



WASHINGTON AVIATION SUMMARY

AUGUST 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. IATA Addresses U.S. ATC Staff Shortages.

Willie Walsh, Director General of the International Air Transport Association (IATA), chastised the United States for “unacceptable delays and disruptions” caused by air traffic control (ATC) staff shortages. While airlines have added tens of thousands of employees, the Federal Aviation Administration (FAA) has allowed the controller workforce to shrink to the point where it is challenged to maintain continuity of operations at the most critical air traffic control facilities,” said Walsh; 77% are staffed below the Agency’s 85% threshold, with New York Terminal Radar Approach Control and Miami Tower at 54% and 66%, respectively. Walsh also criticized the requirement that airlines “invest over \$630 million to upgrade or replace fully certified onboard avionics equipment on thousands of aircraft to mitigate the risks of 5G rollout near airports.” This is unique to the U.S., he said. “The 5G rollout in other parts of the world has not required anything like this of airlines.”

2. DOT Investigates Delta’s Long Tarmac Delay in Extreme Heat.

The Department of Transportation (DOT) is investigating an incident at Las Vegas Harry Reid, in which Delta Flight 555 sat on the tarmac for at least three hours when outdoor temperatures exceeded 100 degrees. Several passengers and a flight attendant required medical assistance. Delta apologized, said it is looking into “circumstances that led to uncomfortable temperatures inside the cabin,” and offered passengers full refunds, bonus mileage, hotel compensation and food vouchers. DOT Secretary Pete Buttigieg expressed shock: “Even at normal temperatures a tarmac delay is not supposed to go that long and we have rules about that, which we are actively enforcing right now,” he told Reuters, adding there are also rules on maximum cabin temperatures.

3. Final Rule Issued for Accessible Lavatories.

DOT issued a final rule to amend the Air Carrier Access Act to improve accessibility of lavatories on single-aisle aircraft. The rule requires airlines to make lavatories on new single-aisle aircraft large enough to permit a passenger with a disability and an attendant to approach, enter and maneuver within as necessary to use the aircraft lavatory.

4. Northeast Alliance Wind-Down Begins.

American Airlines and JetBlue took initial steps to wind down their Northeast Alliance (NEA), ending sales of code share flights and reciprocal loyalty benefits, as ordered by Judge Leo Sorokin. American intends to appeal the

ruling. JetBlue does not and instead will focus on its proposed combination with Spirit, which is opposed by the Department of Justice (DOJ). Terminating the NEA renders DOJ's "concerns about our partnership with a legacy carrier entirely moot," said JetBlue. "The DOJ should reconsider and support our plan to bring a national low-fare competitor to the Big Four." . . . Judge Sorokin denied a DOJ request for five years of monitoring and restrictions on future JetBlue and American agreements with other carriers.

5. DOT Denies Delta Request for Haneda Slot Relief.

DOT rejected Delta's request for flexibility to change its U.S. gateways for flights to Tokyo Haneda, saying this would defeat the rationale for selection of carriers and gateways over other competing applicants, and undermine determinations made to benefit the traveling and shipping public.

6. DOT OIG to Probe FAA Runway Safety Improvement Effort.

The DOT Office of Inspector General is conducting an audit to assess FAA's processes for analyzing data and identifying risks associated with, and actions for, preventing and mitigating runway incursions. Following incidents in which aircraft came dangerously close to each other, FAA formed a team to review runway safety efforts; held a safety summit with industry stakeholders; called for re-examining data to identify similar serious runway incursions and indications of emerging trends; and awarded more than \$100 million in grants to 12 airports to reduce incursions.

7. FAA Issues Implementation Plan for Advanced Air Mobility.

FAA released an implementation plan to safely enable advanced air mobility (AAM) operations in the near term. It will serve as a foundation for making entry into service "routine and predictable" by maximizing use of existing procedures and infrastructure. Innovate28 (I28) addresses how the agency and partners will certify aircraft and pilots, manage airspace access, ensure pilot training, develop infrastructure, maintain security, and engage communities. A guide is included that can be applied to any site, laying out key integration objectives and sequences. Entities to play roles are FAA; the AAM industry; labor; NASA; Departments of Homeland Security and Energy; power industry; and state, local and tribal communities. FAA is collaborating closely with stakeholders, including DOT's Advanced Air Mobility Interagency Working Group. An airspace blueprint and a proposed rule for training and certifying pilots to fly these aircraft were released earlier.

8. Latvia Receives First Safety Assessment Rating.

Latvia achieved its first International Aviation Safety Assessment (IASA) with a Category 1 rating, said FAA, meaning the country's civil aviation authority

follows International Civil Aviation Organization's (ICAO) safety standards. Airlines from Latvia can provide service in the United States and enter into code share agreements with U.S. carriers without limitation. Delta reportedly has received DOT approval to code share with Latvian flag carrier airBaltic FAA also announced that San Marino achieved its first IASA with a Category 1 rating. San Marino is an independent state on the Italian peninsula.

9. FAA Offers Funds for Students to Become Pilots, Maintenance Techs.

FAA offers two grants aimed at creating a more diverse pool of pilots and aviation maintenance technicians. Aircraft Pilots Workforce Development Grants fund programs that educate students to become pilots, aerospace engineers or unmanned aircraft systems operators. Aviation Maintenance Technical Workers Workforce Development Grants fund programs that prepare people to be aviation maintenance technicians. Eligible organizations can apply for grants of up to \$500,000 per grant per fiscal year. Last year FAA awarded \$10 million in grants to more than 20 schools and organizations.

10. FAA Uses TBO in International Flight Test Demo.

A joint effort to manage flights across multiple countries by predicting where an aircraft will be and at what time was successful, said FAA. The six-day live flight demonstration included four unique scenarios and flights between the U.S., Japan, Singapore and Thailand. Using Trajectory Based Operations (TBO), countries shared the aircraft's trajectory. Air traffic experts from each country sequenced the flights' routes to achieve optimal flight path across multiple regions. Controllers factored in conditions such as weather, air traffic and airspace closures. TBO uses precise aircraft trajectory data (latitude, longitude, altitude and time) to show where the aircraft expects to be on its route from takeoff to touchdown. Aircraft fly precise flight paths with seamless information exchange between air and ground systems. Future air traffic controllers will shift from sharing information using voice-based exchanges to sharing information primarily using data. This will allow each country to be immediately aware of how changes in other countries will affect a flight and better plan for when an aircraft enters its area of responsibility.

11. NTSB Investigating United Engine Fire at Newark.

The National Transportation Safety Board (NTSB) is investigating an engine fire on a United Boeing 737 Max, upon landing at Newark Liberty after a flight from Fort Lauderdale. The plane was carrying five crew and 179 passengers. No injuries were reported. NTSB said a fire warning light indicator came on after landing, prompting the crew to shut down one engine. There was no visible smoke or fire so the airplane was towed to the gate, where maintenance personnel saw evidence of a fuel leak and heat damage and soot on the engine

cases and external surfaces. Passengers exited in a normal fashion, said FAA, and the flight crew activated the engine fire extinguishers as a precaution.

II. AIRPORTS

1. ACI: Atlanta, Dallas Remain Busiest Airports for Passenger Traffic.

Global total passengers surpassed 6.6 billion in 2022, up 43.8% from 2021, a recovery of 72.5% versus pre-pandemic result (2019), according to the latest World Airport Traffic Dataset, published by Airports Council International (ACI) World. The top 20 airports represent 18% of global traffic (1.2 billion passengers). The four top airports—Atlanta (93,699,630), Dallas/Ft. Worth (73,362,946), Denver (69,286,461), and Chicago (68,340,619)—also led the list in 2021. Los Angeles slipped from fifth to sixth place (65,924,298), replaced by Dubai (66,069,981), which climbed from 27th place in 2021. London Heathrow moved from 54 to 8 in the rankings. For air cargo traffic, Hong Kong retained first place. Cincinnati/Northern Kentucky (Amazon Air's primary U.S. Hub and DHL Express' Global Superhub for the Americas) had largest cargo volume growth (+16.8%).

2. \$125 Million Project Planned for JFK Terminal 8.

American Airlines, in partnership with Port Authority of New York and New Jersey and Unibail-Rodamco-Westfield (URW) Airports, announced a \$125 million commercial redevelopment program for Terminal 8 at New York Kennedy. The project will feature a new great hall and 60 new shopping and restaurant offerings. American selected JFK T8 Innovation Partners, a joint venture led by URW, to lead redevelopment. The \$400 million modernization and expansion of Terminal 8, led by American Airlines, which operates the terminal, and British Airways, which relocated to Terminal 8 late last year, was completed in November 2022. Other JFK projects underway include the \$9.5 billion New Terminal One, the \$1.5 billion expansion of Terminal 4, led by Delta and JFK International Air Terminal, and the new \$4.2 billion Terminal 6. The privately financed terminal projects, combined with the Port Authority's roadway, parking and infrastructure projects, represent a \$19 billion transformation of JFK “and an extraordinary series of public-private partnerships.”

3. LAX Breaks Ground for Midfield Satellite Concourse South.

Los Angeles International broke ground for the Midfield Satellite Concourse (MSC) South. The extension of the West Gates at Tom Bradley International Terminal will add 150,000 square feet and eight gates for narrowbody aircraft. Utilizing a first-of-its-kind construction technique called Offsite Construction and Relocation (OCR), MSC South will be built in nine segments roughly a mile and a half away from the project's site and then delivered and assembled in place. The project's exterior brise soleil system—a solar shading feature on the

concourse's façade will enable passive cooling and energy conservation. Completion planned for 2025.

4. **Paine Field Renamed Seattle Paine Field International Airport.**

Paine Field was renamed Seattle Paine Field International Airport “to strengthen the ability to market the location of the airport, while accurately showcasing the airport’s international reach,” announced owner/operator Snohomish County. “With nearly \$60 billion in yearly economic impact and over 150,000 jobs, the airport must continually find new ways to strengthen our marketing and brand.” Alaska Airlines flies from Seattle Paine Field to Anchorage, Las Vegas, Los Angeles, Orange County, Phoenix, San Diego and San Francisco, with seasonal service to Tucson and Palm Springs. Service to Honolulu begins November 17. “The name change solely pertains to the airport’s public-facing brand, leaving the PAE location identifier unaffected, and involves no changes in the ownership, operations, or functions of the airport,” said Propeller Airports, which, with Global Infrastructure Partners, “is focused on bringing best in class practices to Paine Field for the benefit of travelers throughout the Puget Sound region.”

5. **Mexican Military Taking Control of Airports.**

The Mexican Navy will manage aspects of Mexico City Benito Juárez International Airport, under orders from President Andrés Manuel López Obrador, who plans to have a dozen airports in the hands of the army or navy by the end of his Administration in 2024. Mexico City Benito Juárez handles four million travelers a month, said officials. FAA downgraded Mexico’s aviation safety rating in 2021.

6. **FAA Grants Airports \$92 Million to Help Reach Net-Zero Emissions Goal.**

As part of nearly \$268 million in Airport Improvement Program (AIP) grants, FAA said \$92 million will go to 21 airports for solar panels, electric buses, charging stations and electrification studies to help achieve the goal of net-zero greenhouse gas emissions in the aviation sector by 2050. Funding includes \$22.58 million to Indianapolis International to construct energy efficient infrastructure and install solar panels; \$20 million to Phoenix Sky Harbor to design and construct solar parking structures; \$16 million to Portland International to construct zero emission vehicle infrastructure; and \$4.8 million to Harry Reid Las Vegas to purchase electric buses and charging stations.

7. **Dutch Appeals Court Rules Government Can Cut Schiphol Flights.**

The Dutch Appeal Court overturned a lower court decision that had found the government’s plan to reduce capacity at Schiphol in violation of its obligations under the Balanced Approach. KLM, Delta and other airlines will appeal to the

Dutch Supreme Court. The Balanced Approach “has been enshrined in European Law,” said IATA. “The full impact of this decision on the planned capacity cuts is unclear and there are no established international processes for such a retrograde exercise. We also urge the European Commission to defend its laws and air service agreements.” The Dutch government plans to decrease number of flights from 500,000 to 460,000 for the 2023-2024 travel season. . . . “Schiphol's shrinkage could cost more than 13,000 jobs,” found a study commissioned by the Dutch Cabin Crew Association, which also noted that environmental benefits will be negated, as flights will be moved to airports with less stringent regulations.

8. New Back-Up ATC Facility for Heathrow.

A new contingency control tower is being constructed at London Heathrow, with NATS [National Air Traffic Services] contracted to deliver installation and transition. The new Virtual Contingency Facility (VCF), due to be operational in 2025, replaces the existing back up tower and represents a major investment by Heathrow, said NATS, providing added resilience to the airport operation and protection to the nation’s aviation infrastructure. The VCF will allow Heathrow to continue operating at 70% capacity if the main tower were ever unavailable.

9. London Gatwick Begins North Terminal Redevelopment.

A £10 million project to improve London Gatwick’s North Terminal is scheduled to be completed in early 2024. A wider multi-million-pound development program, which includes investment in the train station, modernization and expansion across the airport, and new branding, was launched in April. The airport also plans to bring the Northern Runway into regular use, for departures only, alongside its main runway. . . . While some scheduled strikes at Gatwick were suspended, the Unite union said baggage handlers and check-in staff are still scheduled to walk out from July 28 to August 1, and from August 4 to 8.

III. SECURITY AND DATA PRIVACY

1. **TSA Stopped 3,251 Guns at Airport Checkpoints First Half 2022.**

The Transportation Security Administration (TSA) intercepted 3,251 firearms at airport checkpoints during first half 2023, an average 18 per day; more than 92% were loaded. In first half 2022, Transportation Security Officers (TSOs) stopped 3,053 firearms, 86% of which were loaded. In first five days of July this year, TSOs nationwide intercepted 90 firearms. For passengers who bring firearms to the airport security checkpoint, TSA will impose a civil penalty up to \$14,950, eliminate TSA PreCheck eligibility for five years and may require enhanced screening. Some passengers are arrested or cited, depending on local laws on firearms.

2. **TSA Tests Airside-to-Airside Bus Operations.**

American, United and Sun Country have been offering curb-to-curb connections between some hubs and small airports using Landline-operated motorcoaches. Now TSA is assessing security effectiveness of airside-to-airside operations with American. The airline's customers, their carry-on items and their checked baggage are screened at Atlantic City and Lehigh Valley airports and transported by bus to a gate inside Philadelphia International's secure area without being rescreened. Checked baggage is directly transferred from Landline buses to American's network.

3. **Toronto Billy Bishop to Offer U.S. Preclearance in 2025.**

Canada will invest up to \$30 million to build a preclearance facility at Billy Bishop Toronto City Airport for U.S.-bound travelers. Preclearance is a partnership through which governments authorize U.S. Customs and Border Protection (CBP) to station personnel at airports to complete customs, immigration, and agriculture inspections of travelers before they board flights bound for the United States. Precleared travelers bypass CBP and TSA security inspections upon arrival in the United States, as they proceed to connecting flights or their destination.

IV. TECHNOLOGY AND EQUIPMENT

1. Tool Helps American Manage Through Summer Storms.

American Airlines has developed the Hub Efficiency Analytics Tool (HEAT), which “dynamically moves our flight schedules around to ensure that customers, crews and aircraft keep moving when weather threatens to disrupt our schedule.” HEAT optimizes data about weather, how full flights are, customer connections, and gate availability, as well as ATC or crew constraints. Then, an advanced algorithm weighs the data and shifts arrivals and departures around at the hub. Since initial deployment last year, “HEAT has prevented nearly 1,000 flight cancellations across the network.”

2. Archer Hosts Federal AAM Interagency Working Group.

Members of DOT’s Advanced Air Mobility Interagency Working Group witnessed a live flight test of Archer’s Midnight electric vertical take-off and landing (eVTOL) aircraft. The group was formed to meet requirements of the AAM Coordination and Leadership Act, enacted last year, and is tasked with creating national strategy in support of achieving safe integration of AAM into national airspace in 2025. . . . Archer expects to begin piloted flight tests in early 2024 and to bring Midnight to market in the U.S. in 2025. Partner United Airlines has made a \$10 million pre-delivery payment for 100 eVTOLs. Archer’s goal is “to transform urban travel, replacing 60-90 minute commutes by car, with estimated 10-20 minute electric air taxi flights that are safe, sustainable, low noise and cost competitive with ground transportation,” said founder and CEO Adam Goldstein. With a range of up to 100 miles, Midnight is a piloted, four passenger aircraft designed to perform rapid back-to-back flights with minimal charge time between flights. Archer recently hired former FAA Administrator Billy Nolen as Chief Safety Officer, and Nikhil Goel, co-founder of Uber’s air taxi division, Uber Elevate, as Chief Commercial Officer. In 2020, Uber Elevate was sold to Joby Aviation.

3. Joby eVTOL Receives Special Airworthiness Certificate.

Joby Aviation received a Special Airworthiness Certificate from FAA for the first eVTOL aircraft built at its pilot production line in Marina, Calif., allowing it to begin flight testing. The aircraft is expected to be the first ever eVTOL delivered to a customer when it moves to Edwards Air Force Base in 2024 to be operated by Joby as part of a contract with the U.S. Air Force, worth up to \$131 million. . . . SK Telecom (SKT) is making an equity investment of \$100 million in Joby. The investment “is expected to lead to the development of further partnerships across the mobility ecosystem in Korea, led by SKT,” said Joby founder and CEO JoeBen Bevirt. Joby will participate in Korea’s “K-UAM Grand Challenge,”

a phased demonstration program, led by the Korean Ministry of Land, Infrastructure and Transport, designed to foster adoption of aerial ridesharing in Korea.

4. Reliable Robotics Certification Plan Accepted by FAA.

Reliable Robotics' certification plan for its autonomous flight system was approved by FAA. The system enables remote operation of any aircraft type, enabling continuous autopilot engagement through all phases of operation, including taxi, takeoff and landing. Recently demonstrated as part of U.S. Air Force and NASA flight test campaigns, it includes technologies that will prevent common causes of accidents and improve operational efficiency. High integrity navigation systems make it possible to safely fly in lower visibility weather conditions without costly ground infrastructure, said the company. An "always on" autopilot also enables any aircraft to be remotely piloted with continuous engagement from departure gate to arrival gate. The certification plan leverages existing regulations for normal and transport category aircraft, and does not require special conditions or exemptions. Reliable Robotics is headquartered in Mountain View, CA; management includes co-founders Juerg Frefel and Robert Rose, and former Rolls-Royce and Airbus executive Eric Schulz.

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

Average price of aviation jet fuel on July 14 was \$101.59/barrel, up 6.2% on the month and down 25.8% compared to a year ago, reports IATA; data from S&P Global Platts.

2. U.S. Airlines Support Sustainable Flight Demonstrator Project.

NASA and Boeing will collaborate with U.S. airlines on the Sustainable Flight Demonstrator project and development of the X-66A research aircraft. Alaska, American, Delta, Southwest and United will provide input on operational efficiencies, maintenance, handling characteristics and airport compatibility. The X-66A will test the Transonic Truss-Braced Wing airframe configuration and will be built from a modified MD-90 at a Boeing facility in Palmdale, Calif. It is NASA's first X-plane focused on helping achieve its goal of net-zero aviation greenhouse gas emissions.

3. IATA to Assess Financial Implications of Net-Zero Transitions.

IATA announced a collaboration to accelerate the sector's transition to net-zero CO₂ emissions by 2050, in partnership with the Aviation Impact Accelerator (AIA), an international industry-academia partnership based at the University of Cambridge. The work will support development of scenario-based tools to help airlines analyze and evaluate different decarbonization pathways. AIA and IATA also aim to collaborate on the future development of IATA's Recommended Practice Per-Passenger CO₂ Calculation Methodology, which, when used with verified airline operational data, provides accurate calculation results and transparency to everyone interested in understanding the carbon footprint from flying activity. . . . IATA has created a digital toolkit to enable airports to better understand and mitigate impacts of construction-related activities that contribute to carbon. Developed with Atkins, a member of the SNC-Lavalin Group, the digital tools "will deliver embodied carbon benchmarking for terminal buildings, runways and multistory car parks."

4. United's Sustainable Flight Fund Grows to Nearly \$200 Million.

The United Airlines Ventures Sustainable Flight Fund has increased in size to nearly \$200 million. Launched in February to rally support for the supply of sustainable aviation fuel (SAF), the fund had more than \$100 million in investments from United and its inaugural partners Air Canada, Boeing, GE Aerospace, JPMorgan Chase, and Honeywell. New corporate partners are American Express Global Business Travel, Aramco Ventures, Aviation Capital Group, Bank of America, Boston Consulting Group, Groupe ADP, Hawaiian

Airlines and JetBlue Ventures. More than 60,000 United customers have contributed \$200,000.

5. **IAG Invests in Nova Pangaea Technologies to Drive UK-Sourced SAF.**

International Airlines Group (IAG) has invested in Nova Pangaea Technologies (NPT), which converts agricultural waste and wood residue feedstocks into second-generation bioethanol that can be processed into SAF. Construction of NPT's first commercial-scale facility in Teesside, in North East England, is expected to begin this year, with production by 2025. IAG is the parent of Aer Lingus, British Airways, Iberia, Vueling and LEVEL.

VI. U.S. CONGRESS

1. House Approves Bipartisan FAA Reauthorization Legislation.

The House of Representatives passed the “Securing Growth and Robust Leadership in American Aviation Act,” a bill to reauthorize FAA for the next five years, with broad bipartisan support in a 351-69 vote. H.R. 3935 raises the mandatory pilot retirement age from 65 to 67, a provision opposed by Air Line Pilots Association, Int’l (ALPA) and many others. It does not include a controversial proposed amendment that would add beyond-perimeter flights to Washington Reagan National Airport. The bill changes FAA organizational structure to improve efficiency, said sponsors. It addresses workforce challenges by removing barriers to pursuing aviation careers, expanding the workforce pipeline, and improving training standards; authorizes funding for airport infrastructure, prioritizing investments for small and general aviation airports, and streamlining project delivery; addresses safety issues, such as runway incursions; encourages more efficient testing and integration of new technologies, such as drones and Advanced Air Mobility; delivers consumer reforms; and updates NTSB’s authorization.

2. “Experienced Pilots Save Lives Act” Introduced in Senate.

The “Experienced Pilots Save Lives Act” was introduced by Senator and pilot Tammy Duckworth (D-IL), Chair of the Aviation Subcommittee. The bill would strengthen pilot training standards and uphold the 1,500-hour rule, which was enacted in 2010 after the loss of Continental Flight 3407, the last commercial aviation crash caused by pilot error. The bill is endorsed by Sully Sullenberger and Jeffrey Skiles—pilot and first officer of the “Miracle on the Hudson”—and the Families of Continental Flight 3407. . . . Referring to the stalled Senate FAA reauthorization bill, Duckworth said “some Senators continue to consider watering down pilot certification standards by decreasing flying hours at the risk of public safety amid a spike in near-miss incidents.” The Senate is not expected to clear its bill before the August recess, which ends on Labor Day, September 5. House and Senate bills need to be reconciled. Current FAA reauthorization expires September 30; an extension is likely.

3. House Appropriators Increase Funding for FAA.

The “Fiscal Year 2024 Transportation, Housing And Urban Development, And Related Agencies Appropriations Bill,” released by the House Appropriations Committee, provides \$19.553 billion in total budgetary resources for FAA, \$529 million above FY23 enacted level; \$12.730 billion to fully fund ATC operations and allow FAA to hire 1,800 air traffic controllers to replace the retiring workforce; \$2.973 billion for facilities and equipment, which is \$27.9 million

above the FY23 enacted level; \$303.9 million in Community Project Funding for 89 airport improvement projects requested by 78 members; \$348.5 million to fully fund the Essential Air Service program; \$92 million for FAA Environment, Energy, and Sustainable Aviation Fuel programs; and \$145 million for NTSB. The bill includes a provision “to ban commercial flights to the hostile regime of Cuba.” . . . “House appropriators rightly recognize the near-crisis situation at the FAA and the devastating impact the status quo would have on our aviation system and the economy,” said Nicholas E. Calio, President and CEO of Airlines for America. “Inadequate air traffic control staffing and FAA technology failures have impacted thousands of flights this year.”

4. “Passport Act” Introduced.

The “Passport Act” was introduced in the Senate to “address the historic passport backlog Americans are facing.” The bill would establish a 12-week processing time requirement and prohibit remote work requests until the timeline is met; require procedures to avoid backlogs in case of national emergencies; develop a reserve workforce to be reassigned to support Passport Services during high demand; improve the online status tool; add a chat feature to the National Passport Information Center (NPIC) call line; initiate investigation into the quality of customer service, wait times, and technology failures of NPIC; and expand in-person appointments at regional passport offices. . . . In addition, three amendments were proposed for the “Department of State Authorization Act” that provide taxpayers with more visibility in the processing of passports and improved customer service, and ensure that the State Department is better prepared for passport processing in a national emergency. . . . The State Department website indicated a wait-time of 10 to 13 weeks for passport processing, as of March 2023. To expedite the process for first-time applicants, Special Passport Acceptance Fairs are being held at post offices, libraries and local government offices.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. Ryanair Plans \$3 Billion Post-War Ukraine Investment.

“Ryanair was Ukraine’s second largest airline before the unlawful Russian invasion in Feb 2022,” said CEO Michael O’Leary, and when “the skies over Ukraine have reopened for commercial aviation, Ryanair will charge back into Ukraine linking the main Ukraine airports with over 20 EU capitals.” With the government of Ukraine and its main airports, the airline committed to a rapid rebuild. Ryanair intends to invest up to \$3 billion, basing up to 30 new Boeing MAX aircraft at Kyiv, Lviv and Odesa airports. Executives met at Boryspil International Airport with Oleksandr Kubrakov, Deputy Prime Minister for Restoration of Ukraine and Minister for Infrastructure, and “saw the excellent state of the airport infrastructure and its operational readiness to resume flights when safe to do so.” O’Leary committed to returning with low fare flights within eight weeks of the reopening of Ukraine air space. Ryanair plans to offer over five million seats to/from and within Ukraine, in the first 12 months post war, building to over 10 million seats over a five-year period.

2. Inaugural World Safety & Ops Conference.

The inaugural World Safety and Operations Conference (WSOC) will take place in Hanoi, September 19-21, under the theme “Leadership in Action: Driving Safer and More Efficient Operations.” Session tracks will address safety, cabin operations, flight operations and emergency response planning and aircraft recovery. Vietnam Airlines will be the host airline. The event brings together the previous Cabin Ops Safety Conference, the IATA Safety Conference and the Emergency Response Planning and Aircraft Recovery Forums. “As we rebuild airline networks and balance sheets, it is vital that all aviation stakeholders maintain the same strong commitment to safe operations that we exercised during the pandemic years. The WSOC is the forum to discuss and debate today’s challenges and opportunities to keep the industry on a trajectory of improving safety and more efficient operations,” said Willie Walsh, IATA Director General.

VIII. EUROPE AND AFRICA

1. JetBlue Begins New York-Paris Service.

JetBlue began daily Airbus A321 Long Range nonstops between New York Kennedy and Paris Charles de Gaulle. The airline also flies to London; service to Amsterdam begins later this summer, and Boston-Paris is planned for 2024.

2. Iberia Joins British Airways-Qatar JBA.

Iberia joined the Qatar Airways-British Airways joint business agreement (JBA), and in December will begin Airbus A330-200 service from Madrid to Doha. . . . Separately, Iberia will offer two daily flights to Miami for the winter season, 11 to 14 weekly to New York, and up to five weekly to Boston.

3. British Airways Funds Pilot Training.

British Airways' new Speedbird Pilot Academy will fund up to 60 places per year at an approved flight training school, with those who pass the course offered a job with the airline. Private training costs for aspiring pilots can total around £100,000. The Academy is part of the airline's wider pilot recruitment plan. It is also working with the UK Armed Forces to provide military pilots opportunities in commercial aviation, and has worked with Fantasy Wings, a UK organization for diversity in aviation, to promote careers to young people from Black, Asian and Minority Ethnic backgrounds, and young women.

4. Icelandair Reports Record Second Quarter Revenue.

Icelandair reported record second quarter revenue driven by historically high load factor and yield improvements. Six aircraft were added to the fleet during first six months (four 737 MAX, one B767 freighter and one Dash Q400), and five new passenger destinations (Detroit, Prague, Barcelona, Tel Aviv and Crete). Icelandair and Airbus finalized an order for 13 A321XLR aircraft, to replace all B757-200s in the fleet; deliveries begin in 2029. . . . An eruption in Iceland's Southwest region in July did not affect operations of Icelandair or Keflavík Airport and the flight schedule was unchanged. Icelandair is offering a guided tour to the volcanic area in Geldingadalur with Reykjavík Excursions.

5. Norse Begins Flights to Los Angeles, San Francisco from London

Norse Atlantic began daily service to Los Angeles and three times a week to San Francisco from London Gatwick, making it the airport's largest long haul operator to the U.S. Norse will launch flights connecting Paris and Berlin to Miami in December. Founded by CEO and major shareholder Bjørn Tore Larsen in 2021, Norse has a fleet of 15 Boeing 787 Dreamliners.

6. **Norwegian to Acquire Widerøe.**

Norwegian has entered into an agreement with WF Holding to acquire Nordic regional airline Widerøe. The regional will remain a separate company with its own brand, organization and headquarters, and maintain existing agreements with other airlines. Widerøe covers 40 small and medium-sized airports across Norway and a few larger airports in Europe, while Norwegian offers 300 routes to 114 destinations in the Nordics and Europe. “We look forward to offering seamless travel across our entire route networks,” said Norwegian CEO Geir Karlsen.

7. **Ryanair Plans \$3 Billion Post-War Ukraine Investment.**

See Section VII, item 1.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. United Adds Asia-Pacific Flights.

On October 29, United will become first U.S. airline to fly direct to Manila from continental U.S. when it starts service from San Francisco, as part of a broad Asia-Pacific expansion. On October 28, new service between Los Angeles and Hong Kong begins, and nonstops between Los Angeles and Tokyo Narita resume. Daily service from San Francisco to Taipei will increase to twice daily; the new flight will operate on a Boeing 777-200ER. Some flights subject to government approval. Earlier this year, United announced it will operate 66 flights between the U.S. and Australia/New Zealand every week.

2. Delta, EL AL Israel Launch Strategic Partnership.

A new Delta-EL AL agreement includes reciprocal code share and frequent flyer benefits. Delta offers up to 200 same-day connections from Tel Aviv via Atlanta, Boston and New York Kennedy, while EL AL offers additional nonstop service to Tel Aviv from Boston and Kennedy, as well as Los Angeles, Miami and Newark.

3. Cathay Pacific Returns to Profit.

Cathay Pacific reported profit of HK\$4 to 4.5 billion for first half 2023, compared to loss of HK\$5 billion in first half 2022. The airline lost HK\$33.7 billion over three years of the pandemic and, said CEO Ronald Lam, “the reality is that we are only part way along our journey to rebuild.” He announced a bonus for employees and noted a planned profit-sharing scheme. . . . IATA welcomed the Hong Kong Special Administrative Region government’s efforts to ease a labor crunch in the aviation sector, with a “scheme to ramp-up the airport workforce by 6,300 workers from the Mainland. While demand for air travel has been strong, airlines in Hong Kong have been struggling with supply chain issues and a labor shortage.” IATA upgraded passenger traffic projections for Hong Kong and sees recovery to pre-crisis levels by end of 2024, in line with expectations for a faster recovery in the Asia-Pacific region. “China’s earlier than expected reopening is providing a much-needed boost to the passenger recovery,” said Willie Walsh, IATA Director General.

X. AMERICAS

1. United Pilots Reach Agreement in Principle.

United Airlines pilots reached an agreement in principle (AIP) with management, which, said ALPA, “includes substantial improvements to compensation, as well as advancements in quality of life, vacation, and other benefits [and] will result in approximately \$10 billion in value over the life of the contract.” If a tentative agreement is reached, a ratification vote will be held. . . . United reported second-quarter total operating revenue of \$14.2 billion, up 17.1% compared to second-quarter 2022; capacity was up 17.5%. . . . United adjusted its Newark schedule after major disruptions in late June caused by bad weather and a shortage of air traffic controllers. Company officials said the traditional 435 flights per day in summer would drop to 410 in July and 390 in August. . . . United equipped several aircraft with Braille markings for rows and seat numbers and inside and outside lavatories, and expects to outfit its entire mainline fleet with Braille by end of 2026. United is working with the National Federation of the Blind, the American Council of the Blind and other disability advocacy groups to explore use of other tactile navigational aids throughout the cabin, such as raised letters, numbers and arrows.

2. American Matches United Pilot Compensation.

Allied Pilots Association (APA), which represents pilots at American Airlines, said a proposed Tentative Agreement reached in June, “is woefully deficient by comparison” with the new United AIP. Management then matched United pay rates, back pay and other benefits. APA then called for “work rules and quality-of-life enhancements comparable to those offered to our peers.” . . . American reported record quarterly revenue of \$14.1 billion, for second quarter 2023, a 4.7% increase year over year, and as of June 30 had reduced total debt by \$9.4 billion from peak levels in mid-2021.

3. Delta Reports Record Operating Revenue for June Quarter.

Delta reported record operating revenue of \$14.6 billion for June quarter, 19% higher than June quarter 2022, and, said President Glen Hauenstein, robust demand is continuing into the September quarter. Record international passenger revenue was 61% higher year over year with record profitability. “Transatlantic was driven by strong U.S. consumer demand, with southern European destinations leading results. Transpacific benefited from the re-opening of Japan and performance of the Korean Air joint venture. Latin America strength continued, driven by demand for travel to South America and the Caribbean with integration of the LATAM joint venture progressing well.” Delta exercised options for 12 Airbus A220-300s; with another 70 to come.

4. Southwest Pilots Request Release from Mediation.

Southwest Airlines Pilots Association (SWAPA) filed a request with the National Mediation Board to be officially released from mediation, in “hope that Southwest’s negotiators will make a stronger commitment and more meaningful preparations in order to expedite a long-overdue contract that rewards the most productive 737 pilots in the industry.” Pilots have been in negotiations for more than three years and in federal mediation since last September. “We can no longer sit by as our fellow aviators are rewarded with industry leading contracts and watch as we bleed qualified new hires to our competitors,” said the union, warning it “will continue down the path afforded to us through the Railway Labor Act.” . . . Southwest reported second quarter record operating revenues of \$7 billion and expects record operating revenue and a profitable outlook again for third quarter. “Although our network is largely restored, it is not yet optimized,” said President and CEO Bob Jordan. “We are working to align our network, fleet plans, and staffing to better reflect the current business environment.” During the July fourth holiday, Southwest operated 20,000 flights with a completion factor of greater than 99%.

5. Alaska Posts Record Quarterly Revenue.

Alaska Air Group posted second quarter revenue of \$2.8 billion, the highest quarterly total in company history.

6. FedEx Pilots Reject Tentative Agreement.

FedEx pilots rejected a tentative agreement with the company. “It is expected that the National Mediation Board will convene a status conference with both parties,” said ALPA; “however, there is no time requirement for this to occur.” . . . In other news, UPS pilots planned to honor picket lines if the Teamsters failed to secure a new contract for UPS package handlers by August 1; however, a tentative five-year pact was reached.

7. Allegiant Offers Florida One-Way Fares from \$40.

Allegiant announced one-way fares from \$40 to Fort Lauderdale-Hollywood beginning in November with one-way fares from \$40. Flights to Melbourne Orlando have one-way fares from \$50 and a new route to Orlando Sanford starts at \$70.

8. Breeze Airways Adds Florida Destinations.

Breeze Airways, the Utah-based carrier founded by CEO David Neeleman, is adding 11 new routes to Florida destinations, including Fort Myers, Jacksonville and Vero Beach.

9. **Delta, LATAM Add Bogota-Orlando Service.**

LATAM Airlines Colombia began daily Airbus A320 nonstops between Bogota and Orlando. The service is part of the joint venture agreement between Delta and LATAM implemented in October 2022. Delta also offers flights from Bogota to Atlanta and New York Kennedy; service from Cartagena to Atlanta starts December 22.

10. **JetBlue Begins New York-Paris Service.**

See Section VIII, item 1.

11. **Norse Begins Flights to Los Angeles, San Francisco from London**

See Section VIII, item 5.

12. **United Adds Asia-Pacific Flights.**

See Section IX, item 1.

13. **Delta, EL AL Israel Launch Strategic Partnership.**

See Section IX, item 2.