



# 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. **Boeing 737-9 MAX Inflight Loss of Cabin Door Plug Probed.**

The Federal Aviation Administration (FAA) grounded 171 Boeing 737-9 MAX planes, following an inflight loss of a cabin door plug, on January 5, which resulted in rapid decompression on Alaska Airlines Flight 1282 after takeoff from Portland, Oregon. Pilots safely returned the plane to Portland, with the passengers and crew reporting no serious physical injuries. The National Transportation Safety Board (NTSB) is investigating the event. An FAA Emergency Airworthiness Directive (EAD) ordered immediate inspections of aircraft with the door plugs; the European Union Aviation Safety Agency adopted the EAD. Thousands of flights were canceled, as operators complied with a stringent inspection and maintenance process. By month's end, the grounded planes were returning to service. . . . Among responses to the incident, FAA Administrator Mike Whitaker said production growth of new MAX aircraft would be capped and vowed increased oversight of Boeing. Boeing named an independent adviser to assess its quality management systems and oversight of supplier quality and inspected Spirit AeroSystems' installation of the mid-exit door plug and other points in Spirit's build process. . . . Boeing CEO Dave Calhoun met with members of Congress to discuss the incident, and Senate Commerce Committee Chair Maria Cantwell (D-Wash.) planned hearings. . . . Class-action lawsuits have been filed on behalf of Flight 1282 passengers who experienced 'havoc,' 'fear,' 'trauma,' and 'severe distress.'

### 2. **Visual Inspections of B737-900ER Door Plugs Recommended.**

FAA recommended that operators of Boeing 737-900ER aircraft visually inspect mid-exit door plugs to ensure the door is properly secured, after issues with bolts were reported. The Boeing 737-900ER is not part of the newer MAX fleet but has the same door plug design.

### 3. **Court Blocks JetBlue-Spirit Merger; Appeal Planned.**

A U.S. District Judge in Boston blocked JetBlue's acquisition of Spirit, ruling in favor of the Justice Department, California, Maryland, Massachusetts, New Jersey, New York, North Carolina, and the District of Columbia, which in March 2023 sued to stop the merger. JetBlue and Spirit jointly filed a notice of appeal, "consistent with the requirements of the merger agreement," and asked the First Circuit Court of Appeals to consider the appeal on an expedited basis.

**4. DOT Tentatively Awards American One New York-Tokyo Nonstop Slot.**

The U.S. Department of Transportation (DOT) tentatively approved American Airlines' proposed nonstop service between New York Kennedy and Tokyo Haneda. American will be the only U.S. carrier operating on the route, complementing service offered by joint business partner Japan Airlines. American also offers daily service from Dallas-Fort Worth to Haneda and two daily flights from Los Angeles. United's application for Houston-Haneda service was denied, as DOT determined that the New York route would maximize public benefits.

**5. DOT Tentatively Dismisses Aeromexico-Delta Joint Venture Application.**

DOT tentatively dismissed the application of Delta and Aeromexico to renew its approval and grant of antitrust immunity for their Joint Cooperation Agreement and related alliance agreements, saying that actions of the Mexican government regarding operations at Mexico City Benito Juárez International Airport do not comply with obligations under the U.S.-Mexico Aviation Agreement.

**6. DOT Applauds Low Cancellation Rate in 2023.**

The flight cancellation rate during the 2023 Christmas and New Year period was 0.8%, compared to 8.2% in same period 2022. For the year, there were 16.3 million flights and a cancellation rate below 1.2%. "We are glad to see this 10-year low rate of cancellations," said DOT Secretary Pete Buttigieg, noting that airlines improved customer service after DOT posted a dashboard with their commitments on its website. "Now, all 10 major airlines guarantee free rebooking and meals, and nine guarantee hotel accommodations when an airline issue causes a delay or cancellation," he said.

**7. A4A Urges DOT, FAA Action on ATC Staffing, Transparency.**

In a speech to the Aero Club of Washington, Nicholas Calio, CEO of Airlines for America (A4A), suggested a public dashboard to highlight DOT and FAA initiatives: "What are they? How much do these programs cost? What's the status of these taxpayer funded projects? When will they be completed? Why? Because all these programs have a direct impact on passengers, shippers, jobs and the greater economy. When our airspace system is old and outdated, we all pay the price." . . . In a letter to DOT Secretary Buttigieg and FAA Administrator Whitaker, Calio noted that "significant non-scheduled aviation operations (i.e., business and private aviation volume)" along with continued air traffic control (ATC) staffing challenges, were responsible for delays and cancellations over the holiday period. "Our carriers run national networks and delays or cancellations in one part of the country have reverberating impacts to the travelling public throughout the nation," he wrote. He urged "all possible

actions to find the appropriate balance between commercial and private aviation traffic with the goal of minimizing delays and cancellations,” and requested “that all possible steps be taken to avert additional staffing triggers, particularly in high volume centers.”

## II. AIRPORTS

### 1. Candace McGraw to Chair Airports Council International.

Candace McGraw will Chair the Airports Council International (ACI) World Governing Board (WGB) for a two-year term, until December 2025. The CEO of Cincinnati/Northern Kentucky International since 2011, McGraw will be the first woman to lead the WGB.

### 2. ACI Europe Guide to Assist Passengers with Non-Visible Disabilities.

ACI Europe launched guidance for airports assisting passengers with non-visible disabilities. Eurostat estimates that 1 in 4 adults in the EU is living with some form of disability, and 80% of these conditions are non-visible. “Assisting Passengers with Non-Visible Disabilities” helps airports gain deeper understanding of the range of non-visible disabilities and associated barriers to travel; and helps navigate processing of sensitive information from passengers regarding needs and expectations in order to provide them with the best care throughout their journey. “By becoming more disability-aware and adapting their services, airports can ensure that these passengers have the same rights to free movement, freedom of choice and non-discrimination, which are guiding principles of European Union law.”

### 3. Miami Plans \$7 Billion in Capital Improvements.

Miami-Dade County unveiled plans for \$7 billion in capital improvements and \$1.7 billion in maintenance upgrades at Miami International. Through the Modernization in Action Plan, 126 passenger loading bridges, 203 public bathrooms, and 616 conveyance units (elevators, escalators and moving walkways) will be renovated in phases. The project also includes design, fabrication, transportation and installation of pre-conditioned air units, baggage chute and ground support equipment for each loading bridge. The airport served a record 50.7 million travelers in 2022.

### 4. SFO International Terminal to be Named for Sen. Dianne Feinstein.

The San Francisco Airport Commission approved a resolution to name the SFO International Terminal for the late Senator and former San Francisco Mayor Dianne Feinstein. As Mayor, Feinstein led the negotiation of a 30-year Lease and Use Agreement with airlines that provided for construction of SFO’s first International Terminal that opened in 1983. The Agreement provided for 15% of SFO concession revenue to be shared with the city as repayment for its investment, resulting in an over \$1 billion return to date. Senator Feinstein negotiated the agreement between the airport, BART, FAA and airlines to

bring the mass transit system directly into the International Terminal. She was “a tireless advocate” behind the scenes, including supporting SFO’s first in-line baggage screening system following 9/11, helping SFO access new FAA technology to improve safety and reduce delays, and providing federal agency resources in the aftermath of the Asiana crash.

**5. Tulsa Groundbreaking for International Customs Facility.**

Tulsa began construction of an international customs facility. The \$41 million project is funded by Tulsa Airports Improvement Trust and FAA grants. On average, 32% of Tulsa’s daily international traffic is to Mexico, followed by Canada (8%), UK (5%) and Italy (4%); all other countries are 3% or less. The airport is soliciting airlines for nonstop service to these areas.

**6. Tweed New Haven Expansion Plan Approved.**

FAA approved a proposal from Tweed New Haven to develop a new terminal area and runway extension “to accommodate existing and reasonably foreseeable aircraft operations and passenger volumes.” Avelo is the only commercial carrier currently flying from Tweed.

**7. BlackRock to Acquire Global Infrastructure Partners.**

BlackRock plans to acquire fund manager Global Infrastructure Partners (GIP) for \$3 billion cash and 12 million shares of BlackRock common stock; transaction expected to close in third quarter 2024, subject to regulatory approvals and other closing conditions. Among GIP’s investments are Gatwick, Edinburgh and Sydney Airports.

**8. East Midlands Begins £120 Million Improvement Program.**

East Midlands Airport is investing more than £120 million over the next five years for improvements including reconstruction of taxiways and modernization of air traffic control equipment. A security hall expansion will facilitate installing next generation body and baggage scanning technology.

**9. Riga Airport Rebrands as RIX Riga Airport.**

Riga Airport has rebranded as RIX Riga Airport, amid creation of adjacent RIX Airport City, with hotels, offices, retail space, and services for passengers, cargo handlers and local residents, accessible by car, rail and air. Construction of a €167 million passenger terminal begins this year.

**10. FAA to Award Over \$240 Million in 2024 Airport Infrastructure Grant.**

The Federal Aviation Administration announced \$243.7 million in Airport Infrastructure Grant (AIG) awards for Fiscal Year (FY) 2024. “We saw a record

number of passengers fly during the recent holiday season, and we can expect increased demand for air travel to continue" said U.S. Transportation Secretary Pete Buttigieg. The funds include 150 grants in 37 states to modernize airport infrastructure and improve runway safety, among other projects.

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

#### 1. **TSA 2023 Year in Review.**

In 2023, the Transportation Security Administration (TSA) screened a record 858 million passengers, averaging about 2.4 million passengers per day, 484 million checked bags, and 1.9 billion carry-on items, and pre-screened nearly a billion passengers through Secure Flight. . . . TSA intercepted 6,737 firearms at security checkpoints last year, preventing them from getting into secure areas of the airport and onboard aircraft; about 93% were loaded. Passengers who bring a firearm to a TSA checkpoint incur a fine of up to \$15,000, revoked TSA PreCheck eligibility for at least five years and enhanced screening to ensure there are no other threats present. . . . Four million people enrolled in TSA PreCheck, bringing total number of active members to more than 18 million. Telos became the second active enrollment provider, in addition to IDEMIA, and eight new airlines joined the expedited screening program. . . . A new compensation plan pays TSA employees at a level commensurate with employees of other federal agencies for the first time since the agency's founding in 2001. TSA retained a historic 88% of frontline employees and hired more than 9,000 new Transportation Security Officers (TSOs) and Security Support Assistants (SSA) to handle future travel volumes. . . . TSA added 457 CAT-2 [Credential Authentication Technology] upgrade kits utilizing facial recognition technology, and 267 Computed Tomography X-ray scanners; and updated an algorithm to improve the performance of the nearly 1,000 Advanced Imaging Technology Units, which "significantly reduces false alarms, enhances accuracy and reduces pat-downs." . . . A TSA survey of 13,000 travelers at U.S. airports found that 93% were satisfied with the passenger experience and 94% were confident in TSA's ability to keep air travel secure. . . . Federal Air Marshals (FAMS) and Federal Flight Deck Officers provided inflight security for over 200,000 domestic and international flights and trained over 5,000 air carrier crew members in self-defense.



## **IV. TECHNOLOGY AND EQUIPMENT**

### **1. EASA, IATA Partner to Counter GNSS Spoofing, Jamming Threat.**

The European Union Aviation Safety Agency and International Air Transport Association (IATA) jointly hosted a workshop on Global Navigation Satellite System (GNSS) jamming and spoofing incidents, which increasingly have threatened the integrity of Positioning, Navigation, and Timing (PNT) services across Eastern Europe, the Middle East and elsewhere. GNSS is a service based on satellite constellations such as the US Global Positioning System (GPS) and EU's Galileo. 'Jamming' blocks a signal, whereas 'spoofing' sends false information to the receiver on board the aircraft. The workshop determined that mitigating these risks requires short-, medium- and long-term measures, beginning with sharing incident information and remedies. "We immediately need to ensure that pilots and crews can identify the risks and know how to react and land safely," said EASA Acting Executive Director Luc Tytgat. "In the medium term, we will need to adapt the certification requirements of the navigation and landing systems. For the longer term, we need to ensure we are involved in the design of future satellite navigation systems." IATA Director General Willie Walsh called for coordinated collection and sharing of GNSS safety data; universal procedural GNSS incident guidance from aircraft manufacturers; and a commitment from states to retain traditional navigation systems as backup in cases where GNSS are spoofed or jammed.

### **2. NASA's X-59 Quiet Supersonic Aircraft to Begin Flight Tests.**

NASA formally debuted the X-59 quiet supersonic aircraft with prime contractor Lockheed Martin at the company's Skunk Works in Palmdale, California. The X-59 is the centerpiece of NASA's Quesst mission, which provides data to help regulators reconsider rules that prohibit commercial supersonic flight over land because of disturbance caused by loud, startling sonic booms on communities below. The X-59 is expected to fly at 1.4 times the speed of sound, or 925 mph. Its design, shape and technologies will allow the aircraft to achieve these speeds while generating a quieter sonic thump. The Quesst team will now shift to preparation for first flight: integrated systems testing, engine runs, and taxi testing. The aircraft is set to take off for the first time later this year, beginning with several flight tests at Skunk Works, then transferring to NASA's Armstrong Flight Research Center in Edwards, California, which will serve as its base of operations. Then the agency will fly the aircraft over several to-be-selected cities across the U.S., collecting input about the sound the X-59 generates and how people perceive it. NASA will provide that data to FAA and international regulators. The X-59 is a unique

experimental airplane, not a prototype. At 99.7 feet long and 29.5 feet wide, the aircraft's shape and the technological advancements it houses will make quiet supersonic flight possible. The X-59's thin, tapered nose accounts for almost a third of its length and will break up the shock waves that would ordinarily result in a supersonic aircraft causing a sonic boom. Due to this configuration, the cockpit is located almost halfway down the length of the aircraft and does not have a forward-facing window. Instead, the Quesst team developed the eXternal Vision System, a series of high-resolution cameras feeding a 4K monitor in the cockpit. The Quesst team also designed the aircraft with its engine mounted on top and gave it a smooth underside to help keep shockwaves from merging behind the aircraft and causing a sonic boom.

**3. Fraport, Lilium to Develop Commercial eVTOL Network.**

Airport operator Fraport and Lilium, developer of an all-electric vertical take-off and landing (eVTOL) jet, announced a strategic collaboration to explore required planning and approval steps for implementation of commercial eVTOL operations at airports. The partnership "will start by preparing Germany and the industry for the introduction of regional electric air mobility through working with industry groups and the German government to jointly discuss and accelerate necessary regulatory work." Lilium also has partnerships with other airports across Germany including Stuttgart, Munich, Nuremberg, Cologne-Bonn and Düsseldorf. Fraport is active at 30 international airports across four continents.

**4. Patrick Ky Heads Singapore's Intl. Center for Aviation Innovation.**

Civil Aviation Authority of Singapore (CAAS) established the International Centre for Aviation Innovation (ICAI) and named former EASA Executive Director Patrick Ky as founding CEO. ICAI will undertake research and development in four key areas: next generation air navigation services, automated and smart airports, unmanned aviation systems, and sustainable aviation. It will focus on the Asia-Pacific region and partner with governments, industry and research institutes around the world. Prior to leading EASA, Patrick Ky was in charge of SESAR, Europe's ATM modernization program.

## V. **ENERGY AND ENVIRONMENT**

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

Average price of aviation jet fuel for week ending January 12 was \$106.78 per barrel, down 28% on prior month's average, and down 4.9% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

### 2. **LanzaJet Opens Freedom Pines Fuels Plant.**

LanzaJet Freedom Pines Fuels, the world's first ethanol to sustainable aviation fuel (SAF) production facility, has opened in Soperton, Georgia, where it will produce 10 million gallons of SAF and renewable diesel per year. The SAF will be used immediately as drop-in fuel for existing aircraft. LanzaJet shareholders include International Airlines Group (IAG), LanzaTech, Mitsui & Co, Shell, and Suncor Energy and investors such as the Microsoft Climate Innovation Fund, Breakthrough Energy, British Airways, and All Nippon Airways (ANA).

### 3. **Airbus SAF Development Project in India.**

Airbus and the CSIR-Indian Institute of Petroleum (CSIR-IIP) signed a Memorandum of Understanding to develop new technology pathways as well as test and qualify indigenous SAF in India. Today, all Airbus aircraft are certified to fly on 50% SAF blend, with a goal to fly up to 100% SAF by 2030.

### 4. **ACI Europe Issues Manifesto for EU Transport Policy.**

ACI Europe issued a manifesto calling for EU transport policy to ensure more support for SAF; air traffic management reform; abolishing national aviation taxes; and a dedicated strategy on intermodal activity. Priorities include reform of airport slots rules, "while also standing by and protecting the fundamental principles of our Single Market: the full freedom of airlines to provide services and establish anywhere in the EU."

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

### **1. Congress Approves Temporary Funding Bill.**

Congress narrowly averted a federal government shutdown with passage of the “Further Additional Continuing Appropriations and Other Extensions Act, 2024.” H.R. 2872 provides funding through March 1 for four of the 12 annual appropriations bills, including transportation, housing and urban development, which covers FAA; and through March 8 for remaining bills, which include the Department of Homeland Security covering TSA and Customs and Border Protection.

### **2. “Farm to Fly Act” Introduced in Senate.**

The “Farm to Fly Act” was introduced in the Senate to help accelerate production and development of SAF. The bill would clarify eligibility for SAF within current U.S. Department of Agriculture (USDA) Bio-Energy Programs, expanding markets for American agricultural crops through aviation bioenergy; provide for greater collaboration for aviation biofuels throughout USDA agency mission areas, increasing private sector partnerships; and affirm a common definition of SAF for USDA purposes, as widely supported by industry to enable U.S. crops to most effectively contribute to aviation renewable fuels. Companion legislation was introduced in the House.

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

### **1. ACI Strengthens Cooperation with Chinese Airports.**

Airports Council International World, ACI Asia-Pacific & Middle East (ACI APAC & MID), and China Civil Airports Association (CCAA) signed a Memorandum of Understanding to strengthen cooperation in initiatives including enhancing the customer experience, honing professional skills and accreditations, championing decarbonization, and organizing airport events around the world. The 2025 ACI World Customer Experience Summit & Exhibition will be hosted by China's busiest airport, Guangzhou Baiyun International, which handled over 63 million passengers in 2023.

## **VIII. EUROPE AND AFRICA**

### **1. EU Investigates Proposed Airline Mergers.**

The European Commission is investigating the proposed acquisition of sole control of Air Europa by International Consolidated Airlines Group (IAG) to determine if the transaction will reduce competition on routes in and out of Spain, in particular to and from Latin America. IAG, headquartered in Spain, controls Spanish carriers Iberia and Vueling, UK carrier British Airways, Irish carrier Aer Lingus, and Barcelona-based FLYLEVEL UK, and is the parent of IAG Cargo. British Airways and Iberia are oneworld members. Air Europa is also headquartered in Spain, and its wholly owned subsidiaries constitute the airline division of Spanish tourism group Globalia. Air Europa is a SkyTeam member. . . . The Commission is also investigating the proposed joint control of ITA Airways by Lufthansa and the Italian Ministry of Economy and Finance (MEF), as the transaction may reduce competition. Lufthansa and ITA operate routes within the European Economic Area (EEA) and between the EEA and the rest of the world. Lufthansa also has a transatlantic joint venture with United and Air Canada. SkyTeam member ITA, created by the Italian State in 2020, has principal hubs in Rome and Milan. Star Alliance member Lufthansa has principal hubs in Frankfurt, Munich, Zurich, Vienna and Brussels. Its subsidiaries include Austrian Airlines, Brussels Airlines, Eurowings, Swiss and Air Dolomiti. MEF currently is sole shareholder in ITA. Companies in which MEF has shareholdings are active worldwide.

### **2. SAS Introduces Daily Nonstops to Atlanta.**

SAS will introduce daily nonstop Airbus A330 service to Atlanta from Copenhagen, on June 17, with continuing service beyond via Delta. Increased frequencies to the U.S. this summer include Copenhagen-New York Kennedy, with up to two daily flights complementing existing daily flights to New York Newark from Stockholm, Oslo and Copenhagen. Copenhagen to Boston flights will operate daily, up from six times a week. A fourth weekly flight will be added from Copenhagen to Toronto, as well.

### **3. Air France Adds Phoenix Service.**

Air France is adding Phoenix to its North American destinations on May 23, with three weekly Boeing 787-9 flights from Paris. The carrier will resume flying to Minneapolis on May 13, and extend service to Raleigh-Durham through the summer. . . . In other news, Air France-KLM and CMA CGM withdrew from agreements to enter into cargo commercial cooperation, saying,

“the tight regulatory environment in certain important markets has prevented the cooperation from working in an optimal way.”

**4. Norse Atlantic Amends U.S. Service.**

Norse Atlantic Airways will not operate summer-season daily flights to Boston Logan or Washington Dulles from London Gatwick as planned, due to lower than anticipated demand. Norse plans to add New York-Athens service and has received approval for scheduled flights to Las Vegas.

**5. Turkka Kuusisto Appointed CEO of Finnair.**

Turkka Kuusisto was named CEO of Finnair, effective by July 11. He replaces Topi Manner who exits on January 15; COO Jaakko Schildt will act as interim CEO. Kuusisto is CEO of Posti Group. Finnair is a oneworld member. The company is experiencing “significant impact” on flight operations, due to strikes against the Finnish government at Helsinki Airport.

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

### **1. JAL Names Mitsuko Tottori First Woman President.**

Japan Airlines President Yuji Akasaka will be succeeded by Senior Managing Executive Officer Mitsuko Tottori, effective April 1. Tottori began her JAL career as a flight attendant in 1985 and will be the first woman to lead the company. Akasaka will serve as Chairman, replacing retiring Yoshiharu Ueki. . . . A JAL Airbus A350-900 collided with a Japanese Coast Guard De Havilland Canada Dash 8 (DHC-8) and caught fire while landing at Tokyo Haneda on January 2. All 367 passengers and 12 crew safely evacuated the JAL aircraft, which was a total loss. Five of the six people on board the DHC-8 died. Airbus is providing technical assistance to the French and Japanese Safety Boards in charge of the investigation. The Haneda runway was closed for six days following the collision.

### **2. Airbus Lifecycle Services Centre Opens in Chengdu.**

The Airbus Lifecycle Services Centre (ALSC) began operations in Chengdu, offering aircraft parking and storage, maintenance, upgrades, conversions, dismantling and recycling services, and controlled distribution of used parts. Certified by EASA and Civil Aviation Administration of China (CAAC), the ALSC is a joint venture between Airbus, Tarmac Aerosave and the city of Chengdu, along with the Airbus company Satair.

### **3. Air India, Airbus Partner to Build Pilot Training Facility.**

Airbus has entered into a 50:50 joint venture with Tata-owned Air India to launch a pilot training facility in Gurugram, Haryana, subject to closing conditions. The Tata Airbus Training Centre will offer A320 and A350 flight training to some 5,000 new pilots over 10 years. Courses are approved by the French Directorate General of Civil Aviation (DGCA) and EASA. Equipment will include 10 Full Flight Simulators. Operations expected to begin in early 2025. . . . Airbus also partnered with GMR Aero Technic to offer Aircraft Maintenance Engineering training at the latter's facility in Hyderabad. Airbus will provide material such as trainee handbooks, examination database and online access to Airbus customized training modules. Airbus will also train GMR instructors and provide continual assessment of the training center. "As the fastest expanding aviation market in the world, India will need 41,000 pilots and 47,000 technicians in the next 20 years," said Airbus, which is collaborating with the Vadodara-based Gati Shakti Vishwavidyalaya (GSV), Indian Institute of Technology in Kanpur (IIT Kanpur) and Indian Institute of Science (IISc), Bengaluru, to groom talent for the Indian aerospace sector.



4. **Akasa Air Orders 150 Boeing 737 MAX Aircraft.**

India's Akasa Air announced a firm order for 150 Boeing 737 MAX aircraft, at WINGS India 2024, in Hyderabad, taking its order book to a total of 226 aircraft. Since its August 2022 launch, Akasa has served 6.3 million passengers and connects with 18 cities across India. Founder and CEO is Vinay Dube.

5. **Avia Solutions Group Acquires Australian Airline Skytrans.**

Avia Solutions Group agreed to acquire Australian airline, Skytrans, with close expected in March. The acquisition will grant the group an Air Operator Certificate (AOC) in Australia, allowing passenger and cargo flights. Avia is an ACMI (Aircraft, Crew, Maintenance, and Insurance) provider with a fleet of 199 aircraft. Skytrans operates a fleet of 13 regional aircraft. Avia Solutions holds 11 AOCs globally and this year aims to establish and acquire airlines in Brazil, Thailand, the Philippines, Malaysia, Indonesia and Turkey. A strategic objective "is to expand into markets that have the opposite seasonality to Europe," said CEO Jonas Janukenas. Avia units include SmartLynx Airlines, Avion Express, AirExplore, KlasJet and Magma Aviation, FL Technics and BAA Training.

6. **AirAsia X to Acquire AirAsia Berhad, AirAsia Aviation Group.**

AirAsia X (AAX) entered into a non-binding letter of acceptance with holding company Capital A for the proposed acquisitions of AirAsia Berhad and AirAsia Aviation Group, paving the way "for AAX to become the overarching regional aviation provider for all short and medium-haul routes under the AirAsia brand name." The Capital A (formerly AirAsia Group) portfolio also includes online travel agent airasia Superapp (airasia MOVE), fintech BigPay and logistics venture Teleport. Capital A CEO Tony Fernandes was a co-founder of AirAsia.

## X. AMERICAS

### 1. American's Flight Attendants Seek Federal Mediation Release.

The Association of Professional Flight Attendants (APFA) asked the National Mediation Board (NMB) for an arbitration release for American Airlines flight attendants, as contract negotiations are at an impasse. An NMB arbitration release would start the clock on a 30-day cooling-off period, after which flight attendants would be free to strike, said APFA, which is “going to aggressively pursue our right to strike but also keep up the pressure on American Airlines.”

American Airlines separately announced its decision to layoff nearly 700 employees as it seeks to reorganize and improve its customer service team. “As part of these updates, we are creating a new Customer Success team that will be dedicated to providing more convenient, elevated support to American Airlines customers with some of their most complex travel needs,” the airline said in a statement.

### 2. Southwest Pilots Approve Contract; Flight Attendants Vote to Strike.

Southwest pilots voted to approve a new five-year contract. Southwest Airlines Pilots Association (SWAPA) said the agreement includes a date of ratification pay-rate increase of 29.15%, followed by 4% raises in 2025, 2026 and 2027, and a 3.25% raise in 2028. The airline said the contract provides industry-leading compensation, modified scheduling practices, and quality-of-life enhancements, including paid maternity and parental leave, with an opportunity for an additional extended bonding leave. . . . Southwest flight attendants voted to approve a strike, said Transport Workers Union of America Local 556.

### 3. Joanna Geraghty to Succeed JetBlue CEO Robin Hayes in February.

JetBlue CEO Robin Hayes will step down on February 12 and will be succeeded by President and COO Joanna Geraghty. Hayes joined JetBlue in 2008 from British Airways and became CEO in 2015. Geraghty has held executive positions at JetBlue for nearly 20 years; she will be the only woman to lead a major U.S. airline. Warren Christie will succeed her as COO; he currently heads safety, security, fleet operations, airports and JetBlue University.

### 4. Delta Orders 20 Airbus A350-1000s.

Delta placed an order for 20 Airbus A350-1000s, with options for 20 more; deliveries begin in 2026. Delta currently operates 28 A350-900s and now has

an orderbook for 36 next-gen A350 aircraft. Delta reported 2023 operating revenue of \$54.7 billion, up 20% over 2022, and in February will pay out \$1.4 billion in profit-sharing to eligible employees.

**5. United Reports Record Passenger Numbers in 2023.**

United reported 2023 passengers at 165 million, its largest number ever in a year, and the highest seat factor at 86.4%. During last two weeks of December, United operated its busiest travel period ever, with 8.2 million customers, an average of 483,000 each day.

**6. Frontier to Open Crew Base in Puerto Rico.**

Frontier will open a new crew base at Luis Muñoz Marín International Airport in San Juan, Puerto Rico in June and expects to employ up to 90 pilots and 200 flight attendants during first year of operation. The carrier offers flights to the island's three main airports (San Juan, Ponce, Aguadilla). The base "will provide significant economic impact and new jobs for Puerto Ricans" and access to "a wide variety of destinations, including a number of underserved markets, as we continue to grow our Puerto Rico operations," said CEO Barry Biffle. Island officials said the agreement "represents a magnificent opportunity to reaffirm to all sectors of the tourism industry the stability and excellent business climate." . . . Frontier is expanding operations at 38 airports across the U.S. and internationally in April, May and June with fares starting at \$19 one way.

**7. Mesa Amends Agreements with United.**

Mesa Air Group amended its capacity purchase agreement with United to increase its block-hour rate, retroactive to October 1, 2023 through December 31, 2024, which is projected to generate \$63.5 million in incremental revenue over next 12 months. Certain credit agreements were also amended and the company continues to sell excess CRJ-900 aircraft and related engines to pay down debt. "The past twelve months concluded a year of restructuring for Mesa's operations and finances," said Mesa Chairman and CEO Jonathan Ornstein, and the agreements with United, combined with CRJ-related asset sales, will enable Mesa to generate substantial incremental contract revenue and improve margins. "While the situation remains challenging, this stability is critical as we continue to restore our pilot capabilities, drive increased fleet utilization, and step up block-hour production."

**8. Breeze Airways Flight Attendants File for Union Election.**

Flight attendants at Breeze Airways seek to form a union with Association of Flight Attendants-CWA, AFL-CIO (AFA) and filed for an election with the National Mediation Board. AFA said issues include "constantly-changing work

rules, drastically substandard pay for time on the job, hotel accommodations, insufficient work hours, and disrespectful treatment from management.” The Utah-based low-cost airline, founded by David Neeleman in 2021, has nearly 600 flight attendants; pilots won an election for union representation with Air Line Pilots Association in 2022. . . . Breeze announced 13 new cities for 2024, which “will surely be welcomed as we bring efficient, affordable and elevated travel to underserved markets,” said CEO Neeleman, who also co-founded Morris Air, WestJet, JetBlue and Azul Linhas Aereas.

**9. GOL Files for Chapter 11.**

Brazilian airline GOL and its subsidiaries filed for Chapter 11 in U.S. Bankruptcy Court for the Southern District of New York, as it seeks “to restructure near-term financial obligations and strengthen its capital structure for long-term sustainability.” A commitment for \$950 million in new debtor-in-possession financing from members of the Ad Hoc Group of Abra Bondholders and other Abra bondholders, and cash generated from ongoing operations, will provide liquidity to support normal operations during the Chapter 11 process. Abra Group is the holding company for Avianca and GOL. GOL has alliances with American Airlines and Air France-KLM and several code share and interline agreements.

**10. SAS Introduces Daily Nonstops to Atlanta.**

See Section VIII, item 2.

**11. Air France Adds Phoenix Service.**

See Section VIII, item 3.

**12. Norse Atlantic Amends U.S. Service.**

See Section VIII, item 4.