



WASHINGTON AVIATION SUMMARY

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The Kirstein & Young law firm specializes in representing U.S. and foreign airlines, airports, leasing companies, financial institutions and aviation-related companies before U.S. Government agencies, Congress, the courts and in commercial and financing matters.

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I. REGULATORY NEWS

1. FAA Acts on Safety Review Team Recommendations.

The National Airspace System (NAS) Safety Review Team (SRT) presented its findings and recommendations to Michael Whitaker, newly appointed Administrator of the Federal Aviation Administration (FAA). Tasked by FAA to investigate and analyze the serious close calls that occurred in early 2023, the SRT concluded that an erosion of safety margins must be urgently addressed. Air traffic controller staffing, technology and inadequate, inconsistent funding were among areas of concern. The team included former FAA Administrator Michael Huerta, who served as Chairperson, and a diverse group of leaders, safety experts and aviation professionals. . . . The independent safety review team made excellent recommendations and we are adopting some of them immediately, said Whitaker, including enhancing air traffic controller training and safety reporting.

2. FAA Committee to Examine Pilot Mental Health Reporting.

FAA will establish a Pilot Mental Health Aviation Rulemaking Committee (ARC) to provide recommendations “on breaking down the barriers that prevent pilots from reporting mental health issues to the agency.” This follows an event in which an off-duty Alaska Airlines pilot seated in a cockpit jump seat attempted to shut down the engines of a passenger plane in flight. Crew members subdued him, the flight was re-routed and he was arrested upon landing. He revealed that he had taken a psychedelic substance prior to the flight. He also revealed an unreported history of mental health problems. The ARC will include medical experts and aviation and labor representatives, and build on previous work done by FAA, including increasing mental health training for medical examiners, supporting industry-wide research and clinical studies on pilot mental health, hiring additional mental health professionals to expand in-house expertise and to decrease wait times for return-to-fly decisions, completing clinical research and amending policy to decrease frequency of cognitive testing in pilots using antidepressant medications, and increasing outreach to pilot groups to educate them on resources available. In addition, FAA will work with the ARC to address open recommendations from a July 2023 DOT Office of Inspector General report on Pilot Mental Health Challenges. . . . National Transportation Safety Board (NTSB) will host a summit entitled “Navigating Mental Health in Aviation,” on December 6, “to examine the unintended consequences of the current system for evaluating mental fitness in the aviation workforce, identify how we can better support those in the aviation industry, and ultimately make aviation safer for all.”

3. American and United File for Tokyo Haneda Slots.

United and American applied to the U.S. Department of Transportation (DOT) for Tokyo Haneda slots vacated by Delta. United seeks authority to operate daily service from Houston Bush, while American would operate daily flights from New York Kennedy. DOT denied a United application to fly between Guam and Haneda, using a Haneda slot pair currently allocated to but not used by Hawaiian; DOT said Hawaiian has committed to resume full daily utilization of the slot pair before the end of the 2023-24 winter season.

4. FTC Rule on Unfair or Deceptive Fees Moves Forward.

The Federal Trade Commission (FTC) published a Notice of Proposed Rulemaking to promulgate a regulation that would prohibit omitting mandatory fees from advertised prices and misrepresenting the nature and purpose of fees. These practices are prevalent across industries, said the Commission, including the airline industry. The Commission received over 12,000 comments in response to an Advanced Notice of Proposed Rulemaking. Comments on the Notice of Proposed Rulemaking must be received on or before January 8, 2024.

II. AIRPORTS

1. IATA and ACI Europe Spar on Airport Charges.

Europeans are traveling despite the inflationary environment, said International Air Transport Association (IATA), adding that in June average air fares in Europe were around 16% higher than pre-pandemic, lagging the average consumer prices index for the EU, which in June stood at 20% over pre-pandemic. This is in contrast to “continually increasing charges being pushed by our infrastructure suppliers,” said Willie Walsh, IATA Director General, citing increases of 56% in London Heathrow charges, 26% for the UK air navigation services provider (NATS), and 37% for Amsterdam Schiphol. Walsh called for stronger regulation of monopoly infrastructure providers, to bring charges down. . . . “Confronted with inaccurate and misleading data, it is crucial to set the record straight,” said Olivier Jankovec, Director General of Airports Council International (ACI) Europe, stating that air fares in Europe increased at 38% over peak summer months, nearly two times the increase in the average consumer prices index, while airport charges in Europe this year have increased by +13.6%, far below inflationary pressures. Air connectivity has recovered at a slower pace than passenger volumes, he added. As of June, air connectivity from European airports remained -17% below pre-pandemic (2019) levels, while passenger traffic was at -5.9%. “The market has structurally changed through the pandemic and the recovery,” said Jankovec. “Acceleration of airline consolidation coupled with airports reaching capacity limits will challenge our Single European aviation market and air connectivity developments. This is where economic regulators should step back, as the dominance of airlines today makes intrusive price regulation of airports obsolete. This is also where the 30-year-old EU regulation on airport slots requires urgent review.”

2. Plans to Reduce Flights at Schiphol Suspended.

The Dutch government suspended plans to reduce the number of flights at Amsterdam Schiphol, after U.S. DOT charged this could result in permanent confiscation of historic slot rights and foreclose new entry by U.S. carriers, and warned of countermeasures against Dutch carriers. The U.S. and EU also said the Dutch failed to implement the ‘balanced approach’ required by the U.S.-EU Air Transport Agreement before announcing the capacity reductions. . . . Pieter van Oord was named CEO of Royal Schiphol Group, effective June 1, 2024. He will succeed Ruud Sondag, who has been interim CEO since 2022.

3. United and Houston to Invest \$2 Billion in Bush Terminal B.

United and Houston Airport System will invest \$2.6 billion in the airline's hub at Bush Intercontinental “to redefine the air travel experience and cater to the

future needs of an estimated 36 million passengers.” United expects to invest \$1.9 billion in the Terminal B Transformation Program and City of Houston expects to fund \$624 million. The project will include two new passenger concourses, 40 new domestic and international gates, 115,000 square feet of food and retail space, and expanded curbside and roadway capacity. Construction is to start early next year.

4. Delta Contributing \$60 Million to Minneapolis Modernization.

Metropolitan Airports Commission (MAC) and Delta are partnering on interior renovation of concourses and passenger gate areas at Minneapolis St. Paul International, with MAC investing \$182.5 million and Delta \$60 million. The modernization program will deliver a unified design across six of the terminal’s seven concourses (A, B, C, D, F and G) and about 75 Delta gate hold rooms. Renovations are split over three phases. Work in concourses D and F began in October, renovation of Concourse C begins in February 2024, and improvements on concourses A, B, G and a skyway bridge connecting Concourses C and G are scheduled for 2025. Delta’s gates will remain open during construction.

5. Delta Completes Salt Lake City Concourse A Expansion.

Concourse A expansion at Salt Lake City International is complete with the addition of 13 new gates, bringing Delta’s total number of gates to 50; all gates on Concourse A are leased by Delta. All flights operating from the 900,000-square-foot facility now board and deplane via jet bridges, eliminating bus operations to remote hardstands.

6. Denmark Proposes Green Passenger Tax.

Denmark proposed a plan to introduce a tax on passengers departing Danish airports to help finance “the green transformation of aviation.” The fee would be phased in gradually, from 2025 to 2030, and be based on length of flight. It will contribute to improving finances of state pensioners with the lowest incomes and assets. ACI Europe urged the Danish government not to proceed with the planned tax, saying: “With only a residual part of this new tax to be earmarked for the greening of Danish aviation and most of it to be used to fund the welfare system, this initiative will damage the competitive position of Danish airports and thus hamper their ability to finance their ambitious decarbonization plans.”

7. Abu Dhabi Terminal A Opens.

The first commercial service from Abu Dhabi International’s new Terminal A was an Etihad ceremonial flight to India. The official opening ushers in a new era for air travel in Abu Dhabi, said Elena Sorlini, Managing Director and Interim CEO of the airport, which will be known as Zayed International from February 9.

Sorlini is a board member of Abu Dhabi Airports, Etihad Airways, Abu Dhabi Aviation and ADQ Aviation and Aerospace Services. The former Macquarie Airports executive also held positions at Oman Aviation Group and Copenhagen Airports. Terminal A will more than double current passenger capacity to 45 million annually.

8. Refreshed Changi Terminal 2 Fully Reopens.

After three and a half years of engineering and expansion work, Singapore Changi's Terminal 2 has fully reopened, restoring four-terminal operations. The project adds a handling capacity of five million passengers per annum, bringing total capacity to 90 million.

III. SECURITY AND DATA PRIVACY

1. **TSA Update.**

The Transportation Security Administration (TSA) screened just over 2.9 million passengers on Sunday, November 26, an agency record, as the Thanksgiving travel period drew to a close. Secretary of Transportation Pete Buttigieg announced that airline cancellations over the holiday were below one percent. . . . TSA anticipates a new annual record for handguns caught at airport security checkpoints nationwide this year. As of November 22, more than 6,000 guns had been stopped; a year-end total of 6,542 was tallied last year.

2. **Changi Airport Trials AI for Security Screening.**

Singapore Changi is trialing the use of artificial intelligence (AI) and machine learning (ML) in Terminal 3 security screening. The Automated Prohibited Items Detection System (APIDS) analyzes a vast amount of data to identify patterns and anomalies and can quickly detect objects it has been trained to recognize. This reduces the time required for operators to process images, and the chance of human error. Per Changi Airport Group: The trials at Changi are promising, with APIDS performing well with a high detection rate for trained items. As the technology matures, Changi will decide whether to expand its use across the airport, from the current mode where it is simply assisting operators. This is expected to improve the speed of clearance by up to 50% and enable manpower resources to be optimized and redeployed to other areas. The European Civil Aviation Conference (ECAC) has developed testing protocols to assess if APIDS can meet security screening standards set by the International Civil Aviation Organization (ICAO). While certification of such technology is in early stages, it sets the foundation for more trials and adoption at airport security checkpoints. Eventually, this would provide the basis for operators to only review images of 'threat' or 'unknown' items, similar to how hold baggage security screening is conducted. To support the rollout of APIDS, international bodies and state regulators would need to discuss the policy of adoption and the difference in standards of performance during the period of transition. This requires deeper discussions on roles and responsibilities of human operators in various phases of system deployment.

IV. TECHNOLOGY AND EQUIPMENT

1. Boom Supersonic Announces New Milestones.

Boom Supersonic announced a strategic investment from Saudi Arabia's Neom Investment Fund (NIF), bringing total funding to more than \$700 million. Boom is building the Overture airliner, Symphony engine, and XB-1 supersonic demonstrator programs. The XB-1's first flight is set to take place at Mojave Air & Space Port, having received its airworthiness certificate from FAA and completed a number of integrated tests and Flight Readiness Review. The Symphony propulsion system has successfully conducted its Conceptual Design Review (CoDR), paving the way for first hardware rig tests planned for 2024. Completion of Overture Superfactory at Piedmont Triad Airport in Greensboro, NC is anticipated in second quarter 2024. Overture will fly at twice the speed of today's airliners, powered by 100% sustainable aviation fuel. Overture's order book stands at 130 aircraft; customers include American, United, and Japan Airlines.

V. ENERGY AND ENVIRONMENT

1. Fuel Bill for Global Airline Industry.

Average price of aviation jet fuel for week ending November 10 was \$114.74 per barrel, down 5% on prior month's average, and down 17.2% on prior year's average, reports IATA; data from S&P Global Platts.

2. First Transatlantic Flight by Commercial Airline Using 100% SAF.

Virgin Atlantic flew the world's first 100% Sustainable Aviation Fuel (SAF) commercial airline flight, from London Heathrow to New York Kennedy. The Boeing 787, powered by Rolls-Royce Trent 1000 engines, used a dual blend of sustainable aviation fuel (SAF)—88% HEFA (hydroprocessed esters and fatty acids) supplied by AirBP, and 12% SAK (synthetic aromatic kerosene) supplied by Marathon Petroleum unit Virent. The HEFA is made from waste fats, the SAK from plant sugars, with remainder of plant proteins, oil and fibers continuing into the food chain. SAK is needed in 100% SAF blends to provide required aromatics for engine function. "Flight100 proves SAF is a safe drop-in replacement for fossil-derived jet fuel and the only mid-term viable solution for decarbonizing long-haul aviation," said officials. Flight100 is a collaboration by a Virgin Atlantic-led consortium, including Boeing, Rolls-Royce, Imperial College London, University of Sheffield, ICF and Rocky Mountain Institute, in partnership with the UK Department for Transport.

3. Global Framework to Promote SAF Production.

At the Third Conference on Aviation Alternative Fuels (CAAF/3), hosted by ICAO in Dubai, a goal was set for aviation fuel to be 5% less carbon intensive in 2030 than the fossil fuel which makes up nearly all of today's aviation energy. This would be achieved through a transition to SAF, lower carbon aviation fuels (LCAF), and other cleaner energies. CAAF/3 agreed on a Global Framework for Cleaner Energies to help States with the transition. "Governments have understood the critical role of SAF to achieve net zero emissions for aviation by 2050," said IATA Director General Willie Walsh. "CAAF/3 results add a vision on the shorter, 2030, time horizon." Airline demand for SAF vastly exceeds availability of SAF today, which is limited to 0.2% of airlines' jet fuel consumption in 2023, he added. All SAF produced in 2022 was bought at an additional cost to the industry of around \$500 million, as SAF is priced at a significant premium over the price of jet fuel. There are increasing examples of airlines vertically integrating into the supply chain, with some committing equity and risk capital into SAF projects. Airlines have entered into forward purchase agreements for SAF worth around \$45 billion, well in excess of today's SAF availability. "We need to see governments acting on the CAAF/3 declaration," said Walsh;

“supportive policies that can stimulate production, promote competition, foster innovation and attract financing must be put in place today.”

4. UAE-Led Air-CRAFT to Research Renewable, Advanced Av Fuels.

The Center for Renewable and Advanced Fuel Technologies for Aviation (Air-CRAFT) was launched at CAAF/3, with a goal to accelerate SAF technology deployment and innovation. Supported by the UAE Ministry of Energy and Infrastructure and General Civil Aviation Authority, Air-CRAFT comprises eight founding entities: ADNOC, Boeing, Emirates, ENOC Group, Etihad, Honeywell, Khalifa University and Masdar. Potential research topics include environmental impact assessments, feedstock and process optimization, and techno-economic assessments. Air-CRAFT will also establish relevant links with other academic and research institutions. The U.S. government supports Air-CRAFT being linked to the intergovernmental U.S.-UAE ‘Partnership to Accelerate Transition to Clean Energy’ (PACE) agreement.

5. Global Framework for Improved Airport Environmental Reporting.

The creation of a global standardized framework for improved airport environmental, social, and corporate governance (ESG) reporting will be led by NACO (Netherlands Airport Consultants) and To70, announced Airports Council International (ACI) World. This will build on ACI World ESG Management Best Practice and work of ACI regions and supports the ACI Airport Carbon Accreditation program. The NACO and To70 team will develop an ESG framework for Hamad International and Kigali International to serve as a pilot and further refine the ESG Global Framework before it is released for wider application. “We are happy to have trusted industry experts working on the consolidation and synthesis of reporting mechanisms used across regions who will, with the support of our members and key actors in the finance community, develop a comprehensive, enduring framework for the sector,” said ACI Director General Luis Felipe de Oliveira. . . . Separately, de Oliveira announced he will step down at the end of 2024 due to family reasons.

6. U.S. and Boeing to Advance SAF Among APEC Economies.

DOT, FAA and Boeing will collaborate with Asia-Pacific Economic Cooperation (APEC) member countries to develop SAF for the region's airlines. The initiative will address potential challenges for APEC economies in creating and growing SAF markets, including: identifying availability of sustainable feedstocks, analyzing new pathways to optimize production, leveraging existing industries and infrastructure for SAF production, enabling development of SAF-specific policies for production and use, and exploring SAF accounting mechanisms.

7. EASA to Study Impact of Climate Change on Flight Safety.

The European Union Aviation Safety Agency (EASA) launched the European Network on Impact of Climate Change on Aviation (EN-ICCA), to enable industry and authorities to cope better with changes and ensure aviation maintains its high level of safety. Scientific evidence shows that climate change increases the impact of severe and extreme weather phenomena and may increase frequency and severity of natural hazards that can pose a particular threat to aviation safety. For example, climate change is likely to increase frequency and severity of clear-air turbulence in regions where international air traffic is dense, such as the North Atlantic, South-East Asia and the North Pacific. Severe clear-air turbulence is already a main cause of passenger and cabin crew injuries worldwide. Other research shows that climate change is predicted to increase the likelihood of encountering large hailstones, with a diameter of several centimeters. In the worst case, such hailstones could cause a multiple engine shutdown at low altitude, damage aircraft equipment in the aircraft's radome or destroy the windshield.

8. Southwest to Purchase up to 680 Million Gallons of SAF.

Southwest will purchase up to 680 million gallons of neat SAF from USA BioEnergy. Over the term of the 20-year agreement, once blended with conventional jet fuel, the SAF could produce the equivalent of 2.59 billion gallons of net-zero fuel and avoid 30 million metric tons of CO₂. Under a long-term strategic relationship Southwest can purchase up to another 180 million gallons of SAF per year from future planned production facilities. Arizona-based USA BioEnergy is developing 12 advanced biorefineries.

9. First Emirates Flights Cleared for Take-Off with SAF from Dubai.

The first Emirates flights operating with SAF provided by Shell Aviation took off from Dubai International in October. Shell has supplied 315,000 gallons of blended SAF for use at Dubai, comprised of 40% neat SAF and 60% conventional Jet A-1 fuel. The chemical characteristics at this ratio are identical to conventional jet fuel and can seamlessly be integrated into the existing airport fuel infrastructure as well as in engines of the entire Emirates fleet with no modifications required. Emirates is using Shell's Avelia platform to enable transparent tracking of environmental benefits of SAF it has purchased.

VI. U.S. CONGRESS

1. Hearing: “Addressing Close Calls to Improve Aviation Safety.”

A hearing titled “Addressing Close Calls to Improve Aviation Safety” was held by the Senate Commerce Aviation Subcommittee to examine serious close calls and efforts to improve safety culture, processes and technologies. Witnesses represented U.S. airline pilots, air traffic controllers, and the National Transportation Safety Board. They said the most important action needed is passage of the Senate FAA reauthorization bill to enable investment in the air traffic controller workforce, runway safety technology and critical infrastructure improvements. Staffing shortages lead to scheduling issues, fatigue, distraction, ineffective scanning and need for value-added training, said Commerce Committee Chair Maria Cantwell (D-WA). “We cannot have people working six days a week. We need people who have the ample amount of rest and capability to deal with one of the most stressful and challenging jobs there is.”

2. Senate Committee to Investigate Airline Fees.

The Senate Permanent Subcommittee on Investigations will probe fees for baggage, seat selection, ticket changes and other services. Between 2018 and 2022, total U.S. airline revenue from baggage fees increased from \$4.9 billion to \$6.8 billion, said Chairman Richard Blumenthal, who wrote to CEOs of American, United, Delta, Spirit and Frontier requesting a detailed breakdown on how much they collect from each fee, the reason for the fees and the costs to supply each service. He also cited a finding that eight leading U.S. airlines last year collected an estimated \$4.2 billion in fees for seat selection. DOT has proposed rules requiring airlines to disclose fees the first time an airfare is displayed.

3. Senators Ask about “Deceptive” Airline Reward Programs.

DOT and the Consumer Financial Protection Bureau (CFPB) were asked about actions they are taking to protect consumers against “unfair and deceptive practices in airline frequent flyer and loyalty programs,” in a letter from Senators Dick Durbin (D-IL), Chair of the Judiciary Committee, and Roger Marshall, M.D. (R-KS). The letter followed claims by some airline CEOs “that the Senators’ ‘Credit Card Competition Act’ will decimate credit card rewards.” The Senators say “airlines have negotiated sweetheart deals with the biggest Wall Street banks at the expense of consumers and local businesses for years.”

4. “Farm to Fly Act of 2023” Introduced in House.

A bipartisan group of House members introduced the “Farm to Fly Act.” The bill would clarify eligibility for sustainable aviation fuels within current Department

of Agriculture (USDA) Bio-Energy Programs. It would provide for greater collaboration for aviation biofuels throughout USDA mission areas, increasing private sector partnerships, and affirm a common definition of SAF for USDA purposes, to enable U.S. crops to most effectively contribute to aviation renewable fuels.

5. Republicans Object to Sheltering Immigrants at Airports.

Amid reports that the Department of Homeland Security (DHS) has proposed housing migrants at public airports in New York and New Jersey, House Republicans told Secretary of Transportation Pete Buttigieg they “adamantly oppose these ill-conceived plans that blatantly ignore the true crisis at hand and would inappropriately utilize America’s infrastructure.” Chicago O’Hare has used portions of its terminal as a shelter for migrants, they wrote, asking for more information about airports regulated by the FAA that currently host shelters for illegal immigrants or other persons; whether FAA received or granted any request from an airport or a local, state, or federal agency since January 20, 2021, to temporarily use aeronautical facilities for purposes of hosting a migrant shelter; and to what extent DHS has consulted with FAA about appropriateness of proposing to house migrants at airports. “We are extremely concerned about the lack of regard for security risks posed by housing thousands of unknown persons at airports, many of which support passenger air service and host sensitive military facilities,” they wrote.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. Number of U.S.-China Flights Increase.

The U.S. and China increased the number of flights allowed between the two countries. Air China, China Eastern, China Southern, Hainan and Sichuan were among Chinese airlines set to start service to the U.S. in November. American, Delta and United fly to China. DOT said it was seeking ongoing dialogue with Civil Aviation Administration of China “to facilitate a gradual, broader reopening of the U.S.-China air services market [and] intends to establish a roadmap that will provide for a phased and predictable return to the capacity entitlements.” Following the meeting between President Biden and PRC President Xi Jinping on November 15, 2023, at the San Francisco APEC Summit the White House briefing report stated: “The two leaders reiterated the importance of ties between the people of the United States and the People’s Republic of China, and committed to work towards a significant further increase in scheduled passenger flights early next year, in parallel with actions to restore full implementation of the U.S.-China air transportation agreement, to support exchanges between the two countries.”

2. U.S. Passport Processing Times Reduced.

After severe backlogs, the U.S. Department of State said routine passport applications are being processed in 7-10 weeks from receipt, and expedited applications in 3-5 weeks. “As more Americans are traveling internationally again, we are directing resources to meet the unprecedented demand seen so far in 2023,” said the State Department, which issued more than 24 million passport books and cards between October 2022 and September 2023, the most ever in U.S. history.

VIII. EUROPE AND AFRICA

1. American and Aer Lingus Expand Codeshare Offering.

Under a codeshare expansion, customers can purchase flights with Aer Lingus or American Airlines between Dublin and Philadelphia, and Dublin and Chicago. Both carriers are partners in the Atlantic Joint Business (AJB), which also includes British Airways, Iberia and Finnair.

2. Delta and airBaltic Launch Codeshare Cooperation.

Delta and Latvian national airline airBaltic launched a codeshare relationship, under which Delta is placing its code on 20 airBaltic-operated routes to Riga, Tallinn and Vilnius. In July, the Latvian Civil Aviation Association obtained a Category 1 rating from FAA's International Aviation Safety Assessment program (IASA), allowing the country's airlines to provide service in the United States and enter into codeshare agreements with U.S. carriers without limitation.

3. Alaska and Condor Expand Partnership.

Under their codeshare agreement, German leisure airline Condor is offering 70 Alaska Airlines routes across the U.S. Alaska offers flights to Frankfurt from Condor's 12 gateway cities, including Seattle, Portland, San Francisco, Los Angeles and Anchorage. Condor operates the Airbus A330neo between the U.S. and Germany and will begin nonstop service from Miami and San Antonio to Frankfurt in May.

4. United, Lufthansa, and Deutsche Bahn Provide Enhanced Connectivity.

United, Lufthansa and Deutsche Bahn announced that United customers travelling between Germany and the United States via Frankfurt can book integrated rail and air journeys with a single transaction, one combined fare and a single ticket. Customers can connect between 25 cities in Germany, as well as Basel, and United hubs at New York Newark, Chicago, Washington, Houston, Denver and San Francisco and beyond to destinations across the Americas. The collaboration builds upon Star Alliance's Intermodal Partnership model, launched in 2022, that "combines airline with railway, bus, ferry or any other transport ecosystem, alliance wide. It is designed to link loyalty systems and facilitate convenient airport/station/port transit." Customers receive boarding passes for rail and air sectors when checking in, priority baggage handling and other services in the AiRail check-in area at Frankfurt Airport. United MileagePlus customers can collect miles for rail journeys taken as part of a combined rail/air ticket. Also included is transfer and connection protection in the event of delays and breakdowns. Eligible customers have access to Deutsche Bahn lounges.

5. **Air Canada Expands Presence in Scandinavia.**

Air Canada will add new summer seasonal flights to Stockholm, three per week from Montreal and two from Toronto, on June 12. Capacity on year-round Copenhagen flights from Toronto will increase to daily from May 1 to October 31. Seasonal flights from Montreal will resume May 2, increasing to five in June. Flights will be operated with Boeing 787 Dreamliners.

6. **SAS Secures \$1.2 Billion From Air France-KLM Led Consortium.**

SAS secured a \$1.2 billion investment and refinancing loan from the winning bidder consortium in its exit financing solicitation process, consisting of Castlelake, Air France-KLM and Lind Invest, and the Danish state. SAS also entered into a new debtor-in-possession financing credit agreement for \$500 million with Castlelake. Shareholder structure post-reorganization will be Castlelake (about 32% of equity, 55.2% of convertible debt); Danish State (25.8% equity, 30% convertible debt); Air France-KLM (19.9% equity, 4.8% convertible debt); Lind Invest (8.6% equity, 10.0% convertible debt). The remaining approximately 13.6% of equity will be distributed among certain creditors.

7. **Ryanair Ordered to Pay £2 Million to On the Beach.**

A UK high court ordered Ryanair to pay £2 million to online travel agency On the Beach Group for flights it canceled or significantly changed during the pandemic. Attorneys for On the Beach said the ruling has clarified certain regulations “and is expected to pave the way for similar claims in the future.”

8. **Dubai Air Show Recap.**

See Section IX, item 1.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. Dubai Air Show Recap.

The 18th Dubai Airshow included 1,400 exhibitors from 95 countries, and 190 aircraft on static and flying display. . . . Emirates announced orders for 90 Boeing 777X and five 787s at the Show, and 15 Airbus A350-900s. Ethiopian signed an agreement for 11 Dreamliners and 20 737 MAX, the largest Boeing jet purchase by an African carrier, and 11 A350-900s. Other Boeing orders included 30 Dreamliners for flydubai; while SunExpress, a joint venture of Turkish Airlines and Lufthansa, will purchase up to 90 single-aisle jets. Egyptair ordered 10 Airbus A350-900s. With an order for an additional 30 A220-300s, airBaltic will become the largest A220 customer in Europe. . . . UAE-based aviation conglomerate Vaayu Group announced it has taken a majority shareholding in Pradhaan Air Express. The New Delhi-based cargo airline operates the Airbus A320 Passenger-to-Freight conversion (A320P2F). Involved in training, leasing, aircraft interiors, storage and maintenance services across the USA, UAE and India, “Vaayu’s vision is to become a significant player in the air cargo space,” said Chairman and President Emad AlMonayea, and plans to add two more A320P2Fs. Nipun Anand is founder and CEO of Pradhaan Air Express. Trade between India and the UAE is valued at around \$60 billion. . . . Boeing’s 2023 Commercial Market Outlook says widebodies will comprise 45% of deliveries to Middle East airlines over the next 20 years—the highest regional percentage worldwide.

2. Al-Meer Starts in New CEO Role for Qatar Airways.

Mohammed Al-Meer assumed duties as Group CEO of Qatar Airways, succeeding Akbar Al Baker who resigned in October after 27 years of service. Al-Meer was COO of Hamad International Airport. He holds degrees in engineering from the American University of Beirut and the University of Colorado.

3. United Adds Pacific Winter Service.

United resumed Los Angeles-Tokyo Narita and San Francisco-Beijing service, introduced a new daily Los Angeles-Hong Kong flight, became the first U.S. carrier to fly direct from continental U.S. to Manila, and, starting in December, will be the only carrier to fly between the U.S. and Christchurch.

4. Alaska Airlines, Air India Interline Partnership.

Air India and Alaska Airlines established an interline partnership for travel to 32 destinations across the U.S., Mexico, and Canada, on Alaska Airlines flights via

Air India gateways in San Francisco, New York, Newark, Chicago, Washington DC and Vancouver.

5. Air Canada Adds Capacity to Asia.

Air Canada will operate 11 weekly Vancouver-Hong Kong flights from mid-December through February 29 to support holiday and Lunar New Year travel, and 10 per week from March 1 to October 26. Vancouver-Bangkok flights will operate daily during peak winter months, with season extended to early May 2024. Four weekly Vancouver-Singapore flights launch in April. Seasonal Vancouver-Osaka flights begin earlier on May 1, three times weekly, and increase to four per week on June 17. Capacity is increased on Japan and Seoul routes.

6. Number of U.S.-China Flights Increase.

See Section VII, item 1.

X. AMERICAS

1. American to Expand Service to Mexico, Caribbean, Latin America.

American will offer year-round nonstop Boeing 737 flights to Tulum, about 90 miles south of Cancun, starting March 28. They include one daily from Charlotte and Miami and two daily from Dallas-Fort Worth. Tulum International (TQO) is under construction and set to open in December. Starting June 5, American will expand service on several routes across Mexico, the Caribbean and Latin America.

2. National Mediation Board Denies AA Flight Attendants' Request

On November 20, the Association of Professional Flight Attendants (APFA) sent a letter to the National Mediation Board (NMB) requesting that APFA and American Airlines be released into a thirty-day cooling-off period, following "extensive bargaining over our contract, which became amendable in December 2019." The NMB denied this request on November 28 and mediation will continue.

3. United Adds Service to Mexico, Caribbean, Latin America.

United will offer nonstops from New York Newark, Los Angeles, Houston and Chicago to Tulum, beginning March 31. United will offer more than 200 weekly flights from eight U.S. cities to Cancun during the winter peak, including Boeing 777 service from Chicago, Denver and Houston, and will continue to fly between Cozumel and Chicago, Denver and Houston, operating up to 11 weekly flights this winter. United also is expanding its network in the broader Latin America and Caribbean region by 25% this winter, including 10 weekly flights between Houston and Buenos Aires. United will increase its Florida schedule this winter by nearly 20% and will fly the Boeing 777 between Chicago and Orlando.

4. Jason Berry Named Horizon Air President.

Jason Berry was named President of Alaska Air unit Horizon Air. He replaces Joe Sprague, who will shift to a senior advisor role at Alaska. Berry joined Horizon in early 2023 as Senior Vice President, Operations, and earlier led Alaska subsidiaries McGee Air Services and Alaska Air Cargo. Alaska Airlines CEO is Ben Minicucci.

5. Southwest Adds International Flights from Orlando.

Southwest is shifting most of its international service in Fort Lauderdale to Orlando, to "offer better connectivity in our domestic network via the nearly 140 daily departures" there. Beginning June 4, Southwest will launch daily service

(subject to governmental approvals) between Orlando and Cancun, Grand Cayman, Nassau, Turks and Caicos, Dominican Republic and Costa Rica.

6. **Spirit to Serve Tulum from Fort Lauderdale, Orlando.**

Spirit announced new daily nonstops to Tulum from Fort Lauderdale and Orlando will launch on March 28. Introductory fares started at \$ 149 one-way.

7. **Allegiant Adds Nonstops to Vacation Destinations.**

Allegiant will launch 12 new nonstop routes to vacation destinations, starting in May, offering one-way fares from \$49. Allegiant added Orlando International to its network, with flights from Asheville, North Carolina; Allentown, Pennsylvania; and Knoxville, Tennessee.

8. **Frontier to Re-Open Chicago Base; New Base Planned for Cleveland.**

Frontier will re-open a pilot base serving both Chicago O'Hare and Midway in May. Frontier currently offers 13 nonstop routes from Midway and five nonstop routes from O'Hare. . . . Frontier will open a new crew base at Cleveland Hopkins in March. Frontier offers 17 nonstop routes from Cleveland Hopkins.

9. **Number of U.S.-China Flights Increase.**

See Section VII, item 1.

10. **American and Aer Lingus Expand Codeshare Offering.**

See Section VIII, item 1.

11. **Delta and airBaltic Launch Codeshare Cooperation.**

See Section VIII, item 2.

12. **Alaska and Condor Expand Partnership.**

See Section VIII, item 3.

13. **United, Lufthansa, and Deutsche Bahn Provide Enhanced Connectivity.**

See Section VIII, item 4.

14. **United Adds Pacific Winter Service.**

See Section IX, item 3.

15. **Alaska Airlines, Air India Interline Partnership.**

See Section IX, item 4.

16. Air Canada Adds Capacity to Asia.

See Section IX, item 5.