



# WASHINGTON AVIATION SUMMARY

## October 2024 EDITION

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

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## **I. REGULATORY NEWS**

### **1. DOT Approves Alaska Airlines' Acquisition of Hawaiian Air.**

The U.S. Department of Transportation (DOT) approved Alaska Airlines' acquisition of Hawaiian Airlines, after securing "binding, enforceable public-interest protections." The two airlines are required to protect the value of rewards, maintain existing service on key Hawaiian routes to the continental United States and inter-island, preserve support for rural service, ensure competitive access at the Honolulu hub airport, guarantee fee-free family seating and alternative compensation for controllable disruptions, and lower costs for military families. . . . Alaska Air Group completed the acquisition and will begin the work of securing a single operating certificate with the Federal Aviation Administration (FAA), which will allow the two airlines to operate as a single carrier with an integrated passenger service system. In the interim, they will continue to operate as separate carriers with no immediate changes to operations and will maintain separate websites, reservation systems and loyalty programs until later in the integration process. Seattle-based Alaska Air Group is now comprised of subsidiaries Alaska Airlines, Hawaiian Holdings, Horizon Air and McGee Air Services. With the acquisition of Hawaiian, the oneworld member serves 140 destinations throughout North America, Central America, Asia and across the Pacific. Hawaiian Airlines' stock was de-listed and ceased trading on the NASDAQ; the combined organization will continue to trade under the ticker ALK on the New York Stock Exchange.

### **2. DOT Begins Probe of Largest U.S. Airlines' Rewards Practices.**

DOT launched an inquiry into the rewards programs of the four largest U.S. airlines, ordering American, Delta, Southwest and United to provide records and submit reports with detailed information about practices and policies. DOT Secretary Pete Buttigieg said the probe is focused on the impact on participating consumers of devaluation of earned rewards, hidden or dynamic pricing, extra fees, and reduced competition and choice. "Our goal is to ensure consumers are getting the value that was promised to them, which means validating that these programs are transparent and fair," he said. In May 2024, DOT and the Consumer Financial Protection Bureau held a public hearing on airline and credit card programs, during which smaller U.S. airlines expressed competition concerns as to how rewards programs are leveraged by the largest airlines. DOT officials have met with 11 U.S. airlines to discuss their rewards programs as part of a larger industry review.

**3. Boeing Workers Strike.**

Boeing employees in the Pacific Northwest went on strike after rejecting a tentative contract that would have increased wages by 25% over four years, rather than a requested 40% over three years. International Association of Machinists & Aerospace Workers (IAM) said it would “make every resource available” to IAM District 751 and W24, with a goal “to get a strong contract that meets the needs of our members.” The parties returned to the bargaining table on September 27, 2024. . . . Boeing initiated a hiring freeze and other cost-cutting initiatives. For the duration of the strike, U.S.-based workers, including executives, will take a week of furlough every four weeks on a rolling basis, said recently named CEO Kelly Ortberg, and he and other executives will take a pay reduction. . . . Ted Colbert, President and CEO of Boeing Defense, Space & Security, was removed with immediate effect, amid division setbacks. A Reuters analysis found \$1.6 billion in overruns since 2016 for the Starliner space capsule project. . . . Boeing appointed former NASA Astronaut Nicholas Patrick as VP and functional chief engineer for Boeing’s new office for Human Factors (HF). Patrick has a PhD in mechanical engineering from MIT.... Boeing agreed to pay Embraer \$150 million to settle a dispute involving thwarted plans to acquire a majority stake in the Brazilian manufacturer's commercial operations.

**4. DOT Names Air Carrier Access Act Advisory Committee Members.**

DOT Secretary Pete Buttigieg appointed 17 members to the re-established Air Carrier Access Act (ACAA) Advisory Committee, which is tasked with assessing existing and emerging access barriers for passengers with disabilities; evaluating the extent to which DOT programs and activities are eliminating disability-related access barriers; and recommending actions to improve the air travel experience of passengers with disabilities. The Committee was established for a five-year period pursuant to the FAA Reauthorization Act of 2018 and extended until September 30, 2028 by the FAA Reauthorization Act of 2024. Appointees represent national disability organizations, air carriers, airport operators, contractor service providers, aircraft manufacturers, wheelchair manufacturers and national veteran organizations representing disabled veterans. The Committee will report its assessment and recommendations to the Secretary.

## II. AIRPORTS

### 1. FAA Announces \$2 Billion in Airport Grants.

FAA announced \$1.9 billion in Airport Improvement Program (AIP) grants for 519 airports, the largest announcement in program history. For the first time, the grants include funding for testing technologies to reduce, mitigate, and remove contaminants caused by Aqueous Film Forming Foam (AFFF) and other per- and polyfluoroalkyl substances (PFAS), also known as “forever chemicals” which can contaminate air, water and soil, and are harmful to human health. Airports receiving grants include: Tucson International (\$55 million), St. Louis/Lambert (\$29.1 million), Los Angeles International (\$15.8 million), and Salt Lake City International (\$15.1 million). Also announced is a \$2.9 million Military Airport Program (MAP) grant for Tipton Airport in Maryland, for construction of a new terminal. The MAP program provides grants for converting former military airfields to public use. . . . An additional \$269 million was announced in FY 2023 Supplemental Discretionary Grants to fund 62 projects at 56 U.S. airports; this is a competitive grant program under AIP. Airports include: St. Louis Lambert (\$20 million), San Francisco Bay Oakland International (\$18 million), Salt Lake City International (\$14.5 million), Kahului Airport (\$14.3 million), and Dallas Love Field (\$10 million).

### 2. ACI World Guide for Integrating Accessibility Into Airport Facilities.

“Airports and Accessible Travel: A Practical Guide” was released by Airports Council International (ACI) World. Building on ACI’s ‘Persons with Disabilities Handbook,’ the guidance provides best practices for integrating accessibility into airport facilities and includes practical recommendations, case studies and strategies for barrier-free design, accessible procedures, and services for passengers with visible and non-visible disabilities, while also focusing on staff training. The guide was developed with accessibility advocacy groups, with financial support of InterVISTAS Consulting and Amadeus. The launch coincides with the International Civil Aviation Organization (ICAO) Year of Facilitation, aiming to enhance global awareness and underscore the importance of facilitation in the aviation sector. ACI has also developed the Accessibility Enhancement Accreditation (AEA) program, which helps airports measure, evaluate and enhance their accessibility management and culture; over 50 airports have joined the initiative.

### 3. FAA Comits \$290 Million for New Runway at Charlotte Douglas.

FAA committed \$290 million in AIP funding to Charlotte Douglas International to assist with development of a new fourth runway, and completion of north and south end-around taxiways and other airfield improvements. According to the

city's benefit-cost analysis, without this new runway, average aircraft delays will increase by 58%, or 12 minutes over the next 15 years. Since Charlotte has the highest share of connecting passengers of any U.S. airport, a fourth runway decreases the chance of delays that could create system-wide impacts for travelers. Also, said FAA, the project will improve safety by addressing an area of increased risk of collision or runway incursion by standardizing the airfield's geometry. The project broke ground in June 2023; construction to be completed by fall of 2027.

4. **DFW Starts Work on \$9 Billion Capital Plan.**

Dallas Fort Worth began major work on a nearly \$9 billion capital improvement plan, which includes 180 projects in various stages of planning, development and construction throughout the airfield, terminal and roadway systems. Terminal C will be rebuilt, a \$3 billion project with American Airlines and other partners, with overall completion expected in 2030. A new Terminal F will include 15 gates, a Skylink station, modernized systems and expanded concessions, as well as the International Parkway Modernization project. Other large projects include a third end-around taxiway. DFW served over 80 million passengers in 2023.

5. **Southwest Florida Expansion Wins County Approval.**

A \$1 billion, 14-gate terminal at Southwest Florida International, in Fort Myers, was approved by Lee County Commissioners. The project includes upgrades to taxiways and utilities. Delta, American, JetBlue, Southwest and United are among airlines serving the airport.

6. **Atlanta Opens First Six Gates of Concourse D Project.**

Hartsfield-Jackson Atlanta completed Phase 1 of its Concourse D Widening Project and opened the first six gates, which are used by Delta. Each gate can handle up to 190 passengers per flight. Phase 2 of the project, construction of the next five modules, will be completed by end of 2025.

7. **Austin-Bergstrom Plans Terminal Expansion.**

Austin-Bergstrom is planning an extension of the Barbara Jordan Terminal; the \$865 million project is expected to be completed by end of 2029. A 20-gate concourse opening in 2030 will connect to the terminal by underground pedestrian tunnel.

8. **Santiago Expands Domestic Terminal.**

The President of Chile was among dignitaries inaugurating the new T1-A building at Santiago's Arturo Benítez International Airport. The \$20 million expansion of the Domestic Terminal (T1) includes eight new boarding gates and

is part of a modernization project that will include refurbishment of boarding and arrival zones, a new baggage claim area and concessions. The number of gates will increase from 22 to 40, bringing capacity to 20 million passengers annually. Completion is expected at end of 2025.

**9. Amsterdam Schiphol Plans \$7.5 Billion in Upgrades.**

Amsterdam Schiphol plans to invest \$7.5 billion over the next five years “to improve its infrastructure, working conditions and service towards passengers and airlines.”

**10. Brisbane Unveils International Terminal Transformation.**

Due to the need to upgrade security screening equipment to meet Australian government standards by end of 2025, Brisbane Airport is undertaking major work in its International Terminal, “Queensland’s gateway to the world.” The project includes advanced self-service technology at bag drop and check-in. The airport plans an a \$3.5billion transformation over the coming decade that includes upgrades to the Domestic Terminal, construction of Terminal 3, and “extensive commercial, retail and industrial projects across the precinct.” In FY24 the International Terminal handled 5.6 million passengers, up 39% on previous year. In October, American Airlines will bring direct flights from Dallas-Fort Worth, and in December, Delta will begin direct flights from Los Angeles.

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

1. **DOT Orders FAA Cybersecurity Audit.**

The DOT Office of Inspector General (OIG) is conducting a cybersecurity audit to assess whether FAA has selected and implemented required security controls for its high-impact systems and is mitigating potential vulnerabilities.

2. **Qatar Accepted into U.S. Visa Waiver Program.**

The Department of Homeland Security (DHS) and the State Department designated Qatar into the Visa Waiver Program (VWP), saying collaboration and information sharing will significantly enhance U.S. security interests and encourage legitimate travel and commerce between the two nations. Designated countries must extend reciprocal entry privileges to all U.S. citizens and nationals and work closely with U.S. law enforcement and counterterrorism authorities. U.S. citizens already have visa-free travel to Qatar, and beginning October 1 will be eligible to stay in Qatar for up to 90 days instead of the previous 30-day limit. Qatar will be the 42nd member of the VWP and is the first Gulf country to enter the program.

3. **TSA Proposes Phased Approach for REAL ID Enforcement.**

The Transportation Security Administration (TSA) proposed phased enforcement of REAL ID compliance after the May 7, 2025 deadline. The proposed rule would also require agencies to coordinate plans with DHS, make the plans publicly available, and achieve full enforcement by May 5, 2027. Comments due by October 15, 2024.

4. **Update on August Port of Seattle Cyberattack.**

Port of Seattle refused to pay ransom demanded by a criminal organization that claimed responsibility for an August cyberattack that led to a system outage at Seattle-Tacoma International and maritime facilities. A Port investigation found “the unauthorized actor was able to gain access to certain parts of its computer systems and was able to encrypt access to some data.” Services including baggage, check-in kiosks, ticketing, Wi-Fi, passenger display boards and reserved parking were affected. Most systems were back online within a week, “though work to restore some systems like our external website and internal portals is ongoing.”

## **IV. TECHNOLOGY AND EQUIPMENT**

### **1. United, Hawaiian Offer Starlink Inflight Connectivity.**

Hawaiian is now offering Starlink's high-speed, low-latency Wi-Fi on all Airbus-operated flights between the islands and the continental U.S, Asia and Oceania. United will offer the service on mainline and regional aircraft following testing, which begins in early 2025. The free gate-to-gate connectivity provides access to live TV and streaming services, social media, shopping and gaming on seatback screens and personal devices simultaneously. Starlink, engineered by SpaceX, delivers internet access around the world, including over oceans, polar regions and other remote locations previously unreachable by traditional cell or Wi-Fi signals.

### **2. Delta Renews Travelport Agreement with NDC Integration.**

Delta extended its full content agreement with Travelport and will make its New Distribution Capability (NDC) technology solution available to all Travelport agency customers.

### **3. Turkish Airlines Expands NDC Program.**

Turkish Airlines content is no longer available on Sabre-connected channels. The carrier enhanced its NDC compliant TKCONNECT platform through a strategic partnership with content aggregators Travelfusion, Verteil, DRCT, Mystify, Nuaa, Nuflights and Theta.

### **4. Jewel Changi, Trip.com Partner to Boost Tourism.**

Jewel Changi Airport and Trip.com announced a three-year partnership aimed at promoting travel to Singapore and to the airport, which counts among its attractions the Jewel Rain Vortex, a seven-story waterfall that becomes a light and music show at night.



## V. ENERGY AND ENVIRONMENT

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

Average price of aviation jet fuel for week ending September 13 was \$84.25 per barrel, down 10% on prior month's average, and down 25% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

### 2. IATA Matchmaker Platform for Airlines and SAF Suppliers.

Several developments were announced at the World Sustainability Symposium held by the International Air Transport Association (IATA) in Miami. . . . IATA will create the Sustainable Aviation Fuel (SAF) Matchmaker to link airlines and SAF suppliers. SAF producers and suppliers can post available or planned volumes and airlines can register interest. Subsequent trades will take place outside the platform. The platform will carry information on SAF, such as feedstock used, location and technology of production, emissions reductions and compliance with the Carbon Offsetting Reduction Scheme for International Aviation (CORSIA) or the European Union's Renewable Energy Directive (EU RED). Launch expected first quarter 2025. . . . Updated Policy and Finance Net Zero Roadmaps make it clear that decarbonization by 2050 is possible, said IATA Director General Willie Walsh, but "sound a warning bell that all stakeholders, particularly policymakers, must collaborate more broadly and act with greater urgency. To be successful, we need clear policy and financial frameworks that will support air transportation's needs in a way that is realistic and coherent with the massive changes that must take place simultaneously in all economic sectors." . . . Airlines can buy Eligible Emissions Units (EEU) at a procurement event scheduled for last quarter 2024 on the Aviation Carbon Exchange. EEUs will be useable by airlines in fulfilling CORSIA Phase 1 offsetting obligations, which cover traffic for the period 2024-2026. The EEUs must be canceled by January 31, 2028. The event provides a procurement opportunity amid ongoing scarcity of CORSIA eligible EEUs. At present, the State of Guyana is the only source of such EEUs. The event is being organized by IATA with the State of Guyana, Mercuria, and Xpansiv and is open to all airlines. . . . Delta will use and contribute operational data to the IATA CO2 Connect emissions calculator, for passenger and cargo flights. Delta will contribute fuel-burn data from its 4,000 daily flights—the largest of the over 40 airlines that currently contribute operational data to IATA CO2 Connect.

## VI. U.S. CONGRESS

### 1. House Hearing on FAA Oversight of Boeing Systems.

A hearing on FAA's oversight of Boeing's production and manufacturing systems was held by the House Transportation Committee and Aviation Subcommittee. In his testimony, FAA Administrator Michael Whitaker outlined steps taken to strengthen oversight procedures since the January 5 Alaska Airlines Flight 1282 exit door blowout. Going forward, the agency is looking at data to provide more real-time insight into emerging safety trends "and to share relevant data across the various components of our safety ecosystem." Both the Administrator and Deputy Administrator will serve on the FAA Executive Committee that oversees regulatory oversight and safety management programs, to underscore the importance of promoting an effective safety culture at every level of the agency. Safety inspectors at Boeing and Spirit AeroSystems facilities are providing direct feedback on Boeing's proposed changes and monitoring key performance indicators (KPIs) to identify potential system risks. FAA is closely reviewing the KPIs to monitor Boeing's production system health and will independently assess early indicators of risks within the system. Hundreds of other FAA personnel are monitoring the in-service fleet, overseeing Boeing's Organization Designation Authorization, and conducting certification activities.

### 2. Senate Hearing on "FAA Oversight of Boeing's Broken Safety Culture."

The Senate Homeland Security Committee's Permanent Subcommittee on Investigations (PSI) heard testimony on September 25, from FAA Administrator Michael Whitaker at a hearing on "FAA Oversight of Boeing's Broken Safety Culture." Earlier hearings featured testimony from Boeing whistleblowers and former Boeing CEO Dave Calhoun. Whitaker said FAA's Whistleblower and Safety Hotline programs are a priority for him, and that "Boeing must maintain its own robust safety reporting programs and promote a safe and proactive reporting culture within its organizations," which "FAA will continue to closely monitor." After the Alaska Airlines Flight 1282 incident, FAA increased oversight activities, capping production of the 737 MAX to achieve system stability and compliance with required quality control procedures; adding FAA safety inspectors on-site at all Boeing manufacturing facilities; and commissioning an independent analysis of potential safety-focused reforms around quality control and delegation. Whitaker directed Boeing to develop an action plan to address systemic quality control and production issues, and said he is directly engaged to ensure Boeing executes the necessary changes. In a meeting with new CEO Kelly Ortberg, Whitaker reemphasized "our expectations that these changes must be sustained in the long term. We will also remain engaged with the

Department of Justice (DOJ) to expeditiously provide notice, in real-time, of any activities that may be criminal so that DOJ can take any action they deem appropriate. We have added more safety inspectors in the Boeing and Spirit AeroSystems facilities, and we will maintain our increased on-site presence for the foreseeable future.” Whitaker added that FAA is reevaluating its own safety management programs and other internal safety oversight initiatives. Subcommittee Chairman Richard Blumenthal suggested a need for more urgency. Whitaker said it would be impossible to have company-wide culture change in a matter of months. “It’s going to be a long haul,” he told reporters.

**3. House Bipartisan Aviation Safety Caucus Launched.**

The House Aviation Safety Caucus was launched in Congress on September 11, on the 23rd anniversary of the 9/11 terrorist attacks, “to work on legislative solutions to maintain America’s high safety standards and respond to new security challenges.” The bipartisan group champions the “Safer Skies Act,” introduced in August, which aims to close loopholes that currently allow ticketed charter flights (Part 135 and Part 380 operators) to skirt post-9/11 security screening standards. The legislation is supported by pilot and flight attendant unions.

**4. Senate Committee Hearing on Aviation Cybersecurity Threats.**

The Senate Commerce Committee held a hearing to examine cybersecurity threats faced by airports and airlines, impacts and disruptions to passengers, and how the U.S. aviation sector can boost resiliency to protect against cyberattacks. Witnesses at the hearing, titled “Aviation Cybersecurity Threats,” included representatives from Airlines for America (A4A), Seattle-Tacoma International Airport, which experienced a disruptive ransomware attack in August, and National Consumers League. “The reality is stark: our aviation industry is under constant threat from cyberattacks, up 74% since 2020,” said Committee Chair Maria Cantwell (D-WA.). The hearing focus was “on the need to invest in resilient and redundant information technology systems at airports and airlines to better protect against cybersecurity threats, safeguard passengers’ and employees’ personal data—including credit card and frequent flyer accounts—and ensure consumers have the tools they need to recover when they are harmed.” The need for government to proactively prioritize dissemination of timely and actionable cyber threat information, including classified briefings, as well as two-way sharing of information, was stressed. A4A urged Congress and the Administration to prioritize harmonization of cybersecurity incident reporting requirements. “The current practice of requiring multiple reports to different federal agencies is a significant and unnecessary burden on industry that reduces the effectiveness of voluntary and mandatory reporting frameworks and increases the likelihood of noncompliance,” said A4A.

**5. House Hearing on CrowdStrike-Caused Global IT Outage in July.**

The House Homeland Security Subcommittee on Cybersecurity and Infrastructure Protection held a hearing to examine the faulty CrowdStrike cybersecurity software update that caused a global information technology outage on July 19, in which about 8.5 million devices crashed. “The good news is that since this was not due to a cyberattack, we can learn from this incident,” said Committee Chairman Mark Green, MD (R-TN). Adam Meyers, CrowdStrike Senior Vice President, Counter Adversary Operations, described steps taken to resolve the incident and prevent future outages. He also described CrowdStrike’s efforts to prevent cyberattacks, describing threats from “nation-state adversaries, issue-motivated ‘hacktivists,’ and sophisticated eCrime actors motivated by profit.” . . . CrowdStrike expects a \$60 million revenue impact for full fiscal year, due to the July incident, and said sales have not recovered.

**6. Senate Committee Passes “Accountability in Screening Act.”**

The “Enhanced Oversight and Accountability in Screening Act” was passed by the Senate Homeland Security and Governmental Affairs Committee. The bill would require DHS to provide Congress with a plan to “reform the redress process and improve the experience of individuals who believe they have been wrongly subjected to additional screenings or have experienced delays in travel.” The bill establishes a DHS Screening and Watchlisting Advisory Committee, comprised of both governmental and non-governmental representatives, to advise the Secretary on development, refinement, implementation and evaluation of security processes. To enhance transparency, the bill also mandates the DHS Secretary to provide Congress with a report assessing the effectiveness of secondary screenings and inspections by TSA and U.S. Customs and Border Protection. “Americans who pose no threat to national security should not face a maze of travel screenings and a flawed redress process,” said Committee Chair Gary Peters (D-MI). This legislation “will bring more transparency and accountability to our travel screening practices to ensure that the government is effectively protecting the nation, and agencies can carry out their missions while also protecting the civil rights and civil liberties of travelers.”

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

### **1. U.S., Fiji Sign Open Skies Agreement.**

The United States and Fiji signed an Open Skies Air Transportation Agreement, which includes unrestricted capacity and frequency of services for passenger and all-cargo carriers, open route rights, an open charter regime, self-handling provisions, and open code sharing opportunities. Under the agreement, which entered into force upon signature, Fiji Airways plans to launch nonstops between Dallas and Fiji in December.

## VIII. EUROPE AND AFRICA

### 1. New European Transport Commissioner Named.

Apostolos Tzitzikostas was nominated to be the new EU Commissioner for Sustainable Transport and Tourism, tasked with strengthening competitiveness, with a special focus on investment, decarbonization, and cross-border connectivity. He is the governor of Central Macedonia and former president of the European Committee of the Regions. . . . Airlines for Europe (A4E) urged Tzitzikostas to “adopt a pragmatic regulatory approach that prioritizes a strong and competitive European airline industry, best positioned to accelerate progress towards net zero carbon emissions.”

### 2. American Adds Summer Service to Europe.

American will offer new summer service with daily nonstops from Chicago to Madrid from March; Philadelphia to Edinburgh and Milan from May; Charlotte to Athens from June; and Miami to Rome in July.

### 3. Delta Adds Transatlantic Service for Summer 2025.

In May, Delta will launch four-times-weekly service from Atlanta to Naples, Minneapolis-St. Paul to Rome, Boston to Milan, and Detroit to Dublin, as well as three-times-weekly from Boston to Barcelona, and Atlanta to Brussels. Delta will be the first U.S. airline to offer direct flights to Catania, in Sicily, with daily nonstops from New York Kennedy. Delta will increase service from Atlanta to Athens, and Detroit to Munich.

### 4. Delta, SAS Sign Code Share Agreement.

Delta and SAS (Scandinavian Airlines System), flag carrier of Denmark, Norway, and Sweden, signed a code share agreement with reciprocal code share and frequent flyer benefits. Delta customers flying from North America gain additional access to 50 destinations in Northern Europe beyond SAS hubs in Copenhagen, Oslo and Stockholm. SAS customers gain access to 150 destinations in North America via Delta hubs in Atlanta, Boston, Los Angeles, New York and Seattle. . . . SAS left the Star Alliance and on September 1 joined SkyTeam. Code share and other agreements are in place with Air France-KLM. . . . SAS will begin five weekly Copenhagen to Seattle summer flights on May 21. . . . SAS and Braathens Regional Airways signed a long-term wet lease partnership “aimed at securing reliable and efficient domestic air connectivity within Sweden.”

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

### **1. Cathay Pacific to Launch Dallas Fort Worth Nonstops in April.**

Cathay Pacific will launch four weekly Airbus A350-1000 nonstops on April 24 from Hong Kong to Dallas Fort Worth, its sixth passenger destination in the United States. Cathay Pacific is increasing frequencies on North America passenger services in 2025, including three flights per day to New York, San Francisco and Los Angeles and daily flights to Boston and Chicago.

### **2. Emirates to Roll Out Refurbished B-777s to Six U.S. Cities.**

Emirates will introduce refurbished four-class Boeing 777s on flights to Chicago, Boston, Dallas Fort Worth, Seattle and linked routes Miami/Bogota and Newark/Athens, from October through early 2025. The four-class aircraft feature six or eight first class suites, 38 or 40 business class seats in a 1-2-1 arrangement, 24 seats in premium economy, and 256 economy class seats.

### **3. Qantas Launches Melbourne-Honolulu Flights.**

Qantas will launch three weekly Airbus A330 flights from Melbourne to Honolulu in May; the Jetstar unit ends twice weekly Dreamliner 787 flights on the route from April 30. Qantas discounted 50,000 seats on routes including Sydney and Brisbane to Los Angeles, and Melbourne to Honolulu and Dallas, for travel between October 2024 and June 2025.

### **4. Qatar Accepted into U.S. Visa Waiver Program.**

See Section III, item 2.

### **5. U.S., Fiji Sign Open Skies Agreement.**

See Section VII, item 1.

## **X. AMERICAS**

### **1. Southwest to Offer Assigned Seating, Partnerships with Intl. Airlines.**

Southwest announced new revenue-generating initiatives that include assigned seating, with rollout in first half 2026 and sales to begin in 2025. Extra legroom options will feature up to five additional inches of pitch for a third of seats. Partnerships with international carriers will begin with Icelandair in 2025 for flights via Baltimore-Washington International. “Redeye” flying in key markets begins in February 2025, and “Getaways by Southwest” will offer vacation packages. . . . A multi-year financial plan is “expected to deliver an estimated \$500 million run rate of cost savings in 2027, by minimizing hiring, optimizing scheduling efficiency, capitalizing on supply chain opportunities, and improving corporate efficiency.” Southwest is “pursuing opportunities to monetize the value of its fleet order book and drive a significant fleet modernization, with the goal of achieving an average fleet age of just five years in 2031.” The Board of Directors approved a \$2.5 billion share repurchase program. . . . Southwest announced a Board refreshment, which includes six retirements in November and Executive Chairman Gary Kelly’s retirement at the 2025 Annual Meeting, the appointment of three new independent Directors, and the naming of new Committee Chairs and a new Lead Independent Director. Robert “Bob” Fornaro joined the Board; the industry veteran has served as President and CEO of Spirit Airlines and AirTran Holdings. . . . Fornaro expressed confidence in Southwest CEO Bob Jordan, who is a target of Elliott Investment Management’s efforts to revamp the airline. Elliott manages funds that together have an investment representing an approximately 11% economic interest in Southwest.

### **2. American Airlines Flight Attendants Ratify New Agreement.**

American Airlines flight attendants ratified a new five-year contract, which provides “immediate wage increases of up to 20.5%, along with significant retroactive pay to address time spent negotiating,” said the Association of Professional Flight Attendants (APFA); this is the first unionized workgroup to lock in pay for boarding. . . . Flight attendants at PSA voted to authorize a strike. The regional is a wholly-owned subsidiary of American Airlines Group. They want “double-digit base pay increases, increased pay for time at work including boarding, sick leave, work rule improvements, and more,” said Association of Flight Attendants-CWA (AFA-CWA), which filed for federal mediation in January. A management proposal fell “far short of the cost of living and increases at mainline carriers,” said AFA.



**3. JetBlue Expands ‘JetForward’ Premium Offering Strategy.**

JetBlue will open its first airport lounges in 2025. Plans for an 8,000 sq. ft. lounge at New York Kennedy Terminal 5 and 11,000 sq. ft. space at Boston Logan Terminal C are part of its “JetForward” strategy “which seeks to meet the growing demand for premium offerings.” A new premium credit card with complimentary lounge access will be introduced, as well. JetBlue will offer Mint service on weekends to Bozeman starting in February, during the Montana ski season, from Boston and New York, and recently expanded Mint offerings from New York Kennedy to Vancouver and San Juan. . . . Ben Baldanza resigned from the JetBlue Board for personal reasons, after serving since 2018. The recipient of this year’s Wright Brothers Memorial Trophy, Baldanza began his career at American Airlines and helped develop the first hub-and-spoke and frequent flier system, notes the National Aeronautic Association. In 2005, he joined Spirit Airlines as President and CEO, “intending to drive down prices for travelers and create an avenue for middle-class and working-class Americans to fly to leisure destinations. His success in promoting the unbundling airplane model made travel more accessible to millions.” . . . Sean Menke joined the JetBlue Board. Menke most recently held executive positions at Sabre. He earlier served as CEO at Frontier and Pinnacle and held senior level positions with Air Canada and Hawaiian.

**4. Frontier Flight Attendants Vote to Authorize Strike.**

Frontier flight attendants voted to authorize a strike. AFA filed for federal mediation in May, after issuing formal notice to management that a new business model “constitutes a dispute under the Railway Labor Act, separate from regular contract negotiations.” Management refuses to negotiate over the impact of the change, said AFA. No strike date has been set.

**5. Air Canada, Pilots Reach Tentative Agreement.**

Air Canada reached a tentative, four-year collective agreement with its pilots. If ratified, it “will generate an approximate additional \$1.9B of value for Air Canada pilots over the course of the agreement,” said Air Line Pilots Association (ALPA).

**6. DOT Approves Alaska Airlines’ Acquisition of Hawaiian Air.**

See Section I, item 1.

**7. Qatar Accepted into U.S. Visa Waiver Program.**

See Section III, item 2.

**8. U.S., Fiji Sign Open Skies Agreement.**

See Section VII, item 1.

9. **American Adds Summer Service to Europe.**  
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10. **Delta Adds Transatlantic Service for Summer 2025.**  
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