



## WASHINGTON AVIATION SUMMARY

### MARCH 2023 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. President Biden Calls for “Junk Fee Prevention Act.”

In his annual State of the Union address, President Biden urged Congress to pass a Junk Fee Prevention Act “to prohibit excessive fees, require fees to be disclosed in the ticket price, and mandate disclosure of ticket holdbacks that diminish available supply.” The President urged Congress to fast-track a ban on family seating fees, so that the Department of Transportation (DOT) can quickly crack down on these practices. Despite DOT policy requiring U.S. airlines to ensure that children 13 or younger are seated next to an accompanying adult with no extra charge, “no airline guarantees fee-free family seating,” said the White House. DOT will publish a family seating fee dashboard and launch a rulemaking to ban the practice.

### 2. FAA Issues Safety Call to Action.

The Federal Aviation Administration (FAA) is forming a safety review team, in light of recent serious incidents, and will convene a Safety Summit in March to examine what actions the aviation community needs to take to maintain safety. “I’m asking the Commercial Aviation Safety Team to take a fresh look at Aviation Safety Information Analysis and Sharing data,” said Acting Administrator Billy Nolen, who previously served as FAA Associate Administrator for Aviation Safety and was an American Airlines pilot. “We need to mine the data to see whether there are other incidents that resemble ones we have seen in recent weeks [and] if there are indicators of emerging trends so we can focus on resources to address now.” The review team will assess internal processes, systems, and operational integration of the Air Traffic Organization (ATO), and look for opportunities to strengthen the connection between the ATO and the FAA Aviation Safety organization for monitoring and addressing of safety risks. Among the recent incidents are near misses involving major airlines at Honolulu International, New York Kennedy and Austin-Bergstrom.

### 3. FAA Proposes \$1.1 Million Fine Against United.

FAA proposed a \$1,149,306 civil penalty against United Airlines for allegedly conducting Boeing 777 flights that were not in airworthy condition, from June 2018 to April 2021. FAA alleges United in 2018 removed the Fire System Warning Check from its Boeing 777 Preflight Check List, an inspection task required in its Maintenance Specifications manual. Removal of the check resulted in United’s failure to perform the required check and the operation of aircraft that did not meet airworthiness requirements.

**4. FAA Completes Airport Safety Management System Rule.**

FAA finalized a rule that requires more than 200 of the busiest U.S. commercial airports to develop and implement safety management systems (SMS). SMS programs help detect and mitigate problems before they result in accidents or incidents, and are used by commercial airlines and manufacturers. The timeline to fully implement SMS ranges from four to five and a half years, depending on the airports' classification and operations.

**5. DOT OIG to Audit Flight Delays and Cancellations.**

The DOT Office of Inspector General (OIG) will conduct an audit to identify reported causes of flight delays and cancellations and to assess controls DOT has in place to ensure completeness and accuracy of reported data. In June 2022, carriers scheduled more than 600,000 flights that included more than 100,000 delayed and over 18,000 cancelled flights, said the OIG. Similarly, delays and cancellations were a challenge in the 2022 holiday season. Over 30,000 of the delayed and cancelled flights were attributable to issues in the National Airspace System, such as heavy traffic and air traffic control (ATC), and may be exacerbated by factors such as staffing challenges and disruptive weather. This will be first in a series of audits to understand and evaluate flight delays and cancellations and DOT's actions to address them. . . . Another DOT OIG audit will assess FAA's report on its implementation of the Next Generation Air Transportation System (NextGen) and report the status of DOT OIG NextGen recommendations. The FAA Reauthorization Act of 2018 mandates that FAA report on its progress on implementing NextGen programs and risks to implementing these programs, as well as program funding, milestones, benefits, oversight and lessons learned. FAA submitted this report to Congress on December 21, 2021. The Act also requires that DOT OIG review accuracy of the report, describe concerns with the information, summarize prior concerns and recommendations, and provide information that OIG determines appropriate.

## II. AIRPORTS

### 1. Delta Increases Dallas Love Field Presence.

Delta announced one-stop access from Dallas Love Field to 125 U.S. destinations through selected hubs. Airbus A319 service begins June 5 to New York LaGuardia (2xdaily), Los Angeles Intl (2xdaily) and Atlanta (5xdaily). Delta also flies from Dallas Fort Worth, Austin, Houston and San Antonio.

### 2. San Antonio Plans \$2.5 Billion Expansion.

A newly released design for a new terminal at San Antonio International includes up to 17 gates, six of which can accommodate domestic and widebody flights. At 850,000 square feet, the new terminal will be larger than the two existing terminals combined. Estimated costs of \$2.5 billion for construction of the new terminal and airport upgrades will be partially funded by the federal infrastructure bill enacted last year. Construction is expected to begin by early 2025, with completion in mid-2028.

### 3. Kansas City, Mo. Opens New \$1.5 Billion Terminal.

Missouri's Kansas City International opened a new \$1.5 billion terminal, as the city prepares to host the NFL Draft this year and the World Cup in 2026. The airport's first lounge, an 11,200-square-foot Delta Sky Club, holds nearly 200 guests, and Southwest introduced a new streamlined check-in process for passengers.

### 4. Sacramento Plans \$1.3 Billion Expansion Project.

A \$1.3 billion expansion project planned for Sacramento International will add gates to Terminal A and Concourse B, a \$140 million pedestrian walkway, a new Terminal B parking garage, and a consolidated ground transportation center walkable from both terminals. Financing will be through a combination of federal and state grants, municipal bonds issued by the airport, and user fees. Construction is expected to conclude in late 2027. In 2022 the airport nearly returned to pre-pandemic passenger levels, with six consecutive years of record-breaking growth through 2019. Forecasts show passenger growth averaging 4.3% annually through 2041. Sacramento offers more than 155 daily nonstops on 12 domestic and international carriers to 36 destinations.

### 5. JetBlue Stalled in Amsterdam Schiphol Slot Bid.

JetBlue planned to expand European service with daily flights to Amsterdam from Boston Logan and New York Kennedy, but has been unable to secure slots at Schiphol. The airline alleges in a DOT filing that Dutch authorities are violating

the U.S.-EU open skies agreement by failing to provide the slots. JetBlue flies to London Heathrow and Gatwick and will start Paris service this summer.

**6. UK Slot Usage to Return to Pre-Pandemic Levels.**

The UK will return the slot usage ratio to 80:20 for summer 2023; i.e., airlines must use their slots 80% of the time in order to keep them. The return to 2019 rules will retain some flexibility, including a non-use provision to prevent ghost flights (empty planes flying just to make the slots usage ratio). To reduce disruption and ensure a positive passenger experience, airlines will be able to hand back up to 5% of their slots before start of season, to help plan realistic schedules and avoid last-minute cancellations, said Transport Minister Mark Harper.

**7. John Holland-Kaye to Leave Heathrow.**

London Heathrow CEO John Holland-Kaye will step down this year, having led the airport since 2014; he will remain until a successor is in place. . . . The UK Civil Aviation Authority set an interim price cap on what Heathrow can charge airline customers for 2023, after consultation with the airport and airlines. The £31.57 per passenger price cap replaces the current 2022 cap, which expired on January 1. A final decision and modifications for a five-year price control will be published in March.

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

1. **TSA: 6,542 Firearms Caught at Airport Checkpoints in 2022.**

The Transportation Security Administration (TSA) reports that 6,542 firearms were caught last year, at 262 out of 430 airport security checkpoints nationwide; 88% were loaded. TSA can issue a civil penalty to travelers who have guns and gun parts with them at a checkpoint; a concealed carry permit does not allow a firearm to be carried onto an airplane. The civil penalty for carrying weapons was recently increased to a maximum of \$15,000.

2. **CBP to Expand Advance Data Requirements for Air Travelers.**

U.S. Customs and Border Protection (CBP) published a Notice of Proposed Rulemaking (NPRM) requiring commercial air carriers to participate in the Document Validation (DocVal) Program. Under DocVal, the CBP system automatically checks carrier-submitted passenger manifest data to ensure the data is accurate and the traveler's document is valid for travel before responding directly to the carrier for boarding pass processing. DocVal is currently in place on a voluntary basis. CBP included regulatory supported requirements for airlines to transmit telephone and e-mail in the NPRM; travelers commonly provide telephone and e-mail information to the government as part of an Electronic System for Travel Authorization or passport application, and to the airline when they secure reservations.

3. **Hawaiian Builds New Security Checkpoint at Honolulu.**

A new security checkpoint at Daniel K. Inouye International in Honolulu includes four screening lanes that exit in front of gates used primarily for Hawaiian Airlines' interisland flights. The airline invested \$14 million to build the new checkpoint, which replaces the former center screening area between Hawaiian's lobbies 2 and 3 and also relocates restroom facilities.

4. **Frankfurt Airport to Introduce "Biometric Passenger Journey."**

Frankfurt teamed with SITA and NEC on "a biometric passenger journey," in which passengers' faces are scanned at touchpoints from check-in to boarding. The solution combines day of travel enrollment, Star Alliance Biometrics, and biometric hubs under the umbrella of the SITA Smart Path platform; to be rolled out and available to interested airlines this year.

5. **Abraham Accords Expanded to Include Cybersecurity.**

See Section VII, item 3.

## **IV. TECHNOLOGY AND EQUIPMENT**

1. **Industry Calls for Altimeter Retrofit Deadline Extension.**

The aviation industry urged FAA to revise its proposed February 1, 2024 deadline for passenger and cargo aircraft in the United States to replace or retrofit altimeters that are not 5G-tolerant to June 30, 2024.

2. **UPS Plans Nationwide Roll Out of RFID Initiative.**

UPS said initial results of its radio-frequency identification (RFID) initiative, Smart Package Smart Facility, indicate fewer missed loads and higher productivity. Use of the tracking technology on packages and employee wearable devices will be extended from 100 locations to the remaining 940 buildings across the U.S. this year.

3. **Universal Hydrogen Granted Experimental Airworthiness Certificate.**

FAA granted Universal Hydrogen a special airworthiness certificate in the experimental category to proceed with the first flight of its hydrogen-powered regional aircraft. The 40+ passenger Dash 8-300 will be the largest hydrogen fuel cell-powered aircraft ever to fly. The company is developing a solution to convert existing regional airplanes to fly on hydrogen and supply hydrogen using a modular fueling approach, which eliminates the need for new airport infrastructure, speeds up the fueling operation, and reduces transfer losses throughout the hydrogen delivery chain. . . . Universal Hydrogen signed a strategic agreement to be part of Air New Zealand's Mission Next Gen Aircraft program, which aims to accelerate technology and infrastructure needed to decarbonize domestic flights. Air New Zealand's other long-term partners include Airbus, ATR, Embraer and Heart Aerospace.

4. **Successful Demonstration Flight of Piloted EVA in New York.**

Blade Air Mobility conducted a successful demonstration flight of a piloted BETA Technologies electric vertical aircraft (EVA or eVTOL) at Westchester County Airport in White Plains, New York. The BETA ALIA-250 is powered by an all-electric propulsion system with a noise profile that is 1/10th the sound decibel level of conventional helicopters, making it ideal for use in urban areas. During the flight, the ALIA-250 flew alongside a conventional helicopter before pulling away for a second pass above the airport to highlight the noise reduction. The aircraft can fly up to six people. Blade provides air alternatives to congested ground routes in the U.S., Europe, Canada and India, and in 2021 agreed to facilitate purchase of up to 20 of BETA's first passenger-configured ALIA-250 aircraft by its network of operators. Blade intends to deploy these initial aircraft

on routes between its network of dedicated terminals in the U.S. BETA has agreed to provide and install charging infrastructure at certain key locations.

**5. Aviation CIOs Ramp Up Digital Technology Investments.**

Airline and airport IT spend rose to an estimated \$37 billion and \$6.8 billion, respectively, in 2022, according to SITA's latest Air Transport IT Insights report. Over the next three years, 90% of airlines are investing in IT service management enhancement and disruption warning systems, as well as business intelligence initiatives for aircraft turnaround management and passenger processing. Airlines plan to provide real-time baggage tracking information to passengers by 2025. Airports are similarly prioritizing self-service initiatives, placing strong emphasis on self-check-in and self-bag drop. Airports' implementation of a secure single biometric token across all touchpoints has surged from 3% in 2021 to 39% in 2022, with over half planning implementation over the next three years.



## **V. ENERGY AND ENVIRONMENT**

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

Average price of aviation jet fuel on February 10 was \$119.02/barrel, down 13.2% on the month and up 7.1% compared to a year ago, reports IATA. Jet fuel price average for 2023 was \$132.23/barrel.

### **2. United Joint Venture to Develop SAF Tech Using Ethanol.**

United Airlines, Tallgrass, and Green Plains announced a new joint venture – Blue Blade Energy – to develop and commercialize sustainable aviation fuel (SAF) technology that uses ethanol as its feedstock, and will invest up to a combined \$50 million in Blue Blade. Tallgrass will manage research and development and construction of the production facility. Green Plains will supply low-carbon ethanol feedstock and manage operations once the pilot facility is constructed. United will assist with SAF development, fuel certification and into-wing logistics, and has agreed to purchase up to 2.7 billion gallons of the SAF produced. . . . The United Airlines Ventures Sustainable Flight Fund has been launched to support start-ups focused on decarbonizing air travel by accelerating research, production and technologies associated with SAF. The fund starts with more than \$100 million in investments from United and partners including Air Canada, Boeing, GE Aerospace, JPMorgan Chase and Honeywell. Passengers can see an estimate of each flight's carbon footprint in their search on United's website and app and can contribute to the fund when buying a ticket.

### **3. LanzaJet Receives EPA Fuel Pathway Approval.**

LanzaJet received approval from the Environmental Protection Agency (EPA) to generate D4 biomass-based diesel renewable identification numbers (RINs) for SAF and renewable diesel produced from sugarcane ethanol at its Freedom Pines Fuels facility in Soperton, Georgia. The approval allows the company to proceed with plans to produce 10 million gallons of SAF and renewable diesel per year, using sustainable, low carbon intensity ethanol, including from waste-based feedstocks. LanzaJet Freedom Pines Fuels, which will open later this year, will nearly double the amount of current SAF production in the United States. This is the first time ethanol has been approved by EPA as a feedstock to produce another fuel under the Renewable Fuel Standard (RFS) program and the first-ever EPA pathway approval for a biointermediate feedstock. . . . LanzaJet and India's national oil company IndianOil entered into a memorandum of understanding (MOU) to explore development of SAF production in India with LanzaJet's Alcohol-to-Jet (ATJ) technology and are working toward a Joint Venture in India.

**4. Lufthansa Introduces Green Fares.**

Lufthansa Group introduced Green Fares for flights in Europe and to Morocco, Algeria and Tunisia. The fares, offered by Lufthansa, Austrian, Brussels, SWISS, Edelweiss, Eurowings Discover and Air Dolomiti, include offsetting of flight-related CO2 emissions, status miles and free rebooking. A new product for corporate customers includes a CO2 reduction with SAF (20%) and compensation for remaining CO2 emissions via high-quality climate protection projects (80%) in the ticket price for European traffic. . . . Lufthansa and VARO Energy signed an MOU for production and supply of SAF, and are “driving innovative processes to produce green hydrogen from biogenic waste materials.” Green hydrogen is a CO2-free energy carrier that also plays an important role in the production of SAF. From 2026, VARO aims to produce around 260,000 tons of SAF per year.

**5. Germany Researches Hydrogen Supply Chains for Aviation.**

Germany launched a project to explore development of hydrogen infrastructure for operating new aircraft types. The HyNEAT (Hydrogen Supply Networks Evolution for Air Transport) research team determines in which countries renewable energies will be sufficiently available and where international supply networks should be established. HyNEAT, funded by the Federal Ministry of Education and Research (€3 million), is a collaborative project of Leibniz University Hannover, TU Braunschweig, Clausthal University of Technology and Hamburg University of Technology. An industry advisory board includes Airbus, Deutsche Aircraft, MTU Aero Engines, Lufthansa Group, the German Aerospace Center, Siemens Energy, the German-African Business Association, and McKinsey. “Due to the large potential for renewable energies and the therefore cost-effective production of green hydrogen, several countries—such as in North Africa or the Middle East—are predestined to supply hydrogen to the aviation industry. Thus, local renewable energy supply systems in exporting countries could also benefit from the development of hydrogen infrastructures. HyNEAT aims to examine the role of selected regions, also outside Europe, in supplying hydrogen to the aviation industry,” said project officials.

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

### **1. Aviation Committee Leaders for the 118<sup>th</sup> Congress.**

Maria Cantwell (D-WA) is Chair of the Senate Commerce Committee; Ted Cruz (R-TX) is Ranking Member. Tammy Duckworth (D-IL) is Chair of the Senate Commerce Aviation Subcommittee; Jerry Moran (R-KS) is Ranking Member. . . . House Transportation and Infrastructure (T&I) Committee Chair is Sam Graves (R-MO); Ranking Member is Rick Larsen (D-WA). Garret Graves (R-LA) is Chair of the House Aviation Subcommittee; Steve Cohen (D-TN) is Ranking Member.

### **2. FAIR Fees Act Reintroduced.**

The bicameral Forbidding Airlines from Imposing Ridiculous Fees Act (FAIR Fees Act) was reintroduced. The legislation “would prohibit airlines from charging unreasonable fees, including bag, seating, cancellation and change fees, that are not proportional to the costs of the service actually provided.” The bill directs DOT to review other fees imposed by airlines and to ensure that children can sit with their family on flights at no additional charge. In 2019, U.S. domestic airlines collected \$5.8 billion in baggage and \$2.8 billion in ticket reservation fees alone, said bill sponsors. The FAIR Fees Act is encompassed in the Airline Passengers’ Bill of Rights, introduced in the Senate to ensure that airlines provide passengers with fair compensation, refunds, and recourse in the event of airline-caused flight delays and cancellations; require airlines to pay at least \$1,350 to passengers denied boarding as a result of an oversold flight; and mandate airlines to immediately refund bag fees for damaged or lost bags.

### **3. Bill Would End COVID-19 Vaccine Mandate for Intl Air Travelers.**

The House passed a bill that would terminate the requirement imposed by the Director of the Centers for Disease Control and Prevention (CDC) for proof of COVID-19 vaccination for foreign travelers. H.R.185 also nullifies successor or subsequent orders that require foreign persons traveling by air to show proof of a COVID-19 vaccination as a condition of entry, and prohibits use of federal funds to administer or enforce such a requirement. The bill does not affect the CDC order published on January 5, 2023, that governs COVID-19 testing or documentation of COVID-19 recovery for certain individuals traveling from China to the United States by aircraft. CDC would report to Congress the number of visitors denied entry into the United States from April 7, 2022, until date of bill's enactment.

### **4. Hearings Begin on FAA Reauthorization.**

The House Transportation Committee formally began work on FAA reauthorization with a hearing that included testimony from representatives of

FAA, National Transportation Safety Board (NTSB) and Air Line Pilots Association (ALPA), among others. Current FAA authorization expires on September 30. Committee Chairman Sam Graves noted that recent runway incursions show that “our aviation system is clearly in need of urgent attention.” FAA said complacency and stagnation are equal threats to a safety culture; previous conventional wisdom for regulating safety focused on addressing concerns after aviation accidents; now, FAA seeks to mitigate risks before accidents happen. The Committee will review several open safety recommendations while reauthorizing NTSB as part of the FAA bill. “The aviation system is telling us something’s wrong, and we need to listen,” said Aviation Subcommittee Chairman Garret Graves. “Alarm bells should be going off across the aviation industry [amid] runway incursions and close calls, failures in the air traffic control system, problems with airports and airlines’ information systems (including staffing and reservation systems).” Among other remarks, Garret Graves noted the need to be proactive about meeting increased demand for pilots and mechanics, and integration of an ever-increasing number of drones, introduction of electric aircraft, reintroduction of civil supersonic aircraft, and expanded use of commercial space transportation vehicles.

**5. Senate Hearing on NOTAM System Failure.**

The Senate Commerce Committee held a hearing on “FAA’s NOTAM System Failure and its Impacts on a Resilient National Airspace.” In January FAA ordered the first nationwide ground stop since 9/11, during an outage of the agency’s Notice to Air Missions (NOTAM) system; more than 1,300 flights were canceled and 9,500 delayed. In his testimony, Acting Administrator Billy Nolen clarified details of the event:

“A NOTAM contains essential information for airspace users providing safety information about particular aspects of the NAS [National Airspace System] that are not operating under normal status. FAA’s NOTAM system is a dynamic system that captures recent changes to conditions in the NAS. For example, NOTAMs frequently provide pilots and operators with information about an anomaly with a particular navigational aid, airport runway, or taxiway, or about an air space closure or a temporary flight restriction.

“FAA’s overall NOTAM system consists of two systems—an older U.S. NOTAM System (legacy system) and a newer Federal NOTAM System. The older portion of the NOTAM system relies on 30-year-old software and architecture. This portion collates NOTAM data from all sources and distributes it to some airspace users. The Federal NOTAM System portion is newer and serves as part of the foundation for the FAA’s ongoing NOTAM modernization effort. NOTAM information comes from a variety of places: an airport or air traffic

control tower that observes local changes, an FAA technician planning to work on a system, or an air service provider, to name a few. Airspace users enter and access the information from applications sitting on both portions of FAA's NOTAM system. Most airlines download NOTAMs from FAA into their internal databases for dispatching aircraft. Users can also get NOTAMs from third party providers who get it from FAA, or they can go to the primary source for specific NOTAM information, by calling a flight service station, air traffic control tower, or airport, for example.

"Late on January 10, 2023, NOTAM applications and services became unreliable. Technical experts attempted to address the issue by, among other things, switching to a backup database. There are three NOTAM backup databases—one in Oklahoma City and two in Atlantic City. While technical experts worked through the night, FAA activated a hotline to provide real-time status updates to system users. During this time, there were no reports of operational impacts. In the early morning hours of January 11, 2023, the system appeared to have been restored, but formatting issues persisted. To resolve this, FAA's air traffic leadership directed the rebuild of the databases. As the morning air traffic rush approached, and work on the system continued, I ordered a ground stop at approximately 7:15 a.m. EST, pausing all departures in the United States in order to maintain safety and preserve predictability. I did so after consulting with airlines and safety experts. Once resiliency testing on the system was conducted, I lifted the ground stop at 9:07 a.m. EST on January 11, 2023. FAA's preliminary findings are that contract personnel unintentionally deleted files while working to correct synchronization between the live primary database and a backup database.

"We have found no evidence of a cyber-attack or other malicious intent. After the incident, we implemented a synchronization delay to ensure that bad data from a database cannot affect a backup database. Additionally, we have implemented a new protocol that requires more than one individual to be present and engaged in oversight when work on the database occurs."

6. **"Strengthening Airline Operations and Consumer Protections" Hearing.**

The Senate Commerce Committee held a hearing titled "Strengthening Airline Operations and Consumer Protections" to review causes and impacts of recent air travel disruptions, such as Southwest's operational disruption during the last week of December.

In his testimony, Southwest Chief Operating Officer Andrew Watterson said immediate mitigation efforts included department-level assessments and actions and a systemic review supported by a third party; customer refunds and reimbursements were "accomplished within government-mandated

timeframes”; and an upgrade to the Crew software “will equip us to better handle recovery from a mass cancellation event.” For 2023, Southwest is “budgeted to spend \$1.3 billion of our annual operating plan on investments, upgrades, and maintenance of our IT systems.”

Airlines for America (A4A) executive Sharon Pinkerton noted “innate disincentives for air carriers to incur operational disruptions, such as significant financial impacts.” As for the FAA reauthorization effort, the simple goals should be long-term stability, predictability and a Congressional understanding of ‘do no harm.’ She asked Congress to address adequate funding and accountability measures for ATC staffing and modernization; workforce challenges, including increased diversity and supply; and increased resources for SAF supply and related environmental improvements. “We have an aviation safety regulator that is well behind schedule on existing mandates and that is struggling to just maintain a legacy ATC system,” said Pinkerton. “We would encourage Congress to fundamentally think about what needs to be done to structurally prepare the FAA for what is to come. Both from a resource and organizational perspective, is the FAA ready and capable of meeting existing demands along with the considerable challenges of the future like integration of new entrants into the ATC system? We think the answer to that question is clearly ‘no’. Unfortunately, the FAA is on the precipice of being overwhelmed, if they are not already. Policymakers should keep this in mind as the legislative process moves forward.”

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

### **1. U.S., Mongolia Finalize Air Transport Agreement.**

A Memorandum of Consultations finalizing an air transport agreement between the United States and Mongolia was signed in Washington. It includes unrestricted capacity and frequency of services, open route rights, a liberal charter regime, and open code-sharing opportunities. After both countries complete internal procedures, the agreement will be signed and brought into force; aeronautical authorities intend to apply the agreement on the basis of comity and reciprocity. “This agreement with Mongolia will immediately expand our strong economic and commercial partnership, promote people-to-people ties, and create new opportunities for airlines, travel companies, and customers,” said the U.S. Department of State. “Air carriers can provide more affordable, convenient, and efficient air services to travelers and shippers, promoting tourism and commerce. The agreement also commits both governments to high standards of aviation safety and security.”

### **2. U.S. Issues Level 4 ‘Do Not Travel to Russia’ Warning.**

February 24 marked the one-year anniversary of Russia’s full-scale invasion of Ukraine, and the State Department urged U.S. citizens to depart Russia immediately and exercise increased caution due to wrongful detentions. A Level 4 ‘Do Not Travel to Russia’ warning was issued.

### **3. Abraham Accords Expanded to Include Cybersecurity.**

Department of State and Homeland Security officials met at the CyberTech Global Conference with Israeli, Emirati, Bahraini and Moroccan cybersecurity officials to expand the Abraham Accords. They focused on network defense and cybersecurity collaboration to address shared threats, including nation state targeting of critical infrastructure and ransomware attacks, and committed to sharing information about cyber threats, incidents, and approaches to these challenges. The conference was held in Israel. . . . In meetings with Israeli leaders, State and Homeland Security officials emphasized the need for Israel to meet all Visa Waiver Program requirements to become eligible for the program.

## **VIII. EUROPE AND AFRICA**

### **1. Lufthansa to Fly Dreamliner to More North American Destinations.**

Lufthansa launched Boeing 787-9 service from Frankfurt to Detroit and plans additional Dreamliner service to Austin, Dallas-Fort Worth, Denver and Montreal this summer. . . . Lufthansa Group airlines cancelled more than 1,300 flights during a full-day strike by public sector employees at Frankfurt/Main, Munich, Stuttgart, Hamburg, Dortmund, Hanover and Bremen airports on February 17. The Ver.di union predicted a “summer of chaos” across Germany’s airports if a pay issue is not resolved.

### **2. IAG to Buy Remaining Shares of Air Europa.**

International Airlines Group (IAG) agreed to acquire the remaining 80% equity of Air Europa from Spain's Globalia, following acquisition of a 20% stake in August 2022. The transaction is subject to regulatory and other approvals, which could take around 18 months. Air Europa will be managed by Iberia; the Air Europa brand will be retained. “This acquisition will enable us to grow Madrid as a hub, offering a gateway to Latin America and beyond,” said IAG CEO Luis Gallego.

### **3. British Airways Launches Nonstops to Portland from London.**

IAG unit British Airways launched direct service from London Heathrow to Portland, Oregon. The Boeing 787-8 Dreamliner flights operate five times a week. Code-share connections to several destinations operated by oneworld partner Alaska Airlines are offered from Portland.

### **4. Peter Gerber Leaves Brussels Airlines, Named Condor CEO.**

Peter Gerber was named CEO of leisure airline Condor, effective February 1, 2024; he will replace Ralf Teckentrup, who has led the airline since 2004. Gerber held various positions in Lufthansa Group for more than 30 years, and most recently was CEO of Brussels Airlines and Chief Representative for European Affairs. He is a former President of the German Air Transport Association (BDL). . . . Christina Foerster was appointed interim CEO of Brussels Airlines, effective immediately. A member of the Lufthansa Group Executive Board, she was Brussels Airlines CEO from 2018 to 2020.

### **5. Charles Duncan Named Norse Atlantic President.**

Charles Duncan was appointed President of Norse Atlantic Airways. He previously held senior executive roles at Westjet, Swoop, United and Continental. The low-cost airline will begin Boeing 787 London Gatwick to Orlando and Fort Lauderdale summer service in May. Norse Atlantic has a



“connectivity partnership” with easyJet, Norwegian and Spirit; the virtual interline agreement provides over 600 weekly connections to Norse’s transatlantic services. Norse Atlantic was founded by CEO and major shareholder Bjørn Tore Larsen.

**6. Norway's Flyr Files for Bankruptcy, Ceases Operations.**

Norwegian airline Flyr filed for bankruptcy, ceased trading, and said “all flights are cancelled and will not be rescheduled,” after failing to secure funds to continue operations. Flyr launched in 2021. Founder and Chairman Erik Braathen formerly was CEO and co-owner of Braathens and Chairman of Norwegian Air Shuttle.

**7. IATA Signs Cooperation Agreement with Somalia.**

The International Air Transport Association (IATA) and the Government of the Federal Republic of Somalia agreed to deepen and formalize cooperation with the aim of strengthening the economic and social benefits of aviation in Somalia. The agreement provides a framework to support IATA’s mission for aviation in Africa: the creation of a safe, efficient, sustainable, and economical air transport sector that generates growth, creates jobs, and facilitates international trade and tourism.

**8. U.S. Issues Level 4 ‘Do Not Travel to Russia’ Warning.**

See Section VII, item 2.

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

### **1. Air India Resumes Mumbai-New York Nonstops.**

Air India resumed Boeing 777-200LR nonstops between Mumbai and New York Kennedy; daily service was suspended in 2019. The Star Alliance carrier also flies from Mumbai to Newark and San Francisco; from Delhi to New York, Newark, Washington, San Francisco and Chicago; and from Bengaluru to San Francisco. . . . Air India will purchase 190 Boeing 737 MAX aircraft with options for another 50; 20 787-9 Dreamliners with options for another 20; and 10 777-9s. Air India also contracted with Boeing Global Services for lifecycle support, pilot and maintenance training, aircraft modifications and other services. . . . The Tata Group-owned carrier also announced a commitment to order 140 Airbus A320neo and 70 A321neo single-aisle aircraft, as well as 34 A350-1000 and six A350-900 wide-body jets with deliveries to begin by late-2023.

### **2. EL AL to Expand Florida Service; Oman Opens Airspace to Israel.**

EL AL will offer seasonal nonstops to Fort Lauderdale from September 13; year-round service will begin in 2024. From May 25, a sixth weekly flight will be added to Miami. All flights operated with the Boeing 787 Dreamliner. American Airlines plans to end to its Miami-to-Tel Aviv route in March. . . . The Sultanate of Oman opened its airspace to all civilian planes, enabling passengers flying to and from Israel to travel on direct routes to Asia and points in between for the first time in history. The two countries do not have formal diplomatic relations. Oman reiterated its commitment to non-discrimination under international air navigation rules but refrained from any mention of Israel.

### **3. Qatar, Airbus Settle Legal Dispute.**

Qatar Airways and Airbus “reached an amicable and mutually agreeable settlement” in relation to their legal dispute over A350 surface degradation and the grounding of A350 aircraft. A repair project is underway and the parties “will discontinue their legal claims [and] work together as partners.”

### **4. U.S., Mongolia Finalize Air Transport Agreement.**

See Section VII, item 1.

### **5. Abraham Accords Expanded to Include Cybersecurity.**

See Section VII, item 3.

## **X. AMERICAS**

### **1. United Announces New Family Seating Policy.**

United announced a policy that makes it easier for children under 12 to sit next to an adult in their party for free. A new seat map dynamically finds available adjacent seats at time of booking; it reviews all available free economy seats first, then opens complimentary upgrades to available preferred seats, if needed. United Polaris®, United First Class® and Economy Plus® seats are excluded from the policy change, which takes effect in early March. When adjacent seats are unavailable prior to travel, customers can switch for free to a flight to the same destination with adjacent seat availability in the same cabin, and won't be charged if there is a difference in fare price between the original and new flight.

### **2. Greg Smith Named Chairman of American Board.**

Greg Smith was named independent chairman of the American Airlines Group board of directors, effective April 30, replacing current chairman and former CEO Doug Parker. Smith joined American's board in January 2022 after a 30-year career at Boeing, where, as an Executive Vice President and CFO, he managed overall financial activities and had oversight of manufacturing, operations, supply chain, quality and program management teams. American's CEO is Robert Isom.

### **3. Hawaiian Airlines Pilots Ratify Four-Year Contract.**

Hawaiian Airlines pilots ratified a four-year contract with pay raises that will average more than 32% over the duration of the agreement, including industry-leading rates for the carrier's future Airbus A330F cargo fleet. The agreement includes an immediate 16.6% pay increase on average, adds a \$10 million ratification bonus, raises company retirement contributions, creates a new \$2,500 health reimbursement account, increases schedule flexibility, and improves pilot quality of life, said ALPA.

### **4. Southwest to Add Depth to Existing Markets.**

In testimony before the Senate Commerce Committee regarding Southwest's operational disruption in December, Chief Operating Officer Andrew Watterson said nearly all planned 2023 capacity additions will go to existing Southwest markets "to add depth and greater resiliency by providing better re-accommodation options" in situations that create irregular operations. . . . Southwest's Dispatch Employees and Facilities Maintenance Technicians voted in favor of new contracts, which become amendable in 2027. In January, pilots called for a strike authorization vote to begin May 1.

**5. JetBlue Pilots Approve Contract Extension**

JetBlue pilots ratified a tentative agreement reached in December. The two-year contract extension provides a compensation increase of 21.5% over 18 months and other monetary improvements, said ALPA, and puts pilots “in a strong position for future negotiations for either a joint collective bargaining agreement with the pilots at Spirit Airlines or, should the merger fail to conclude, a comprehensive standalone collective bargaining agreement.” . . . In January, JetBlue will begin service to Tallahassee from Fort Lauderdale, where it expects to offer more than 250 daily flights by 2027 after the merger.

**6. Unions Spar Over JetBlue-Spirit Merger.**

Spirit and its flight attendants reached a tentative agreement to increase wages by 10-27% immediately, reported Association of Flight Attendants. The union expressed “strong support for the JetBlue-Spirit merger [which] adds competition to the airline industry [and] creates more power for workers, along with choice and comfort that benefits consumers.” . . . Transport Workers Union of America urged the Justice Department and DOT “to take steps necessary to prevent the hostile acquisition” of Spirit by JetBlue, citing “gross managerial incompetence” at JetBlue, “massive economic harms that would befall frontline workers, and historical precedence.” A Justice Department decision on whether to challenge the merger is imminent.

**7. FedEx Pilot Leaders Approve Strike Authorization Vote.**

With contract negotiations between FedEx and its pilots stalled and no future talks scheduled, a resolution setting the stage for a strike authorization vote was approved by the FedEx Express Master Executive Council of ALPA. The parties have been in negotiations since May 2021. FedEx said it “is fully committed to working with our pilots and the National Mediation Board to reach a comprehensive agreement. We are confident that we can do so, while also delivering the best possible service to our customers, without any disruptions to our operations just as we have done in each previous bargaining cycle.”

**8. Delta to Launch New York to Buenos Aires, Rio Service.**

Delta will begin daily seasonal winter service from New York Kennedy to Buenos Aires in October, and to Rio de Janeiro in December, with Joint Venture partner LATAM Group.

**9. Aeromar Ceases Operations.**

Mexican airline Aeromar ceased operations due to financial difficulties. Mexico City International Airport said it was owed about \$28 million by Aeromar and advised ticketholders to contact Aeromexico, Volaris or Viva Aerobus.

10. **U.S., Mongolia Finalize Air Transport Agreement.**  
See Section VII, item 1.
11. **U.S. Issues Level 4 ‘Do Not Travel to Russia’ Warning.**  
See Section VII, item 2.
12. **Abraham Accords Expanded to Include Cybersecurity.**  
See Section VII, item 3.
13. **Lufthansa to Fly Dreamliner to More North American Destinations.**  
See Section VIII, item 1.
14. **British Airways Launches Nonstops to Portland from London.**  
See Section VIII, item 3.
15. **Air India Resumes Mumbai-New York Nonstops.**  
See Section IX, item 1.
16. **EL AL to Expand Florida Service; Oman Opens Airspace to Israel.**  
See Section IX, item 2.