



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. **IATA: Airline Net Profits to Reach \$30.5 Billion in 2024.**

Global airline net profits are expected to reach \$30.5 billion in 2024 (3.1% net profit margin), compared to \$27.4 billion (3.0%) in 2023, according to the International Air Transport Association (IATA), which earlier predicted profits of \$25.7 billion for 2024.

2. **IATA Convenes 80th AGM.**

IATA convened its 80th Annual General Meeting (AGM) and World Air Transport Summit, hosted by Emirates Airline in Dubai. “This year airlines will connect nearly five billion people over 22,000 routes on 39 million flights, and we’ll deliver 62 million tons of cargo—making possible \$8.3 trillion in trade,” said IATA Director General Willie Walsh, in his annual report on the industry. Executives on a “Big Picture Panel” said average profit margins are still wafer thin. Barriers to improved industry performance include supply chain issues and geopolitical conflicts. “Airlines are struggling to get new aircraft and aircraft parts in a timely manner and the numerous conflicts and political tensions around the world could worsen at any time.” . . . Airline CEOs committing to the IATA Safety Leadership Charter reached 73. Charter leadership principles include creating an atmosphere of trust, where employees feel responsible for safety and are encouraged and expected to report safety-related information. . . . Some 40 airlines have signed a formal agreement to participate in the IATA Schedule Data Exchange Program, which will collect schedules, capacity, and minimum connecting time data used in IATA products and services supporting network development, revenue management, slot coordination and interline agreements. IATA “is not creating a commercial product aimed at replacing or competing with entities currently distributing schedule data.” Another 40 airlines are preparing to join the program, with first release planned in March 2025. . . . Several winners of the 2024 IATA Diversity & Inclusion Award received \$25,000 from sponsor Qatar Airways, payable to themselves or their nominated charities. . . . At the conclusion of the AGM, Pieter Elbers, CEO of IndiGo, began his one-year term as Chair of the IATA Board. IAG CEO Luis Gallego Martin (representing Iberia) will succeed Elbers as Board Chair in June 2025, when the 81st IATA AGM will be hosted by IndiGo in Delhi.

3. **Blocked Funds Drop to \$1.8 Billion, Major Clearance in Nigeria.**

IATA reported a 28% decrease in the amount of airline funds blocked from repatriation by governments. Total blocked funds at end of April stood at

approximately \$1.8 billion, a reduction of \$708 million (28%) since December 2023. The main driver of the reduction was a significant clearance of funds blocked in Nigeria, which in June 2023, amounted to \$850 million; as of April 2024, 98% of these funds were cleared. The remaining \$19 million is due to the Central Bank's ongoing verification of outstanding forward claims filed by commercial banks. Egypt also approved clearance of its accumulation of blocked funds. Airlines were adversely affected by devaluation of the Egyptian Pound and the Nigerian Naira. Eight countries account for 87% of total blocked funds, amounting to \$1.6 billion. They include (US million): Pakistan (411), Bangladesh (320), Algeria (286), XAF Zone (151), Ethiopia (149), Lebanon (129), Eritrea (75), and Zimbabwe (69).

4. DOT Fines Lufthansa, SAA, KLM for Late Refunds.

DOT announced enforcement actions against Lufthansa, South African Airways, and KLM for extreme delays in providing more than \$900 million in refunds owed to passengers due to flights cancelled or significantly changed due to the COVID-19 pandemic. Under the consent orders, the three airlines are required to pay a civil penalty to the U.S. Treasury. DOT is also assessing a total of \$2.5 million. Most of the assessed fines will be collected as payments to the U.S. Treasury, with the remainder credited on the basis of payments to passengers beyond the legal requirement. The required refunds to passengers and the assessed penalties against airlines are: Lufthansa (\$775 million in required refunds paid / \$1.1 million penalty); KLM (\$113.3 million / \$1.1 million; and South African Airways (\$15.2 million / \$300,000). During the Biden Administration, DOT has helped oversee the return of almost \$4 billion in refunds and reimbursements owed to airline passengers, including more than \$600 million to passengers affected by the Southwest Airlines holiday meltdown in 2022.

5. DOT Approves JetBlue-British Airways Code Share.

DOT approved a joint application of JetBlue and British Airways for authorization to engage in reciprocal code share services. The British Airways code will be displayed on JetBlue-operated flights from points behind the U.S. via the U.S. and intermediate points to a point or points in the UK and beyond. The JetBlue code will be displayed on British Airways-operated flights from points behind the UK via the UK and intermediate points to a point or points in the U.S. and beyond.

6. DOT Fines Emirates \$1.8 Million.

DOT fined Emirates \$1.8 million for operating JetBlue code share flights to and from the United States through Iraqi airspace, without proper DOT authority. This conduct also violated a consent order issued in October 2020 fining

Emirates for operating flights carrying the JetBlue code in airspace under an FAA prohibition.

7. Criminal Charges Against Boeing May Be Pursued.

Relatives of victims of the 737 MAX crashes, in 2018 and 2019, sent a letter to the Justice Department seeking aggressive prosecution of Boeing, criminal prosecution of its then-corporate leadership, a \$24 billion fine, and corporate monitoring. In 2021, the Justice Department and Boeing reached a deferred prosecution agreement (DPA) to resolve Boeing's criminal responsibility for the two crashes that killed 346 people, said the letter. Boeing promised to improve safety and compliance in aircraft production, and, if it met its obligations, criminal charges for concealing safety issues from FAA would be dismissed. Those terms were violated, given revelations since the January blowout of an Alaska Airlines door plug. The Justice Department has found that Boeing breached its obligations and allegedly failed to design, implement and enforce a compliance and ethics program to prevent and detect violations of U.S. fraud laws throughout its operations.

8. NTSB Repeats Call for Surface Detection Systems at Airports.

The National Transportation Safety Board (NTSB) found that the lack of critical safety technology and incorrect assumptions by an air traffic controller led to a near-collision between a Southwest Boeing B-737 and a FedEx B-767 on an Austin-Bergstrom runway in February 2023 in dense fog. The tower did not have surface detection equipment to aid controllers in monitoring traffic on the taxiway and runway. "We are once again calling on the FAA to use technology to prevent runway incursions," said NTSB Chair Jennifer Homendy. FAA recently announced that it would install surface detection systems at airports, including Austin, by end of 2025. NTSB also recommended that FAA require additional training on low-visibility operations at all operating ATC towers.

II. AIRPORTS

1. DOT to Award 10 Slot Exemptions at Reagan Washington National

DOT is requesting applications for 10 slot exemptions provided by the 2024 FAA Reauthorization Act for service to Ronald Reagan Washington National Airport (DCA) from domestic airports. Under the FAA Reauthorization, a single carrier may receive a maximum of two slot exemptions. . . . U.S. airlines including American, Delta, JetBlue, Southwest, Alaska, and Spirit have already announced their intent to apply. Applications are due on July 8, 2024.

2. FAA Awards \$187 Million in Grants to Modernize Airports.

FAA awarded \$186.7 million for 90 airport-related infrastructure grants across 34 states. Airports receiving funding include: Detroit Metropolitan (\$61.8 million); San Diego International (\$23.5 million); Kodiak Airport in Alaska (\$19.7 million); and Pittsburgh International (\$20.5 million).

3. FAA Extends Slot Usage Waiver at New York Airports.

FAA extended a limited waiver of slot usage at New York Kennedy, LaGuardia and Newark through end of Summer 2025 scheduling season. The limited waiver allows carriers to reduce schedules by 10% without penalties for non-use, providing more operational flexibility. FAA is also extending flexibility for certain flights operating between Reagan Washington National and New York airports. FAA is taking several measures to help ease congestion-related delays due to high demand and staffing shortfalls at the New York Terminal Radar Approach Control (N90). Currently, there are not enough certified controllers at N90 to allow handling of normal traffic levels, said FAA, which plans to have the Philadelphia Air Traffic Control Tower/TRACON take over the Newark airspace.

4. FAA Addresses Airfield Vehicle, Pedestrian Deviations.

As part of the effort to end serious close calls, FAA provided airport directors with materials to help reduce the risk of vehicle and pedestrian deviations on the airfield, amid more flights in summer and increased runway construction and maintenance. A video emphasizes the need to improve procedures on the airfield and enhance situational awareness of critical airport changes, construction, safety-area boundaries, airport-specific hotspots, and to use clear and concise communication with the control tower or other aircraft and surface vehicles. Last year, the number of vehicle and pedestrian deviations more than doubled from 14 in April to 32 by August.

5. **Alaska Moves to SFO's Harvey Milk Terminal 1.**

Alaska Airlines is completing a two-year, \$30 million relocation project at San Francisco International (SFO) to Harvey Milk Terminal 1, near fellow oneworld members and other global partners allowing for easier connections without leaving security or using SFO's AirTrain. Features include the airport's first automated bag drop units; two TSA checkpoints; and an 11,000 square foot lounge.

6. **JetBlue to Serve Long Island MacArthur Airport.**

JetBlue will launch service from Long Island MacArthur Airport in October, with daily flights to Orlando International and four weekly each to Fort Lauderdale-Hollywood and West Palm Beach International.

7. **Bid for London Heathrow Revised.**

Under a revised agreement, a 37.62% share of FGP Topco, parent of Heathrow Airport Holdings, will be acquired by French firm Ardian (22.6%) and Saudi Arabia's Public Investment Fund (15%). Ferrovial had planned to sell its entire 25% stake, but will retain a 5.25% share. The transaction is subject to regulatory and other conditions. . . . Heathrow handled a record 81.5 million passengers in 12 months to May, said CEO Thomas Woldbye, and estimates 30 million passengers over the summer.

8. **SITA, Singapore Research Off-Airport Passenger Processing.**

SITA is partnering with Singapore University of Technology and Design to create offsite passenger processing solutions that would enable airline passengers to check themselves and their luggage in from almost any location, even before they arrive at the airport. When prototypes are fully integrated and completed, procedures such as passport scanning, luggage weighing, and printing of luggage tags and boarding passes will be available offsite. The project began in March and will run for a year with testing for seamless integration and optimal performance by SITA partners, including airlines, airports and ground handlers.

9. **Perth to Invest \$3 Billion in New Terminal Facilities, Runway.**

Qantas and Perth Airport reached a 12-year agreement, under which the airport will invest around \$3 billion in new terminal facilities, to open in 2031, and a new parallel runway, to open in 2028. This is part of a \$5 billion capital investment program by Perth Airport, which will include two multi-story carparks, major access roadworks, and the airport's first hotel. "This commitment cements our place as the Western Gateway to Australia," said officials. Qantas CEO Vanessa Hudson said, "Perth-London and Perth-Rome

are two of the most popular flights on our international network [and] with the launch of Perth-Paris in July and Jetstar's new services into Asia starting later this year, we have a pipeline of growth underway that will mean Perth is on track to become our second biggest international gateway behind Sydney."

III. **SECURITY AND DATA PRIVACY**

1. **TSA Records Busiest Screening Days In 22-Year History.**

The Transportation Security Administration (TSA) is screening the highest passenger volumes at airport security checkpoints nationwide during this summer's travel season. Since mid-May, multiple days have broken the top 10 busiest days in the agency's 22-year history. Typically, TSA had been screening about 2.5 million people per day nationwide. That number now has increased by several hundred thousand per day.

2. **CLEAR Adds TSA PreCheck Enrollment Locations.**

CLEAR added seven locations to enroll and renew consumers in TSA PreCheck, bringing the total to 27, and plans to launch additional locations throughout 2024. CLEAR became the third official TSA PreCheck enrollment provider in April. Members can renew online with CLEAR, IDEMIA or Telos, regardless of who they enrolled with initially.

3. **USTDA Advances Global Aviation Security.**

The U.S. Trade and Development Agency (USTDA) hosted a 14-member delegation of aviation security officials from eight emerging economies: Bangladesh, Brazil, Fiji, Maldives, Philippines, Samoa, Thailand and Ukraine. The group traveled to Las Vegas, Boston and Washington, DC, to learn about U.S. solutions and best practices and saw demonstrations of cutting-edge U.S. technologies. USTDA developed the program in collaboration with TSA. The delegation attended TSA's International Training Symposium in Las Vegas.

IV. TECHNOLOGY AND EQUIPMENT

1. Artificial Intelligence and Aviation.

“Making sense of the plentiful data that has always been in airline hands was likened to looking for a needle in a haystack. AI is a magnet that helps airlines find that needle,” noted an Artificial Intelligence panel at IATA’s Annual General Meeting. Among other statements, AI should be part of a business strategy and not just a technology for the IT department. New revenue streams, different business models, and innovative operational changes could result from AI. Airlines should think of AI as an exponential technology, not an incremental one. Suddenly, new use cases will open up. Bringing staff along on the AI journey will be key. The technology must be used in the right way so it empowers people rather than disenfranchises them.

2. Kinective Media by United Airlines Launched.

Newly launched Kinective Media by United Airlines uses insights from travel behaviors to connect customers to personalized advertising and offers, across channels including United's mobile app and inflight entertainment screens. United is working with global brands and agencies, including Norwegian Cruise Line, Macy's, Chase United Co-Brand Credit Cards, TelevisaUnivision, IHG Hotels & Resorts and Dentsu.

3. Amazon Cleared to Conduct BVLOS Drone Deliveries.

Amazon received FAA clearance to conduct drone deliveries beyond visual line of sight (BVLOS), after successful flight demonstrations with detect-and-avoid technology, allowing Prime Air operations to reach more locations. The goal is to deliver 500 million packages per year by drone by end of decade.

4. Archer Receives FAA Part 135 Certification.

Archer received Part 135 certification from FAA, enabling the electric vertical takeoff and landing (eVTOL) manufacturer to begin operating aircraft commercially to refine its systems and procedures. Archer also received its Part 145 certificate, allowing it to perform specialized aircraft repair services. Archer is planning electric air taxi flights with its Midnight program, a piloted, four-passenger aircraft designed to perform rapid back-to-back flights. Archer is based in Santa Clara, CA; Adam Goldstein is founder and CEO.

V. **ENERGY AND ENVIRONMENT**

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

Average price of aviation jet fuel for week ending June 14 was \$99.93 per barrel, down 0.5% on prior month's average, and down 11% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

2. **IATA: SAF Production to Triple in 2024.**

IATA projects a tripling of Sustainable Aviation Fuels (SAF) production in 2024 to 1.5 million tons, which would account for 0.53% of aviation's fuel need this year. Some 140 renewable fuel projects with capability to produce SAF are expected to be in production by 2030. If so, total renewable fuel production capacity could reach 51 million tons by 2030, with production capacity spread across almost all regions. IATA will establish the SAF Registry, an effort supported by 17 airlines, one airline group, six national authorities, three original equipment manufacturers, and one fuel producer.

3. **Lufthansa Group Introduces Environmental Cost Surcharge.**

Lufthansa Group introduced an Environmental Cost Surcharge on flights departing EU countries and the UK, Norway and Switzerland, "to cover part of the steadily rising additional costs due to regulatory environmental requirements." The fee ranges from €1 to €72, depending on route and fare, and applies to departures from January 1, 2025.

4. **Zero, Airbus to Accelerate Synthetic SAF Adoption.**

Zero Petroleum signed a Memorandum of Understanding with Airbus to advance development of synthetic SAF and enable commercial-scale adoption of its technology. Zero's 100% drop-in synthetic SAF will be manufactured in a fully carbon-neutral process using just air and water.

5. **SAF In Flight Reduces Non-CO2 Effects.**

Airbus, Rolls-Royce, German Aerospace Center and SAF producer Neste collaborated on a study that measured the impact of 100% SAF use on emissions from an A350 powered by Trent XWB engines and followed by a chase plane. Results of the ECLIF (Emission and Climate Impact of Alternative Fuels) study show that using SAF in flight could significantly reduce the short-term climate impact of aviation by reducing non-CO2 effects such as contrails, in addition to reducing CO2 emissions over the lifecycle of SAF.

6. Av-Related Ultrafine Particles Linked to Serious Health Conditions.

New research commissioned by green group Transport & Environment (T&E) suggests that people who live near the busiest airports in Europe “are particularly exposed to ultrafine particles [UFPs] from aviation [which] can be linked to the development of serious and long-term health conditions, including respiratory problems, cardiovascular effects and pregnancy issues.” UFPs from planes emitted at high altitude and at take-off and landing can penetrate deeply into the human body and have been found in the blood, brain and placenta. “Dirty fumes caused by planes can be drastically reduced if we clean up the fuel,” said T&E, calling for the EU to set jet fuel quality standards. “Hydrotreatment has been used for decades to remove sulfur from fuels for cars and ships and could significantly reduce air pollution around airports.”

VI. U.S. CONGRESS

1. Senate Commerce Hearing with FAA Administrator.

The Senate Commerce Committee held a hearing with FAA Administrator Michael Whitaker to discuss how he plans to strengthen the agency's safety oversight at Boeing and other aviation manufacturers. Regarding the lack of documentation for the January inflight blowout of a door plug installed by Spirit AeroSystems, Committee Chair Maria Cantwell (D-WA) asked: "If Boeing is saying we don't have documentation and we don't know who removed it, where was the aviation safety inspector?" Whitaker responded: "We wouldn't have had them on the ground at that point . . . we clearly didn't have enough folks on the ground to see what was going on in that factory." We need you to hold them accountable, said Cantwell, whether that's Spirit, or Boeing, or any other manufacturer, on a real Safety Management System (SMS). "We do have SMS programs in place, but we need to verify that they are as robust as they need to be, so we are looking at possible revisions," said Whitaker. With this and other concerns, Whitaker said he will come back with a plan.

2. Senate Hearing with Boeing CEO David Calhoun.

The Senate Homeland Security Permanent Subcommittee on Investigations held a hearing entitled "Boeing's Broken Safety Culture." Prior to the hearing, Subcommittee Chair Richard Blumenthal (D-CT) released new evidence provided by whistleblowers, two of whom spoke publicly for the first time. "This is a culture that continues to prioritize profits, push limits, and disregard its workers. A culture where those who speak up are silenced and sidelined while blame is pushed down to the factory floor," said Blumenthal. "A culture that enables retaliation against those who do not submit to the bottom line. A culture that desperately needs to be repaired." Among whistleblower allegations: Boeing is improperly documenting, tracking, and storing parts that are damaged or otherwise out of specification; those parts are likely being installed on airplanes. Employees have been told by supervisors to conceal evidence from FAA. Boeing has attempted to eliminate quality inspections, instead relying on workers building the planes to inspect their own work and their co-workers' work. . . . "Five years ago, Boeing made a promise to overhaul its safety practices and culture," referring to the aftermath of the 2018 and 2019 MAX crashes in which 346 people died. "That promise proved empty, and the American people deserve an explanation," said Blumenthal. Boeing President and CEO David Calhoun opened his testimony with an apology to those in attendance "who lost loved ones on Lion Air Flight 610 and Ethiopian Airlines Flight 302." He also expressed regrets about "the impact

that the Alaska Airlines Flight 1282 accident had on Alaska Airlines' team and its passengers," referring to the in-flight blowout of a door plug in January. He outlined steps taken since that event and noted the company's intention to re-acquire fuselage manufacturer Spirit AeroSystems. . . . Senators attacked Calhoun, who will leave the company at the end of the year; a CEO search is underway. One questioned his \$32.8 million salary, asking, "What is it you get paid to do exactly?"

3. Grassley Begins FAA/Boeing Inquiry.

"Boeing is given great responsibility to build the planes that Americans rely on every day and the FAA is entrusted to ensure they do it safely," wrote Chuck Grassley (R-IA) to FAA Administrator Michael Whitaker. "Boeing's track record, as well as recent reports, demonstrate that aircraft safety has not been the paramount concern and the FAA has provided insufficient oversight to ensure that it is." Grassley, the Ranking Member of the Senate Budget Committee, plans "to conduct independent Congressional oversight and to give the American people answers they deserve." The letter contains numerous manufacturing and quality-control questions, with a request for response by June 27.

4. Senators Urge NMB to Allow Airline Workers to Strike.

The National Mediation Board (NMB) was urged to "resolve unfairly delayed contract negotiations that have left more than 100,000 flight attendants and airline workers stuck in expired contracts without the ability to strike," in a letter from Bernie Sanders and Senate Democrats. Unlike workers covered by the National Labor Relations Act, these workers, covered by the Railway Labor Act, "do not possess the right to strike or engage in any other form of 'self-help' without a formal vote by the Board." A similar letter was sent to NMB by 178 House members. . . . Alaska, United, American, Air Wisconsin, Frontier, Omni and PSA are among airlines in negotiations, said Association of Flight Attendants-CWA. Thousands of flight attendants demonstrated at 30 airports around the world on June 13 to demand new contracts.

5. Garret Graves Will Not Seek Reelection.

Garret Graves (R-LA), Chairman of the House Aviation Subcommittee, said he will not run for reelection.

6. Congressional Sustainable Aviation Caucus Created.

"The aviation industry is flying towards a more sustainable future," said Sharice Davids (D-KS) and Dusty Johnson (R-SD), Co-Chairs of the newly formed Congressional Sustainable Aviation Caucus (CSAC). "From sustainable aviation fuel to Advanced Air Mobility to hydrogen aviation, there

are a lot of shifts we can expect to see in the coming years. . . By accessing federal policy, holding forums, and bringing together public and private partners, the caucus will play a key role in the integration of new technologies into the nation’s aviation network.”

7. **“Safe Air on Airplanes Act” Introduced in House.**

The bipartisan “Safe Air on Airplanes Act” was introduced in the House to “end the use of bleed air systems for ventilation in new commercial aircraft design, and require filters on bleed air systems to effectively keep oil particulates out of flight deck and cabin air within seven years.” When fuel or toxic fluids leak from the engine or other systems, it can lead to an explosion of toxic air, or a “fume event,” exposing passengers and crew to dangerous engine fumes and harmful chemicals that are small enough to pass through air filters, forcing passengers and cabin crews to inhale the harmful toxins, said bill sponsors. Inhaling the fumes can lead to chronic illnesses in pilots and flight attendants regularly exposed, and can have an immediate impact on passengers including difficulty breathing, dizziness and vomiting, irregular heart rate, and memory loss. The Boeing 787 model is the only airplane that does not use a bleed air system.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. FAA-EASA International Aviation Safety Conference.

FAA and the European Union Aviation Safety Agency (EASA) renewed a commitment “to meet challenges of a fast-changing and evolving aviation industry and the increasing speed of development of future technologies,” at the 2024 FAA-EASA International Aviation Safety Conference held in Washington, DC. “As we look to the next decade, establishing a unified strategic direction based on information sharing and collaboration with our international partners will meet the needs of our global aviation system of the future,” said FAA Administrator Mike Whitaker. “Innovations, for example in artificial intelligence, are emerging rapidly, and we have a generational change in the workforce,” said Florian Guillermet, Executive Director of EASA. “It is more important than ever that international aviation regulators work together to accompany the changes and ensure safety needs are always met.” FAA and EASA pledged to, among other things: Prioritize enhancing cooperative efforts at all working levels. Strengthen the focus and information exchange on safety oversight. Optimize resources and fully leverage the U.S.-EU Aviation Safety Agreement, encouraging technical experts to work together and rely on one another to reduce duplication of effort, taking a risk-based approach. Deepen proactive collaboration on certification activities and on operational frameworks for new and innovative technologies. Expand and target cooperation on rulemaking efforts earlier in the development process. Promote activities on sustainable aviation fuel development and deployment. Facilitate information sharing on emerging risks facing aviation safety, such as cybersecurity, conflict zones, and global positioning system/global navigation satellite system (GPS/GNSS) interference. They released an Advisory Circular on advanced air mobility and EASA’s guidance on special conditions for eVTOL aircraft.

VIII. EUROPE AND AFRICA

1. Alaska, British Airways Enhance Partnership.

Alaska Airlines passengers can now purchase nonstop British Airways flights between London Heathrow and Alaska's gateways in Seattle, Portland, San Francisco, Los Angeles and San Diego, as well as Chicago and New York Kennedy. Later this year, the oneworld partners will offer Alaska flights connecting to British Airways, and beyond London on British Airways.

2. FedEx Proposes Workforce Reductions in Europe.

FedEx intends to reduce headcount across back-office and commercial teams in Europe by 1,700 to 2,000, subject to local law and consultation processes, to reduce costs. Certain activities across the region will also be consolidated in select shared centers that are in countries that are best aligned with needs and the existing FedEx real estate footprint. The changes do not affect customers and services, said the company.

3. Lufthansa Adds U.S. Service.

Lufthansa began five times weekly Airbus A330-300 nonstops between Frankfurt and Raleigh-Durham. Other recently added U.S. service includes Seattle to Munich and Minneapolis-Saint Paul to Frankfurt. . . . Lufthansa Group's newest member, Munich-based Lufthansa City Airlines, launched operations with A320neo service to Birmingham, Düsseldorf, Cologne, Hanover and Bremen. Airbus A319 service to Bordeaux and Hamburg begins in July. Jens Fehlinger is Managing Director.

4. SAS Adds Copenhagen-Atlanta Route.

Scandinavian Airlines (SAS) introduced service from Copenhagen to Hartsfield-Jackson Atlanta, its ninth destination in North America. The daily, nonstops will operate with both Airbus A330 and A350 aircraft. SAS has begun integrating Delta flights into its itineraries, as it prepares to join SkyTeam on September 1. . . . SAS distributed its reorganization plan and expects the plan hearing to take place in mid-July. SAS intends to complete restructuring proceedings in Sweden and the U.S., and fulfill all remaining conditions for the transaction this summer.

5. Virgin Atlantic Partners with EI AI, SAS, Saudia.

Virgin Atlantic will resume service between London and Tel Aviv on September 5. Airbus A330 service will offer connections through Heathrow to 14 U.S. destinations, on 33 daily flights operated by Virgin Atlantic and

shareholder and Joint Venture partner Delta. Virgin Atlantic customers can travel on EL AL from Tel Aviv to Heathrow and connect onward to the U.S., to reach 11 U.S. destinations on 23 daily flights. . . . Virgin Atlantic will also partner with SAS, which formally joins SkyTeam on September 1. Virgin Atlantic joined SkyTeam in March 2023. . . . Under a new code share with SkyTeam member Saudia, Virgin Atlantic customers travelling on flights from the U.S. can purchase seamless onward connections through London Heathrow and Manchester, onto Saudia services to Jeddah and Riyadh.

6. Aer Lingus Cancels Flights in Advance of Industrial Action.

Aer Lingus canceled more than 200 flights, including Dublin to New York, in light of legal notice of industrial action by Irish Airline Pilots' Association (IALPA). "The insidious and indefinite form of IALPA's industrial action is designed to severely disrupt passengers in the peak of the summer season," said the carrier, which automatically rebooked some customers and emailed advice to others. Aer Lingus Regional flights (operated by Emerald Airlines) and Aer Lingus UK transatlantic flights from Manchester were unaffected.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. Delta Resumes Service to Tel Aviv, Taipei

Delta resumed daily nonstop service to Tel Aviv from New York Kennedy, which was temporarily suspended in October 2023, operating the route with an Airbus A330-900neo. Delta customers have been traveling to Israel through a code share arrangement with EL AL. The decision to resume service follows an extensive security risk assessment by Delta, which continues to closely monitor the situation in Israel in conjunction with government and private-sector partners. . . . Delta launched nonstops from Seattle-Tacoma to Taipei, its first operation to Taiwan since 2017.

2. Asia Pacific Airlines Returned to Profitability in 2023.

Financials for 27 Asia Pacific-based carriers reveal a strong rebound in earnings in 2023, following three consecutive years of losses. Preliminary figures released by the Association of Asia Pacific Airlines show combined net earnings of US\$8.8 billion for the calendar year, with healthy demand in leisure and business sectors regionally and worldwide. The lifting of final remaining pandemic-induced travel restrictions facilitated the resurgence, leading to a 130.7% increase in international passenger traffic as measured in revenue passenger kilometers (RPK). International air cargo demand, measured in freight ton kilometers (FTK), saw a 2.8% annual decline, driven by inflationary pressures, a robust U.S. dollar and downturn in demand for goods. The region's carriers recorded a significant operating profit margin of 7.8%, compared to the -9.3% posted in 2022.

3. Fiji Airways to Become 15th Full oneworld Member.

Fiji Airways will complete its transition to full membership in oneworld within the next 12 months. Fiji joined as a connect partner five years ago and has developed cooperative links with all members. Subsidiary Fiji Link will become a oneworld affiliate, with domestic and regional flights. Fiji serves 26 destinations, with 21 aircraft, including Airbus A350s and A330s and Boeing 737s. Andre Viljoen is Managing Director and CEO. Fiji Airways rebranded from Air Pacific in June 2013.

4. Virgin Atlantic Partners with EI AI, SAS, Saudia.

See Section VIII, item 5.

X. AMERICAS

1. American’s Flight Attendants Threaten Crippling Strike.

Association of Professional Flight Attendants (APFA) rejected a proposed 17% pay raise from American Airlines, and called for the company “to put all of its attention towards reaching an agreement with our Union and avoiding a crippling strike.” . . . American Airlines Group urged a federal appeals court to overturn a decision to invalidate the Northeast Alliance (NEA), its partnership with JetBlue, saying the District Court wrongly found “actual and substantial harm to competition,” and “categorically refused to consider the procompetitive benefits of the collaboration.” American said the ruling would prevent it from entering into partnerships for the next 10 years. . . . American placed several employees on leave for their involvement in an incident in which several Black passengers were temporarily removed from a Phoenix-to-New York flight in January because of a complaint about body odor. The men have accused the airline of discriminatory behavior in a federal lawsuit. In 2017, the NAACP issued a travel advisory, warning Black Americans of potential discrimination they could face when flying with American; the advisory was lifted in 2018 “as a result of a commitment to deliver on key stipulations that would prevent future discriminatory acts, one of which was a diversity, equity, and inclusion advisory council,” which later was disbanded. NAACP has encouraged American to revive the advisory panel and “devise a path forward that ensures equitable experiences for all American Airlines customers,” adding, “Without a swift and decisive response, the NAACP will be forced to reinstate an advisory against the airline.”

2. Elliott Invests 1.9 Billion in Southwest.

Elliott Investment Management became one of the largest stakeholders in Southwest Airlines with an investment of \$1.9 billion, and, in a letter to the Southwest Board, opined that the airline’s “poor execution and leadership’s stubborn unwillingness to evolve the company’s strategy have led to deeply disappointing results for shareholders, employees and customers.” Elliott recommended that Southwest “enhance the Board, upgrade leadership and undertake a comprehensive business review,” and said it looked forward “to collaborating with Southwest to restore accountability and best-in-class financial performance.” . . . Southwest responded that its Board “is confident in our CEO and leadership team’s ability to fulfill our strategy to drive long-term value for all shareholders, safely and reliably serve our customers, create new and exciting career opportunities for our employees and serve the interests of all stakeholders,” and expressed willingness to meet with Elliott.

3. **Alaska Airlines, Flight Attendants Reach Tentative Deal.**

Alaska Airlines reached a tentative agreement with its flight attendants, with oversight by the National Mediation Board. The company had said it was “committed to reaching an agreement that pays our flight attendants the increased wages they deserve while also preserving our business model.” . . . Alaska launched seasonal nonstop Boeing 737-8 service between Anchorage and New York Kennedy. At 3,385 miles, the route is the longest in Alaska’s network.

4. **JetBlue Begins Flights to Tulum.**

JetBlue launched daily Airbus A320 service between New York Kennedy and Felipe Carrillo Puerto Tulum International, its third destination in Mexico, where it also serves Cancun and Los Cabos. One-way fares began at \$99.

5. **Frontier Flight Attendants File For Federal Mediation.**

Frontier flight attendants, represented by the Association of Flight Attendants-CWA (AFA), filed for federal mediation with the National Mediation Board for impact bargaining over the carrier’s business model change. “Management’s shift of operational scheduling to over 90% one-day turns drastically impacts flight attendants’ compensation, out of pocket costs, and time at work without additional pay,” said the union. . . . Frontier opened a new crew base at Luis Muñoz Marín International in San Juan, Puerto Rico, where it recently launched 11 new routes. With nonstop service to Barbados and Trinidad beginning in July, Frontier will serve a total of 28 destinations from San Juan.

6. **Sun Country, Amazon Extend Contract to 2030.**

Sun Country extended its contract with Amazon through 2030 with options to further extend through 2037. Under the amended agreement, Sun Country will operate up to eight additional Boeing 737-800 cargo aircraft beginning in early 2025, increasing its cargo operation from 12 to up to 20 freighters. Minneapolis-based Sun Country “deploys shared resources across our synergistic scheduled service, charter, and cargo businesses . . .with flights throughout the United States and to destinations in Mexico, Central America, Canada, and the Caribbean.”

7. **Avianca Resumes 11 U.S. Seasonal Routes.**

Avianca resumed 11 seasonal routes from U.S. cities to tourist destinations in the Americas including Las Vegas and Orlando to San Salvador; Chicago to Guatemala City; Washington, DC to San Jose; New York to San Pedro de Sula, Cartagena, Pereira and Cali; Miami to Cartagena and Cali; and Orlando to Medellín. The flights are operated on A320 family aircraft.

8. **Alaska, British Airways Enhance Partnership.**
See Section VIII, item 1.
9. **FedEx Proposes Workforce Reductions in Europe.**
See Section VIII, item 2.
10. **Lufthansa Adds U.S. Service.**
See Section VIII, item 3.
11. **SAS Adds Copenhagen-Atlanta Route.**
See Section VIII, item 4.
12. **Virgin Atlantic Partners with EI AI, SAS, Saudia.**
See Section VIII, item 5.
13. **Aer Lingus Cancels Flights in Advance of Industrial Action.**
See Section VIII, item 6.
14. **Delta Resumes Service to Tel Aviv, Taipei**
See Section IX, item 1.