



WASHINGTON AVIATION SUMMARY

JULY 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. Polly Trottenberg Named Acting FAA Administrator.

Polly Trottenberg was named Acting Administrator of the Federal Aviation Administration (FAA). She replaced Acting Administrator Billy Nolen who resigned and has joined Archer Aviation as Chief Safety Officer; Archer is developing electric vertical takeoff and landing (eVTOL) aircraft. Among several Department of Transportation (DOT) positions, Trottenberg most recently served as Deputy Secretary. She led New York City DOT from 2014 to 2020. The Administration is conducting a search for a nominee to become permanent FAA Administrator, a position that carries a five-year term and must be confirmed by the U.S. Senate. . . . FAA Chief of Staff Katie Thomson was named Deputy Administrator.

2. FAA Requires Secondary Flight Deck Barrier.

FAA issued a final rule mandating a secondary barrier on the flight deck of new commercial airplanes, meant to prevent intrusion when the door is open. The rule meets a requirement of the 2018 FAA Reauthorization Act. Unions applauded the long-sought measure and Air Line Pilots Association, Int'l (ALPA) urged passage of the "Saracini Enhanced Aviation Safety Act" (H.R. 911/S. 911) to address retrofitting existing airliners and installing primary barriers on cargo aircraft.

3. Audit Confirms FAA Faces Controller Staffing Challenges.

"FAA has made limited efforts to ensure adequate air traffic control (ATC) staffing at critical ATC facilities," said the DOT Office of Inspector General (OIG), and "the lack of fully certified controllers, operational supervisors, and traffic management coordinators pose a potential risk to air traffic operations." A recent OIG audit found that 77% of critical facilities are staffed below FAA's own 85% staffing threshold, with New York Terminal Radar Approach Control (TRACON) and Miami Tower at 54% and 66%, respectively. At several facilities, controllers were working mandatory overtime and six-day work weeks to cover staff shortages. Additionally, COVID-19 led to training pauses, significantly increasing controller certification times. FAA will not know the full impact of the training suspension on certification times for several years because training outcomes vary widely, and it can take more than three years to train a controller. Due to these uncertain training outcomes, FAA cannot ensure it will successfully train enough controllers in the short term.

4. **American, JetBlue NEA Injunction Date Delayed.**

U.S. District Judge Leo Sorokin delayed the effective date of a permanent injunction for American and JetBlue to end their Northeast Alliance, saying it will take effect 21 days after he issues a final judgment imposing terms. The airlines asked Sorokin to allow them to continue to code share and offer reciprocal frequent-flyer benefits. The Justice Department objected, but said the airlines can honor tickets they have already sold.

5. **JetBlue to Divest Spirit's LaGuardia Slots After Merger.**

JetBlue and Frontier Group entered into a definitive agreement under which JetBlue will divest all Spirit Airlines holdings at New York LaGuardia to Frontier, principally six gates at the Marine Air Terminal and 22 takeoff and landing slots, pending the JetBlue-Spirit merger clearing required legal and regulatory hurdles. The agreement with Frontier will maintain the same level of ultra low-cost carrier service at LaGuardia, said JetBlue CEO Robin Hayes. The Justice Department filed an antitrust lawsuit to block the JetBlue-Spirit merger.

6. **DOT Reminds Airlines of July 1 Deadline for 5G C-Band Retrofits.**

DOT Secretary Pete Buttigieg reminded airlines of a July 1 deadline to equip commercial aircraft “to operate safely in the unique 5G C-band environment of the United States.” While more than 80% of the domestic fleet serving U.S. airports has been retrofitted, he noted in a letter to Airlines for America President and CEO Nicholas Calio, “passengers must not bear the brunt of any airline’s inability to equip sufficient aircraft [or] bear the responsibility for an airline that fails to realistically adjust schedules that can foreseeably be impacted by 5G readiness issues in its fleet. DOT will hold carriers accountable for any violations of the law.”

7. **FAA Proposes Pilot Training Rules for Powered-Lift Aircraft.**

FAA proposed rules for training and certifying pilots of powered-lift aircraft. Certified pilots who work for powered-lift aircraft manufacturers could serve as flight instructors at flight schools, training centers and air carriers. Powered-lift aircraft, many of which take off and land like a helicopter but fly enroute like an airplane, would follow the same operating rules as traditional aircraft used in private and commercial flights and air tours. The proposal would conform to International Civil Aviation Organization (ICAO) requirements, enabling U.S. pilots to operate in other countries. In May, FAA released an updated blueprint for airspace and procedure changes to accommodate future air taxis.

8. **IATA Holds 79th AGM.**

The International Air Transport Association (IATA) held its 79th Annual General Meeting (AGM) and World Air Transport Summit in Istanbul, with Pegasus

Airlines as the host airline. RwandAir CEO Yvonne Manzi Makolo succeeded Pegasus Chairman Mehmet Nane as Chair of the IATA Board of Governors for a one-year term; she is the first woman to hold this position. IndiGo CEO Pieter Elbers will serve as Chair following Makolo's term. Emirates will host the 80th IATA AGM and World Air Transport Summit in Dubai, in June 2024. . . . Among his remarks at the AGM, IATA Director General Willie Walsh addressed consumer protection rules. "Whenever there is a delay or a cancellation, where specific passenger rights regulations exist, the burden of care and compensation falls on the airline, regardless of which part of the aviation chain is at fault," he said, although root causes include ATC failures, strikes by non-airline workers, and inefficient infrastructure. "We urgently need to move to a model of 'shared accountability' where all actors in the value chain face the same incentives to drive on-time performance."

9. IATA: Airline Profitability Outlook Strengthens.

IATA has upgraded its industry outlook for 2023. Profits are expected to reach \$9.8 billion (1.2% net profit margin), more than double the December 2022 forecast of \$4.7 billion. Some 4.35 billion people are expected to travel in 2023, compared to 4.54 billion in 2019. Cargo volumes are expected to be 57.8 million tonnes, compared to 61.5 million tonnes in 2019. Total revenues are expected to grow 9.7% year over year to \$803 billion; this is the first time industry revenues will top \$800 billion since 2019 (\$838 billion). Expense growth is expected to be contained to an 8.1% annual increase. "After deep COVID-19 losses, even a net profit margin of 1.2% is something to celebrate! But with airlines just making \$2.25 per passenger on average, repairing damaged balance sheets and providing investors with sustainable returns on their capital will continue to be a challenge for many airlines," said Willie Walsh. . . . Among other challenges, Walsh noted inflation continues, cost pressure is acute, and in some areas, labor is in short supply; OEM suppliers have been far too slow in dealing with supply chain blockages that are raising costs and limiting ability to deploy aircraft; and some airports are shifting the costs of their inefficiency to airlines.

10. IATA: Blocked Airline Funds Reached \$2.27 Billion in April.

The industry's blocked funds increased by 47% to \$2.27 billion in April, from \$1.55 billion in April 2022, said IATA, and are a threat to airline connectivity in affected markets. Top five countries accounting for 68.0% of blocked funds are Nigeria (\$812.2 million), Bangladesh (\$214.1 million), Algeria (\$196.3 million), Pakistan (\$188.2 million) and Lebanon (\$141.2 million).

11. IATA: Post-Pandemic Unruly Passenger Incidents Increase.

One unruly incident was reported for every 568 flights in 2022, up from one per 835 flights in 2021, said IATA. Although incidents initially fell after mask mandates were removed on most flights, frequency rose again throughout 2022 and ended the year up 37% on 2021. The most common examples of non-compliance were: smoking cigarettes, e-cigarettes, vapes and puff devices; failure to fasten seatbelts when instructed; exceeding carry-on baggage allowance or failing to store baggage when required; and consumption of own alcohol on board. Physical abuse incidents, though rare, increased by 61% over 2021, occurring once every 17,200 flights. To ensure governments have legal authority to prosecute unruly passengers, regardless of state of origin, and to have enforcement measures that reflect the severity of the incident, they need to ratify the Montreal Protocol 2014 (MP14), said IATA. To date, some 45 nations comprising 33% of international passenger traffic have ratified. Collaboration with industry partners on the ground can prevent and de-escalate incidents. For example, as the vast majority of intoxication incidents occur from alcohol consumed prior to the flight, the support of airport bars and restaurants to ensure responsible consumption of alcohol is particularly important.

12. Star Alliance Names New CEO.

Theo Panagiotoulis will be the next Star Alliance CEO, replacing Charlotta Wieland. He has held executive positions at Hawaiian Airlines, Sabre and American Airlines. Wieland, who served as interim CEO since January, returns to SAS and representing SAS on the Star Alliance Board. United CEO Scott Kirby is the current Star Alliance Chairman.

II. AIRPORTS

1. Airlines and Airports Discuss Global Slot Regulations.

IATA and airline associations around the world called for governments to ensure the global alignment of airport slot regulations “to safeguard the consistent, fair, and transparent allocation of slots under the Worldwide Airport Slot Guidelines (WASG).” The statement was issued at the 152nd Slot Conference in Dublin. . . . In response, Airports Council International (ACI) World emphasized the need for regional- and national-level engagement in implementing slot guidelines and tailoring them to unique operational intricacies of each airport to ensure optimal utilization of resources and seamless operations. The WASG, developed by airports, airlines and slot coordinators through the Worldwide Airport Slot Board (WASB), provides a framework for allocating limited airport capacity among airlines and ensuring that capacity allocated is used by airlines through the Use-It-Or-Lose-It Rule and tight slot performance monitoring, noted ACI World. ACI Europe urged reform of airport slot regulations in Europe, particularly rules and practices preventing consumer choice and connectivity, including “hoarding of airport slots, overbidding, slot leasing, secondary trading, abuse of new entrant status and ‘double dipping.’”

2. Charlotte Douglas Breaks Ground on Fourth Parallel Runway.

Charlotte Douglas International Airport began construction of a fourth parallel runway, part of a \$1 billion airfield project. Scheduled for commissioning in fall 2027, the 10,000-foot-long by 150-foot-wide runway will allow for 20 additional arrivals and departures during peak hours in 2028 and 32 in 2033. Charlotte Douglas handled 505,589 arrivals and departures in 2022 and served nearly 48 million passengers.

3. United to Expand Houston Bush Terminal B.

United Airlines proposed to modernize and expand Terminal B at George Bush Intercontinental, which, said Houston Airport System officials, is undersized, outdated and cannot support United’s plan to replace smaller aircraft with larger more efficient aircraft. Terminal B North will be demolished and two concourses constructed to serve narrow- and wide-body aircraft, tripling current capacity. The Terminal B South renovation will allow for 18 large regional jets with passenger loading bridges at each gate and optimized taxiways and taxi lanes.

4. Delta Opens Delta One Check-In, West Headhouse at LAX.

Delta and Los Angeles World Airports (LAWA) finished a major phase of the Delta Sky Way at LAX project, with Terminal 3 now offering another entry point via the west headhouse, as well as a dedicated check-in area for Delta One

customers. The final milestone of the project, the airside connector to the Tom Bradley International Terminal, is expected to be complete in August and will eliminate the need to bus between terminals.

5. Alaska Opens Renovated D Concourse Lounge in Seattle.

Alaska Airlines opened its D Concourse Lounge at Seattle-Tacoma International, after a five-month renovation that added 50% more seating. The airline also expanded its C Concourse Lounge in Seattle by 3,000 square feet and added 60 more seats, opened a new patio space at Concourse C Lounge in Portland, and is finalizing plans for a new lounge at San Francisco in Harvey Milk Terminal 1, where it will relocate in 2024.

6. Austin-Bergstrom and LoneStar Reach \$88 Million Settlement.

Austin-Bergstrom reached an \$88 million settlement with LoneStar Airport Holdings for early termination of an agreement to renovate and operate an auxiliary terminal serving low-cost carriers, allowing the airport to move forward with its expansion program. A new midfield concourse, connector tunnel to the main terminal, and new taxiways require removal of the South Terminal and 30 other vacant airport-owned buildings. The airport said it “is committed to providing Ultra Low Cost Carrier airline service for Austinites and Central Texans and will work with the South Terminal airlines to relocate them to the Barbara Jordan Terminal or other facilities.”

7. Heathrow Strike Threats End.

Security officers at London Heathrow voted to accept an improved pay offer, averting 31 days of strike action throughout the summer. Terminals 3 and 5 and Campus Security (responsible for checking all airside workers and vehicles) were involved. The new contract includes a 10% increase to all basic salary, shift pay and allowances from January. During the dispute, which began in April, workers took a total of 18 days of industrial action. Strikes were also averted at Edinburgh and Glasgow; Birmingham balloting underway could result in strikes starting in July.

8. Unions Oppose Government Decision to Shrink Schiphol.

Due to the Dutch government's decision to shrink Schiphol, more than 13,000 people will lose their jobs, around 10% of total employment at and around the airport, according to a study commissioned by unions including Association of Dutch Airline Pilots (VNV). “We advocate alternative measures that do not put pressure on airport runways and that do achieve noise reduction targets,” they said. . . . The government canceled proposed plans for a parallel runway, in response to a request included in Schiphol's eight-point plan presented earlier this year “to become quieter, cleaner and better” via barring private jets and the

noisiest aircraft, a night closure, and an environmental fund. . . . Royal Schiphol Group acquired a 40% interest in Maastricht Aachen Airport (MAA), while the Province of Limburg retains a 60% interest. MAA is the second and only regional cargo airport in the Netherlands.

9. Qantas to Operate at Western Sydney Intl from 2026.

Western Sydney International (WSI) is about 50% complete, said the Australian government which is investing in the airport and has established a Commonwealth company, the Western Sydney Airport Corporation (WSA Co), to deliver the facility by 2026. Qantas Group plans to operate up to 15 narrowbody aircraft – 10 Jetstar and five Qantas – on domestic routes initially, with around four million passengers per annum on more than 25,000 flights. “WSI is on track to become the sixth biggest airport for the Group within its first year of operation,” said Qantas Group CEO Alan Joyce, and has “strategic advantages with no curfew, technology that allows aircraft to be turned around quickly and a next-generation baggage system.” WSI CEO Simon Hickey said the airport “is being designed for growth and will eventually become Sydney’s biggest airport. We have a roadmap to grow to 82 million annual passengers, around the size of the world’s major airports, such as Dubai and London Heathrow.” The airport and Qantas Group are continuing discussions on international and freight operations.

10. ACI Asia-Pacific: Airport Charges Remain Flat, as Airfares Rise.

Airport charges in 2019-2022 remained stable or decreased in Asia & Middle East by 4% on international routes, and increased by 3% on domestic routes, according to an ACI Asia-Pacific study, while international airfares increased, with the highest in India (41%), United Arab Emirates (34%), Singapore (30%) and Australia (23%). “Unlike airlines, airport operators do not have the privilege to set airport charges capable of covering the full cost of the service. And this is not only because their prices are heavily regulated, but also because market driven factors, such as competition and/or a dominant buyer power exerted by airlines prevent them from doing so,” said Director General Stefano Baronci.

III. SECURITY AND DATA PRIVACY

1. TSA Opens Training Academy in Las Vegas.

The Transportation Security Administration (TSA) unveiled the TSA Academy West in Las Vegas. The 26,000-square-foot facility is located near Harry Reid International Airport (LAS), where Transportation Security Officers (TSOs) can access a dedicated training checkpoint. Two weeks of in-residence training includes threat detection and resolution; pat-down techniques; screening of personal property; adaptive thinking; customer experience; and training on “core values of integrity, respect and commitment.” TSOs also have access to desktop simulators that generate individual X-ray images to increase on-screen detection capabilities of carry-on property and checked baggage. TSA Academy East is located in Glynco, Georgia, at the Federal Law Enforcement Training Center. . . . In other news, TSA expected to screen 17.7 million people during the Independence Day holiday period, from June 29 through July 5, and 2.82 million on Friday alone. Due to new funding which places all TSA employees on the same pay scale as most other federal employees, said Administrator David Pekoske, attrition levels have dropped to historic lows resulting in sufficient staffing levels to meet increased passenger demand. The Agency reminded passengers they will lose TSA PreCheck eligibility for five years if firearms are found in a carry-on bag at a TSA security checkpoint; current maximum civil penalty for a firearms violation is \$14,950, and city or state laws at that airport may include citation or arrest.

2. Alaska Airlines Partners with CLEAR.

Alaska Airlines is partnering with CLEAR Plus, an opt-in biometric identity program, at airports in Seattle, San Francisco and Los Angeles. After verification via eyes or fingerprint, passengers are escorted through a dedicated lane and to TSA physical security. A discounted rate was offered to mileage plan members. CLEAR Plus and TSA PreCheck are independent of each other.

3. Canada, Netherlands Co-Host Safer Skies Forum.

Canada and the Netherlands co-hosted the third Safer Skies Forum in The Hague, with participants from states, international organizations and the civil aviation industry. The forum is dedicated to mitigating airspace risks over or near conflict zones, since the downing of Malaysia Airlines Flight MH17 by Russia in July 2014 and Ukraine International Airlines Flight PS752 by Iran in January 2020. Canada requested that ICAO prioritize a review of the ICAO Risk Assessment Manual for Civil Aircraft Operations Over or Near Conflict Zones. . . . “The downing of an aircraft with innocent passengers and crew on board is absolutely unacceptable, the result of ineffective civil-military coordination,

limited exchange of information, including a lack of intelligence information, and ultimately human error,” said ICAO Council President Salvatore Sciacchitano. He noted that after Korean Airlines Flight 007, with 269 passengers and crew on board, was shot down in August 1983 by a military aircraft of the former Soviet Union, the ICAO Assembly amended the 1944 Chicago Convention to provide that every State must refrain from the use of weapons against civil aircraft in flight, but that “notwithstanding this almost forty-year-old commitment by States, we continue to see instances involving the use of weapons against civil aircraft in flight.”

4. British Airways Among Entities Affected by Global Cyberattack.

British Airways was among entities affected by a global cyberattack, and the U.S. Cybersecurity and Infrastructure Security Agency said it was providing support to federal agencies that experienced intrusions affecting MOVEit applications, which are used to transfer data. Progress Software, the U.S. firm that makes MOVEit Cloud, told CNN the vulnerability could be exploited by a bad actor. Russian cybercriminals reportedly were responsible for the breaches.

IV. TECHNOLOGY AND EQUIPMENT

1. **United Customers Can Re-book, Receive Meal Vouchers with App.**

A new mobile app feature gives United passengers personalized re-booking options, bag tracking information and meal and hotel vouchers if their flight is delayed by more than 60 minutes or canceled. The options are on the home screen of the United mobile app, and include a connection to call, text or video chat with a customer service agent.

2. **Air France-KLM Adds Amadeus Cytric.**

Air France-KLM added travel and expense tool Amadeus Cytric to its offering, using it for its online corporate solution, BlueConnect. “Corporate customers will gain access to automated processes while retaining full visibility and control over expenses,” said Amadeus.

3. **Sabre, dnata Travel Group Sign New Agreement.**

Sabre signed a new multi-year agreement with Dubai-based dnata Travel Group, under which the Group’s Gulf Cooperation Council Partner Network will “respond to evolving customer expectations with personalized experiences.” . . . Sabre teamed with iCoupon to issue digital vouchers directly to the boarding pass in the event of flight disruption. Passengers can instantly redeem the voucher at any iCoupon-integrated restaurant or retailer. The vouchers can be used for staff and crew meal entitlements also. . . . Aeromexico’s New Distribution Capability content is available through Sabre’s global distribution system, phased in starting with Mexico in June. . . . Malaysia Airlines completed second phase implementation of Sabre solutions to optimize schedules, evaluate existing and future routes and partnerships, and make network planning decisions. . . . Under an enhanced agreement, All Nippon Airways can improve its Network Planning and Optimization capabilities for domestic routes. The airline already uses Sabre Slot Manager for international routes.

4. **Joby eVTOL Receives Special Airworthiness Certificate.**

Joby Aviation, developer of an all-electric, vertical take-off and landing (eVTOL) air taxi, received a Special Airworthiness Certificate for the first aircraft built at its Pilot Production Line in Marina, California. Issued by FAA, the certificate allows Joby to begin flight testing its first production prototype. The aircraft is expected to be the first eVTOL to be delivered to a customer when it moves to Edwards Air Force Base in 2024 to be operated by Joby under a U.S. Air Force contract worth up to \$131 million. Toyota is Joby’s largest external shareholder, with a \$400 million investment; the companies signed a long-term agreement for supply of powertrain and actuation components. Joby plans to begin

commercial passenger operations in 2025 and has partnered with Delta to deliver transportation to and from airports.

5. Eve Air Mobility eVTOL News.

United is collaborating with Eve Air Mobility to bring eVTOL flights to the San Francisco Bay Area. They are working to identify origin and destination areas and the future route network for Urban Air Mobility (UAM). In 2022, United invested \$15 million in Eve and signed a conditional purchase agreement for 200 eVTOLs plus 200 options. Backed by Embraer, Eve's eVTOL is scheduled to enter service in 2026; current order backlog around 2,770 aircraft. . . . Eve and Brazilian company Voar Aviation agreed to evaluate sale and purchase of 70 eVTOLs. Voar will "assist Eve in modeling the UAM market in selected cities and support the seamless integration of eVTOLs into the urban environment." . . . Eve extended its partnership with Norway-based Widerøe Zero to include up to 50 eVTOLs, a service and operation solutions package, and implementation of Eve's Urban Air Traffic Management software solution; they expect to put the first Eve vehicles into revenue service in 2027. . . . Nordic Aviation Capital to acquire 15 firm plus 15 optional Eve eVTOLs to be leased to fleet operators. . . . Blade Air Mobility plans to integrate Eve aircraft into its European route network, starting with France. Blade's "asset-light model, with its exclusive passenger terminal infrastructure, is designed to facilitate a seamless transition." Last year, Blade acquired charter and scheduled flight operations of three large UAM operators in Europe. . . . In 2022 Eve entered into an agreement with Blade India to deploy up to 200 eVTOLs in the country. . . . Blade and Eve goals for U.S. operations would provide up to 60 Eve aircraft annually. Blade is a major air medical transporter of human organs for transplant.

6. Wisk Now Fully-Owned Subsidiary of Boeing.

Electric air taxi developer Wisk is now a fully-owned subsidiary of Boeing. "While we operate separately, this relationship allows us to tap into Boeing's development, testing, and certification expertise," said Wisk CEO Brian Yutko, who previously served as Boeing Vice President and Chief Engineer for Sustainability and Future Mobility.

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

Average price of aviation jet fuel on June 18 was \$94.83/barrel, up 3.5% on the month and down 31.6% compared to a year ago, reports IATA according to data from S&P Global Platts.

2. IATA: Critical Steps Needed to Reach Net Zero by 2050.

IATA unveiled roadmaps detailing critical actions and dependencies to achieve net zero carbon emissions by 2050, addressing aircraft technology, energy infrastructure, operations, finance and policy considerations. For example, how to finance the cumulative \$5 trillion needed to meet that goal; this includes technological advancements, infrastructure developments, and operational improvements. The roadmaps “show a clear direction and will evolve as we dig deeper to set interim milestones on the way to net zero,” said IATA’s Willie Walsh. “Governments, suppliers, and financiers cannot be spectators in aviation’s decarbonization journey. They have skin in the game. The roadmaps are a call to action for all aviation’s stakeholders to deliver the tools needed to make this fundamental transformation of aviation a success with policies and products fit for a net-zero world.”

3. Air Canada, Neste Expand Partnership for SAF Supply in Europe.

Air Canada expanded its partnership with Neste to incorporate Neste MY Sustainable Aviation Fuel (SAF) in some Amsterdam Schiphol flights and used SAF on its new Boeing 787 nonstops between Montreal and Amsterdam. Air Canada also uplifts SAF at San Francisco International.

4. KLM Group Presents Plan to Reduce Night-Time Noise.

A Dutch government proposal to slash flights to reduce noise impact by 20% throughout the day and by 15% at night fails to consider the impact on national assets, said KLM Group, which instead proposed investing €6 to 7 billion in new aircraft, which are on average 50% more silent than aircraft they replace; adopting procedures that ensure quieter operations; and adjusting flight schedules to deploy quietest aircraft at night. KLM also proposed that higher airport fees be charged for noisier aircraft at Schiphol.

VI. U.S. CONGRESS

1. Bipartisan FAA Reauthorization Bill Sent to Full House.

House Transportation and Infrastructure Committee approved bipartisan legislation that would reauthorize FAA for five years; current operating authority is set to expire on September 30. The “Securing Growth and Robust Leadership in American Aviation Act” would, among other things, make changes to the organizational structure of FAA to improve efficiency; raise the mandatory retirement age for commercial pilots to 67 from 65; and “strengthen the general aviation sector, where most aviation professionals, including pilots and mechanics, get their start.” The bill authorizes the National Transportation Safety Board and funding for airport infrastructure; enhances consumer protections; and addresses safety issues, including the recent uptick in runway incursions. To encourage innovation, the bill addresses “bureaucratic hurdles, endless research, and pilot programs.”

2. FAA Reauthorization Bill Stalls in Senate Committee.

The “FAA Reauthorization Act of 2023” was introduced in the Senate Commerce Committee, but stalled over a measure to change the 1,500-hour rule for pilot training. Given the “recent surge in disturbing near-misses and close calls,” said Tammy Duckworth (D-IL), this “will mean blood on your hands when the inevitable accident occurs as a result of an inadequately trained flight crew.” Another point of contention was a proposal to change the slot and perimeter rules at Washington Reagan National. . . . The bipartisan bill would authorize \$107 billion in appropriations for FAA for fiscal years 2024 through 2028, including \$67.5 billion for operations; \$18.2 billion for facilities and equipment; and \$1.8 billion for research, engineering and development. The bill increases Airport Improvement Program (AIP) funding levels over the next five years from \$3.35 billion to \$4 billion. Among other things, the bill requires FAA to complete the last stage of NextGen by December 31, 2025, and establish an airspace innovation office. It facilitates commercial use of drones and unmanned aircraft and supports pathways to certifying eVTOL aircraft. The bill requires FAA to increase runway safety, enhance aircraft certification reforms, and strengthens FAA oversight of foreign repair stations. It improves cabin air safety and helps protect avionics from cyber security threats. The bill codifies U.S. safety requirements for foreign airlines operating to the United States or code sharing with U.S. airlines. It increases funding for FAA’s Aviation Workforce Development Grant Program, requires FAA to develop a national plan to address critical worker shortages and revise and implement improved ATC staffing standards. The bill streamlines the transition for military servicemembers to civil aviation maintenance careers and establishes a

Women in Aviation Advisory Committee at DOT. The bill enhances self-defense training for flight attendants and supports pilot mental health. It strengthens the Essential Air Service (EAS) program and broadens eligibility requirements. The bill authorizes a DOT Office of Aviation Consumer Protection, to be led by a Senate-confirmed Assistant Secretary for Aviation Consumer Protection; doubles DOT's statutory civil penalty amount from \$25,000 per violation to \$50,000; and requires airlines to be properly staffed and resourced to operate flights they sell, and provide free, 24/7 access to customer service agents. The bill prohibits airlines from charging fees for families to sit together; improves transparency for fees and consumer protections; requires DOT to permanently operate and update its online dashboard to compare information about airline policies and consumer redress, and to create another dashboard that shows consumers minimum seat sizes for each U.S. airline. The bill requires modernization and improvements to aircraft evacuation standards, requiring FAA to conduct a study and initiate a rulemaking based on expert recommendations. The bill creates a pilot program to award grants to airports to upgrade accessibility for people with disabilities; extends the Disabilities Advisory Committee through 2028; provides information on cargo hold dimensions and requires training for personnel on safely storing wheelchairs and scooters; allows passengers with disabilities to request seating locations on aircraft near a restroom or with a companion; and ensures they can reserve onboard wheelchairs.

3. "SAF Accuracy Act of 2023" Introduced in Senate.

The "Sustainable Aviation Fuels Accuracy Act of 2023" was introduced in the Senate. The bipartisan legislation "would require the federal government to use the most up-to-date lifecycle emissions models—including the U.S. Department of Energy commissioned, Argonne National Lab's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies Model (GREET), that accurately considers crops, land uses and carbon reduction practices in the U.S and does not arbitrarily prevent our American farmers and crops from contributing to our green economy." The bill is endorsed by Clean Fuels Alliance America, United Airlines, Renewable Fuels Association, Growth Energy and National Corn Growers Association.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. U.S. and Indian Leaders Cite Historic Air India Purchase of Boeing Aircraft.

The announcement made by President Biden and the Indian Prime Minister during a state visit at the White House. Boeing also announced a \$100 million investment on infrastructure and programs to train pilots in India, supporting India's need for 31,000 new pilots over the next 20 years; completion of a C-17 aftermarket support facility; and a new parts logistics center in India to capture future synergies between defense and civil aviation.

2. U.S., Mexico Officials Discuss Airport, Safety Issues.

DOT Secretary Pete Buttigieg met with President Lopez Obrador and other officials at Mexico City's new Felipe Angeles International Airport (AIFA) to discuss steps they can take to promote the expansion of commercial operations, including the flexibility and support that will help U.S. carriers successfully launch operations there. Officials also discussed returning Mexico to a Category 1 safety rating. In May 2021, FAA downgraded Mexico's safety rating to Category 2, which allows Mexican carriers to continue existing service to the United States, but prohibits new service and routes; also, U.S. airlines cannot market and sell tickets with their names and designator codes on Mexican-operated flights. "We are both committed to continue developing the bilateral relationship in a manner fully consistent with the 2015 U.S.-Mexico Air Transport Agreement, an important commitment between our sovereign nations," said officials.

VIII. EUROPE AND AFRICA

1. Delta Launches Daily Flights to Rome and Reykjavik.

Delta launched daily flights from Detroit to Rome and Minneapolis St. Paul to Reykjavik, amid 650 weekly transatlantic summer flights, a 30% increase in the seat capacity compared to 2022.

2. ITA Airways Flies from Rome Fiumicino to Washington Dulles.

ITA Airways launched service from Rome Fiumicino to Washington Dulles; the five weekly flights become daily from August 1. Rome Fiumicino to San Francisco begins July 1. The national carrier is leasing Airbus A330-900s to serve its long-haul routes and new intercontinental destinations. In May it was announced that Lufthansa will acquire a 41% stake in ITA from the Italian government, with an option to acquire all remaining shares in the future.

3. Ryanair to EC: “Protect Overflights – Keep EU Skies Open.”

Ryanair delivered a ‘Protect Overflights: Keep EU Skies Open’ petition to the European Commission (EC), signed by more than 1.1 million “fed-up passengers demanding that the EC protect overflights and EU citizens’ freedom of movement during repeated ATC strikes.” The carrier urged the Commission to respect strike rights of ATC unions, but protect all overflights during national strikes. In first five months 2023, there were 57 days of ATC strikes (10 times more than 2022) forcing airlines to cancel thousands of EU overflights, said Ryanair CEO Michael O’Leary. “It is unacceptable that ATC strikes can result in the cancellation of thousands of EU passengers’ flights, while France and other EU Member States use Minimum Service Laws to protect their domestic flights.”

4. Focus Africa Conference Addresses Six Critical Areas.

Industry stakeholders convened at the IATA Focus Africa Conference, hosted by Ethiopian Airlines, in Addis Ababa, to address safety, infrastructure, connectivity, finance and distribution, sustainability and skills development. Focus Africa is gaining momentum, said IATA, with the African Civil Aviation Commission (AFCAC) and the Airlines Association of Southern Africa (AASA) as its newest partners. “Africa accounts for 18% of the global population but less than 3% of global GDP and just 2.1% of air passenger and cargo transport activity. With the right interventions those gaps will be closed, and Africa will benefit from the connectivity, jobs and growth that aviation enables,” said IATA’s Willie Walsh. . . . IATA is launching the Collaborative Aviation Safety Improvement Program (CASIP) to reduce the accident and serious incident rate across Africa, as part of the Focus Africa initiative. Launch partners are ICAO, AFCAC, FAA, Boeing and AASA. They will prioritize the most pressing safety

concerns and rally resources needed to address them. The starting point for safety improvement is effective use of global standards for safety, such as implementation of ICAO Standards and Recommended Practices (SARPS). Data for the year 2022 reveals considerable room for improvement with only 28 of 54 African states reaching an effective implementation rate for ICAO SARPS of 60% or higher.

5. IATA Sets Out Priorities for Ethiopian Aviation.

IATA's Walsh urged the Ethiopian government "to act swiftly to clear the \$95 million in airline funds blocked from repatriation to ensure the country's connectivity is not threatened." Other key priorities for Ethiopia include implementing the Single African Air Transport Market (SAATM); 234 countries have signed the Memorandum of Implementation to date; however, none have ratified it, and fostering growth of a SAF industry; Ethiopian has the potential to become one of the biggest SAF producers with unique feedstocks, vast land area, and significant solar potential. Ethiopia's aviation industry is set to triple by 2040, with an average 6% growth in passenger traffic over the next 17 years. Passenger traffic originating from Ethiopia tracked at 19% above pre-crisis levels in first quarter 2023, well ahead of Africa's overall passenger demand which stood at 8.7% above pre-crisis levels in first quarter.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. **Air Canada to Launch Vancouver-Singapore Service.**

Air Canada will offer four weekly Boeing 787 nonstops between Vancouver and Singapore Changi beginning April 3, 2024, subject to final government approval.

2. **Qantas Resumes Flights to New York.**

Qantas resumed service to New York with three weekly Boeing 787 flights from Sydney, increasing to four from October. The route transits through Auckland before a 17+ hour flight direct to New York. The flight previously operated via Los Angeles. Qantas expects to return to 100% of its international network pre-COVID capacity by March 2024. . . . A study conducted by Qantas and the University of Sydney's Charles Perkins Centre shows it is possible to reduce impact of jetlag by reshaping the inflight travel experience, using, for instance, "different lighting and sleep schedules, mealtimes, and specific ingredients like chili and chocolate during long-haul flights." The research was conducted during test flights for Qantas' Project Sunrise program, which will connect Sydney directly with New York and London for the first time from late 2025 using specially designed Airbus A350s. . . . Qantas Group finalized an incremental order for nine Airbus A220-300s, bringing total backlog for the single-aisle type to 29; delivery to begin at end of this year "for a domestic network that includes everything from short hops to flights of five hours and beyond."

3. **ACCC Proposes to Allow Qantas, Emirates Coordination to Continue.**

The Australian Competition and Consumer Commission (ACCC) issued a draft determination proposing to authorize Qantas, Emirates and their related entities (including Jetstar) to continue coordinating operations for five years across their respective networks covering routes between Australia and the UK/Europe, New Zealand, Asia, the Middle East and North Africa. The proposed conduct would be likely to result in public benefits, including increased connectivity and convenience and greater loyalty program benefits for consumers, said ACCC, giving customers greater choice of flight times and flexibility when travelling on routes where the operations of Qantas and Emirates overlap. The coordination may impact competition on the Sydney to Christchurch route, because Air New Zealand is the only other airline operating on that route, thus a condition in the draft approval requires Qantas and Emirates to provide the ACCC with information "so we can monitor the competitive dynamics on this route during the term of authorization."

4. **Air New Zealand Conducts Passenger Weight Survey.**

Air New Zealand passengers on international flights departing Auckland were asked to participate in a weight survey in June. The voluntary weigh-in was a Civil Aviation Authority requirement. “Before each take-off the pilot needs to know the weight and balance of the loaded aircraft,” said the airline. “We weigh everything that goes on the aircraft – from the cargo to the meals onboard, to the luggage in the hold. For customers, crew and cabin bags, we use average weights, which we get from doing this survey.”

5. **Paris Air Show Sees Major Aircraft Sales to India’s Airlines.**

Boeing and Air India finalized an order for up to 290 new Boeing jets and expanded services, at the 2023 Paris Air Show. The order, which includes 190 737 MAXs, 20 787 Dreamliners and 10 777X jets with options for 50 737 MAXs and 20 787 Dreamliners, is Boeing's largest order in South Asia. . . . Boeing and Akasa Air announced an order for four additional 737-8 jets. Akasa launched operations in 2022 and flies to 16 destinations with plans for a “foray into international routes,” said Founder and CEO Vinay Dube. . . . IndiGo, India’s largest airline by market share, placed a firm order for 500 Airbus A320 Family aircraft, setting the record for the largest single purchase agreement in the history of commercial aviation. This agreement takes the total number of Airbus aircraft on order by the New Delhi-headquartered carrier to 1,330, establishing its position as the world’s biggest A320 Family customer. . . . Air India firmed up an order for 250 Airbus aircraft and selected an Airbus maintenance and digital package. Aircraft ordered include 140 A320neo and 70 A321neo single-aisle aircraft, and 34 A350-1000 and six A350-900 wide-body jets.

X. AMERICAS

1. Delta Introduces Seat for Passengers with Reduced Mobility.

Delta Flight Products (DFP) has partnered with UK-based consortium Air4All on an airplane seat that converts a standard passenger seat to an accommodation for wheelchair restraint, allowing passengers to remain in their own wheelchairs for the entire journey. The patented design provides access to headrest, center console tray tables and cocktail table. Implementation of the seat will facilitate a more seamless boarding and disembarking experience for passengers with reduced mobility. After final design and validation, testing and certification programs to install the seat will begin. DFP is a wholly-owned subsidiary of Delta. Air 4 All is a consortium formed of PriestmanGoode, Flying Disabled, SWS Certification and Sunrise Medical.

2. Delta, LATAM Add Joint Venture Routes.

Delta and LATAM Group are adding joint venture routes. On October 29, LATAM Airlines Colombia will launch daily Airbus A320 service between Miami and Medellin, and LATAM Airlines Peru will introduce three-times weekly Boeing 767 service between Lima and Atlanta. Delta will launch Boeing 737 service between Atlanta and Cartagena, Colombia on December 22, and add a second Boeing 757 daily flight between Atlanta and Bogota, on October 29. Other routes include Bogota-Orlando on July 1, Sao Paulo-Los Angeles on August 1, and New York Kennedy-Rio de Janeiro on December 16. Some routes subject to government approval.

3. American Airlines Pilots Reject Merger with ALPA.

Allied Pilots Association (APA), which represents pilots at American Airlines, rejected efforts to begin merger talks with ALPA. APA reached a tentative contract agreement with American in May.

4. FedEx Pilots' Union Leadership Approves Tentative Agreement.

The FedEx Master Executive Council, the governing body of the FedEx unit of ALPA, voted to approve a tentative contract agreement reached with FedEx management. A membership ratification ballot will open on July 5 and close on July 24. The agreement includes a 30% pay increase and pension benefits. Negotiations began in May 2021, the contract became amendable in November 2021, and the parties entered mediation with the National Mediation Board in November 2022. If ratified, the new contract will go into effect in August 2023 and become amendable in 2028.

5. **Air Canada Pilots Send Notice to Bargain to Management.**

Air Canada pilots provided a notice to bargain to management. They recently became members of ALPA, which said the company “must address career progression and job security for its pilots, as well as the growing wage gap between the United States and Canada.”

6. **WestJet to Integrate Swoop into Mainline Ops.**

WestJet Group will integrate ultra-low-cost unit, Swoop, into mainline operations by end of October. A newly ratified four-year agreement with ALPA “bolsters our ability to provide certainty and career opportunities across our organization for years to come while ensuring the competitive sustainability of the WestJet Group,” said CEO Alexis von Hoensbroech. “Instead of only 16 aircraft serving the ultra-low-cost market, each aircraft, in our 180-strong fleet, will offer ultra-affordable travel options through to a premium inflight experience.” Swoop employees will move to WestJet.

7. **Delta Launches Daily Flights to Rome and Reykjavik.**

See Section VIII, item 1.

8. **ITA Airways Flies from Rome Fiumicino to Washington Dulles.**

See Section VIII, item 2.

9. **Air Canada to Launch Vancouver-Singapore Service.**

See Section IX, item 1.

10. **Qantas Resumes Flights to New York.**

See Section IX, item 2.