industry is also working with Rehabilitation and Engineering Society of North America (RESNA) and the disability community to develop standards for mobility aids and air travel. Last year, RESNA issued its requirements and test methods for mobility devices better designed for air travel; the standard includes features that will facilitate handling and stowage. Airlines also work with disability organizations, such as Assistance Dogs International, and is engaged with the TSA Aviation Security Advisory Committee’s Passengers with Disabilities Working Group to improve accessibility during the security screening process.

Brian Ryks, Executive Director and CEO of Metropolitan Airports Commission (MAC), which owns and operates Minneapolis–Saint Paul International (MSP) and six general aviation airports, provided the airport perspective on behalf of ACI-NA. Commercial service airports operate in compliance with the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and state or local standards. Ryks noted ways in which MSP considers accessibility needs for travelers facing a wide spectrum of visible and non-visible disabilities, guided by a Travelers with Disabilities Advisory Committee that includes a representative from the Minnesota Commission for the Deaf, Blind and Hard of Hearing. Navigating MSP, a partnership between MSP, Delta, Autism Minnesota, and other local organizations, and based on Boston Logan’s Wings for Autism program, helps individuals gain experience traveling through the airport. At MSP, infrastructure investments include \$120 million to build 24 accessible restrooms, and constructing and operating Service Animal Relief Areas in each concourse. Among other initiatives, MSP offers the Aira Airport Network, which provides visually impaired individuals access to remote assistants to guide them as they navigate the airport, using a cellphone app connected to a camera.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. Suspects in Downing of Flight MH17 Sentenced.

The District Court of The Hague found three members of separatist forces in eastern Ukraine guilty for their roles in the downing of Malaysia Airlines Flight MH17 on July 17, 2014, and sentenced them to life in prison. A fourth suspect was acquitted. The Boeing 777 was en route from Amsterdam to Kuala Lumpur when it was shot down. All 298 aboard were killed, including 196 Dutch nationals. A Joint Investigation Team comprised of authorities from the Netherlands, Australia, Belgium, Malaysia and Ukraine found that Flight MH17 was hit by a Buk missile fired from a field in eastern Ukraine, in territory controlled from the Russian Federation. Russia denies involvement. The suspects were never arrested and were tried in absentia. The decision “reflects the Netherlands’ firm commitment to establish the truth and pursue accountability in this case,” said U.S. Secretary of State Antony Blinken. “While this is a solid step towards justice, more work lies ahead to meet the UN Security Council’s demand in resolution 2166 that those responsible be held to account.”

2. United States, Ecuador Sign Open Skies Agreement.

A new Open Skies Agreement enables the expansion of passenger and cargo flights between Ecuador and the United States. The two sides have been applying terms of the agreement on the basis of comity and reciprocity since negotiations concluded in December 2021.

3. G20 to Adopt Vaccine Passports for International Travel.

G20 leaders agreed to adopt vaccine passports to facilitate international travel, affirmed “the important role of tourism for global recovery,” and acknowledged “the vital importance of strengthening safe international mobility and connectivity and seamless post-COVID travel to enable tourism recovery.”

4. FAA, EASA Present New Roadmap for Air-Ground Connectivity.

FAA and the European Union Aviation Safety Agency (EASA) published a White Paper proposal “for the modernization and harmonization of the aviation data communication landscape by 2035.” Airbus and Boeing contributed to the study.

VIII. EUROPE AND AFRICA

1. JetBlue to Add Service to Paris.

JetBlue plans to add service to Paris, its second transatlantic destination following the launch of service to London in 2021. The nonstop Airbus A321 Long Range service between New York Kennedy and Paris Charles de Gaulle begins in summer 2023, followed by nonstops between Boston Logan and Paris. . . . JetBlue expanded a code share agreement with Qatar that will add 11 new markets in eight countries across Africa and Asia, via Doha, to 13 existing destinations; Qatar Airways passengers can access 50 destinations across the JetBlue network and book travel on JetBlue options between the United States, the Caribbean and Latin America regions.

2. British Airways to Offer London–Cincinnati Nonstops.

On June 5, British Airways will begin five weekly summer season Boeing 787-8 flights from London Heathrow to Cincinnati/Northern Kentucky International, and four in the winter. The airport serves Ohio, Kentucky and Indiana and this will be the only direct flight between the UK and those states. British Airways recently added flights to Portland, Oregon and Pittsburgh, and is adding an eighth daily flight to New York Kennedy, where it will move into Terminal 8 to co-locate with joint business partner American Airlines. The Atlantic Joint Business (AJB) also includes Aer Lingus, Finnair, Iberia and LEVEL.

3. Former Italian Treasury Official to Head ITA Airways.

Antonino Turicchi was appointed Chairman of state-owned ITA Airways. The former Treasury official replaces Alfredo Altavilla, who resigned over differences with Board members regarding privatization of the Alitalia successor. Meanwhile, Lufthansa bidding partner MSC pulled out of the privatization process, and an exclusivity period for talks with U.S. private equity fund Certares, Air France KLM and Delta has ended.

4. IATA Tells Europe: “One Size Does Not Fit All.”

European regulators plan to address challenging air transport issues in the coming months, including airport slots, passenger rights and sustainability, and it is vital that they have the full picture on the contribution different airline business models bring to air connectivity, said IATA, which has released an analysis of the extent of connectivity provided by low-cost carriers (LCCs) and network carriers in Europe. “One Size Does Not Fit All,” launched at the Wings of Change Europe event in Istanbul, reports that the number of European-registered LCCs has nearly doubled since 2004 to 35, while number of network carriers has fallen from 149 to 131. Number of passengers on origin-destination

nonstops within Europe carried by LCCs reached 407.3 million in 2019, compared to 222.5 million for network carriers. The network carriers' hub-and-spoke model enables connections even where demand is low, ensuring that even the smallest or most remote European city with a runway can be connected to destinations across the world. The number of passengers flying connecting itineraries within Europe carried by LCCs was less than 9 million in 2019, compared to around 46 million carried by network carriers. IATA called on governments and regulators to embrace policies that promote greater air connectivity. Key to this is recognizing strengths and benefits offered by the diverse types of carriers operating in Europe. "New evidence shows that Europe benefits from many different kinds of airlines and it needs all these different business models—and the services they provide—to thrive," said IATA Director General Willie Walsh. As for sustainable growth, achieving net-zero will require a huge effort from industry. "We should be focusing on incentivizing SAF production in the greatest quantities at the lowest cost, wherever that may be," said Walsh.

5. **Suspects in Downing of Flight MH17 Sentenced.**

See Section VII, item 1.

6. **G20 to Adopt Vaccine Passports for International Travel.**

See Section VII, item 3.

7. **FAA, EASA Present New Roadmap for Air-Ground Connectivity.**

See Section VII, item 4.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. AAPA Calls for Seamless Cross-Border Travel.

Meeting in Bangkok, the Association of Asia Pacific Airlines (AAPA) 66th Assembly of Presidents passed resolutions that, among other things, call for “seamless cross-border travel, safety excellence and aviation sustainability.” AAPA Director General Subhas Menon said sector recovery from COVID-19 “still lags behind the rest of the world and is expected to reach only 75% of 2019 levels by year-end. Except for mainland China, the gradual reopening of borders in many economies in Asia and strong recovery in air services only serve to underscore the magnitude of pent-up travel demand.” An IATA official urged the region to prepare for the anticipated surge in traffic, saying “the delays and congestion experienced in Europe and North America should be a stark reminder for airports and government agencies in Asia-Pacific. Now is the time to get the capacity in place, both in terms of infrastructure and the manpower.” Air India was welcomed as the first Indian airline to join AAPA.

2. Ronald Lam to Replace Augustus Tang as CEO of Cathay Pacific.

Cathay Pacific Group, comprising Cathay Pacific and HK Express, expects to resume 70% of pre-COVID passenger capacity levels by end of 2023, and reach pre-pandemic capacity levels by end of 2024, and will add about 3,000 flights and reach one-third capacity by end of 2022. “We are taking a measured and responsible approach to managing our own road to recovery, with a need to address challenges that are unique to Hong Kong,” said CEO Augustus Tang. “We also look forward to the completion of the Three Runway System at Hong Kong International Airport in 2024 which remains pivotal to the long-term future of the hub.” Tang will retire on December 31, and Ronald Lam, Chief Customer and Commercial Officer, will become CEO on January 1 and continue to serve as Chair of HK Express.

3. Air India to Acquire AirAsia India.

Tata Group’s Air India will acquire remaining shares of AirAsia India, of which it already holds 83.67%, and plans to merge the low-cost carrier with Air India Express by end of 2023. Air India Express serves short- and medium-haul routes with a fleet of 24 aircraft. Air Asia India, launched in 2014 as a joint venture between Tata and Malaysia’s Air Asia, operates 29 aircraft over 50 direct and 100 connecting routes across India. . . . Air India, a Star Alliance member, rejoined the Federation of Indian Airlines (FIA), which works with regulatory authorities, government departments and other stakeholders on safety, passenger amenities, ground services and aviation protocols, among other things.

4. **COMAC C919 Debuts at Zhuhai Airshow in China.**

Airbus and Boeing were among companies plying their wares at China's Zhuhai Airshow, but the flying debut of the C919 was the main event. Commercial Aircraft Corporation of China (COMAC) claimed orders from leasing firms for 300 single-aisle C919s. China Eastern is set to take deliveries in December. . . . In other news, Civil Aviation Administration of China (CAAC) validated the type certificate of the ATR 42-600 turboprop. France-based ATR says regional aircraft with fewer than 100 seats represent only 2.5% of the Chinese fleet, compared with worldwide average of 25%, reports Reuters, and sees demand for 2,450 regional turboprops over the next 20 years, including 280 in China, outpacing North America. . . . Collins Aerospace and AVIC Leihua Electronic Technology Research Institute (LETRI) received FAA TSO certification for COMAC's C919 Weather Radar Flat Plate Antenna (WFA), designed by LETRI. The Technical Standard Order (TSO) is a minimum performance standard for specified materials, parts, and appliances used on civil aircraft. AVIC LETRI, a subsidiary of Aviation Industry Corporation of China (AVIC), formed a joint venture company, AVIC Leihua Rockwell Collins Avionics Company (ALRAC), with Collins Aerospace in 2013. This is the first FAA TSO certified avionics component to be developed and manufactured by a company in China, said officials, a "testament of our long-term commitment to our local customers and partners." . . . Collins Aerospace and China's Hainan Airlines signed a FlightSense® contract to provide a tailored maintenance program for Hainan's fleet of Boeing 787s. The agreement builds on a 30-year relationship that includes a total of 185 aircraft on multi platforms through 2025.

5. **Suspects in Downing of Flight MH17 Sentenced.**

See Section VII, item 1.

6. **G20 to Adopt Vaccine Passports for International Travel.**

See Section VII, item 3.

X. AMERICAS

1. United Offers Pilots 5% Pay Raise Amid Contract Negotiations.

United pilots rejected a tentative agreement and agreed to re-engage at the bargaining table; however, “management has now taken a wait-and-see approach to negotiations instead of leading the industry forward” said Air Line Pilots Association, Int’l (ALPA). United offered pilots interim 5% raises, starting in December.

2. American Airlines Pilots Reject Offer.

The Allied Pilots Association (APA) Board rejected a proposed tentative agreement that offered American Airlines pilots a 19% pay increase over two years. “We are at a pivotal moment in our industry, and the message sent by the Board today is similar to those sent by our brethren at United and Delta, who this week took votes expressing similar displeasure regarding their contract negotiations,” said APA.

3. Delta Pilots Vote to Authorize a Strike.

Delta pilots voted to authorize union leaders to call a strike, if necessary, to achieve a new contract. “Delta pilots are working under pay rates, contractual provisions, and benefits negotiated in 2016,” said ALPA. “Negotiations for a new agreement began in April 2019, nine months prior to the amendable date of December 2019. Talks entered mediation in February 2020 and were paused in March 2020 for nearly two years due to the COVID-19 pandemic. Mediated talks resumed in January 2022.” Before a strike can take place, the National Mediation Board must decide that additional mediation efforts would not be productive and offer the parties an opportunity to arbitrate the contract dispute. If either side declines arbitration, both parties enter a 30-day “cooling off” period, after which “pilots and management can engage in self-help—a strike by the union or a lockout by management.” . . . In related news, Delta is interviewing and extending conditional job offers to retiring full-time active-duty military and full-time Active Guard Reserve pilots as early as 24 months prior to their retirement date, expanded from six months.

4. JetBlue Pilots Seek Short-Term Contract Extension.

JetBlue pilots are seeking a short-term contract extension with economic improvements by yearend. “This would allow the pilots to advance their careers in an industry with a rising market for pilots, while also affording JetBlue management the opportunity to devote their resources to running a quality operation and pursuing a merger with another airline, rather than the distraction of a protracted negotiation,” said ALPA.

5. **LATAM, Delta Announce Joint Venture Flights.**

Delta and LATAM announced increased frequencies between North and South America, with three weekly Boeing 777-300ER nonstops between Sao Paulo and Los Angeles, beginning July 1, 2023, as the first new market for their joint venture. LATAM will be the only airline operating a nonstop between Brazil and Los Angeles. Delta will increase nonstops to daily from Atlanta to Buenos Aires and to Santiago, in October. A seasonal second daily flight between Atlanta and Sao Paulo begins December 17.

6. **Antitrust Suit Filed Challenging JetBlue-Spirit Merger.**

A group of consumers and flight attendants sued JetBlue and Spirit, seeking to block their \$3.8 billion merger and inducements to Spirit shareholders of more than \$400 million. The suit, filed in U.S. District Court for the Northern District of California, states: "The proposed elimination will create the country's fifth largest airline with 10.2% of the national market and will effectively eliminate a significant rival and a price-cutter from the national and local markets in order to eliminate flights (so called "capacity discipline") and to raise prices where JetBlue and Spirit once used to compete on a plethora of overlapping routes." The Justice Department is investigating the proposed merger.

7. **Frontier Announces Phoenix, Dallas Crew Bases.**

Frontier opened a new crew base at Phoenix Sky Harbor, which will employ up to 180 pilots and 275 flight attendants, and launched nonstops to Philadelphia; Fort Lauderdale; Cincinnati; Detroit; Orange County, Ca. and Portland, Ore. . . . Frontier will open a new crew base at Dallas Fort Worth in May, which will employ up to 120 pilots and 220 flight attendants, and fly nonstops to Montego Bay, Baltimore, New York La Guardia, Raleigh-Durham and Orange County. . . . Frontier is marketing an all-you-can-fly pass for domestic and international destinations, which will be valid for one year beginning May 2, 2023. And the airline has shut down its call centers and transitioned to fully digital communications, which include an online chat tool and social media channels.

8. **Allegiant Expects Profitable Fourth Quarter.**

Allegiant reported third quarter total operating revenue increase of more than 28%, compared with 2019. "Forward bookings into the upcoming holiday season are tracking at higher loads and significantly higher yields than at this point in 2019," said CEO John Redmond. "Looking ahead to fourth quarter, we tapered capacity a bit as a result of the impacts from Hurricane Ian. We expect scheduled capacity to increase roughly 15% year over three-year. Given the strong demand environment coupled with improvements in operations, we expect to expand margins, delivering a profitable fourth quarter."

9. **Piedmont Offers \$100,000 Bonus for Experienced Pilots.**

Piedmont Airlines offered a \$100,000 up-front bonus and top tier pay to pilots who have 950 hours of Part 121 time, and \$75,000 to pilots with 500 to 949 hours of qualifying time. “We have a gap in 2023-2024 between the number of airplanes we want to fly and the captains we need to fly them,” said CEO Eric Morgan. The regional is adding 15 Embraer 145s to its fleet. Most of the projected expansion will be at parent American’s Charlotte and Philadelphia hubs, and on new routes from Chicago.

10. **Breeze Seeks FAA Approval to Fly International Routes.**

Utah-based low-fare airline Breeze Airways, founded by David Neeleman, is planning for future international service by seeking FAA certification to operate flights outside of the United States. Lukas Johnson, Breeze’s Chief Commercial Officer, recently stated at the Skift Aviation Forum that Breeze is “in the process with the FAA of getting flag ops added.” . . . Breeze added nonstops to Los Angeles and Sarasota-Bradenton from Westchester County. Breeze started service from Phoenix to Charleston, SC, and Provo, UT, with four additional destinations to begin in February 2023. Breeze operates Embraer 195 and Airbus A220-300 aircraft.

11. **Azul Increases Airbus Fleet.**

Azul signed a firm order for three additional A330-900s and will start operating four A350-900 to further expand its route offering. Founded by David Neeleman, the Brazilian airline flies to 150 destinations within Brazil, and to the United States, Europe and South America. CEO is John Rodgerson.

12. **LATAM Group Completes Restructuring.**

LATAM Group completed its financial restructuring process in the United States, voluntarily begun in May 2020, and emerges with \$2.2 billion of liquidity and \$3.6 billion less debt compared to pre-filing period. Between 2021 and 2022, the group added 10 new destinations in Brazil and plans to operate 36 new routes by 2023. LATAM affiliates operate domestically in Brazil, Chile, Colombia, Ecuador and Peru, and internationally within Latin America and to Europe, the United States, the Caribbean and Oceania; LATAM Airlines Brazil will resume the Sao Paulo-Johannesburg route in mid-2023. LATAM entered into agreements with Airbus to acquire, by 2029, a total of 87 A320neo family aircraft; the cargo fleet will increase from 11 Boeing 767-300F aircraft in 2019 to up to 20 in 2024. Shareholders include Delta, Qatar and the Cueto family.

13. Avianca, Viva Merger Rejected, Concessions Offered.

The Colombian Aeronautical Authority (Aerocivil) concluded that the proposed merger of Avianca, Viva Air and Viva Peru “represents risks for competition in the sector and the welfare of consumers.” The airlines have offered a five-point plan that includes the return of up to 105 slots at Bogota El Dorado International Airport and maintaining the brand and low-cost model of Viva.

14. Suspects in Downing of Flight MH17 Sentenced.

See Section VII, item 1.

15. United States, Ecuador Sign Open Skies Agreement.

See Section VII, item 2.

16. G20 to Adopt Vaccine Passports for International Travel.

See Section VII, item 3.

17. FAA, EASA Present New Roadmap for Air-Ground Connectivity.

See Section VII, item 4.

18. JetBlue to Add Service to Paris.

See Section VIII, item 1.

19. British Airways to Offer London–Cincinnati Nonstops.

See Section VIII, item 2.