



# WASHINGTON AVIATION SUMMARY

## February 2025 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. **Sean Duffy Confirmed as DOT Secretary.**

Sean Duffy was confirmed as Secretary of Transportation, having been nominated by newly inaugurated President Donald Trump. Duffy was a member of the U.S. House of Representatives (R-WI) from 2011 to 2019, after serving as District Attorney of Ashland County, Wisconsin; he also hosted a Fox Business News TV show. . . . “Sean Duffy’s bipartisan confirmation vote is a testament to his character and the confidence the Senate has in how he will lead the U.S. Department of Transportation (DOT) and advance America’s transportation infrastructure,” said Airlines for America (A4A), adding, “Many challenges face the aviation industry—the air traffic controller staffing shortage, aging FAA technologies, capacity constraints and more—so it is vital that the DOT has a strong leader focused on tackling these critical issues.”

### 2. **Military Black Hawk Crashes with AA5342 Pax Flight Inbound to DCA.**

An Army helicopter collided with American Eagle Flight 5342, crashing both into the Potomac River near Washington Reagan (DCA) on January 29<sup>th</sup>. Following immediate and massive search and rescue attempts by emergency responders, none of the 64 people on the passenger plane and three (3) aboard the helicopter survived. The regional jet operated by PSA Airlines was arriving at DCA from Wichita Dwight D. Eisenhower National (ICT). The military helicopter, a UH-60 Blackhawk based at Fort Belvoir in Virginia, was conducting an annual proficiency night training flight. The FAA, NTSB, and DOD have announced comprehensive investigations to determine the cause of the crash. Following the crash President Trump announced that he had appointed Chris Rocheleau as acting FAA Administrator. Rocheleau served at the FAA for more than 20 years and most recently was COO of the National Business Aviation Association (NBAA).

### 3. **DOT Inspector General Abruptly Fired.**

DOT Inspector General (IG) Eric Soskin was among 18 IGs fired by President Trump. Soskin, like several other fired IGs, was appointed by Trump in his first term. The firings are being contested as violating a statute that requires presidents to communicate to Congress the reason for an IG’s removal at least 30 days in advance of the removal with specific reasons for the firing. Senate Judiciary Committee Chairman Chuck Grassley (R-IA) and Ranking Member Dick Durbin (D-IL) asked Trump, in a letter, to provide that rationale, to “share the names of each official who will serve in an acting IG capacity

[and] to quickly nominate qualified and nonpartisan individuals to permanently fill the current IG vacancies.”

4. **Presidential Actions Include DOT, FAA, DHS Programs.**

Other personnel actions by Trump affecting aviation include a freeze on hiring federal civilian employees. The DOT Secretary and the Administrator of the Federal Aviation Administration (FAA) were ordered “to immediately return to non-discriminatory, merit-based hiring”; rescind diversity, equity and inclusion (DEI) initiatives; and review performance of individuals in critical safety positions and take appropriate action to ensure that anyone “who fails to demonstrate requisite capability is replaced by a high-capability individual.” . . . Agencies were ordered to remove statements, policies, forms or other messages that “promote or otherwise inculcate gender ideology.” Departments that issue passports, visas and Global Entry cards are required to modify documents to reflect an individual’s sex, as defined by reproductive cells at conception. “It is the policy of the United States to recognize two sexes, male and female,” said the White House. . . . Members of the Aviation Security Advisory Committee, within the Department of Homeland Security, were terminated. Mandated by Congress after the 1988 terrorist attack on Pan Am flight 103 over Lockerbie, the Committee was made permanent by the Aviation Security Stakeholder Participation Act of 2014. . . . Regarding regulation, proposed rules are to be reviewed and approved by Trump appointees, and rules already sent to but not published in the Federal Register were withdrawn to be reviewed and approved. . . . House Democrats, led by Transportation & Infrastructure Committee Ranking Member Rick Larsen (D-WA) wrote to Duffy regarding Executive Orders (EOs) affecting infrastructure spending rules and air traffic controller staffing that “are sowing chaos in an industry that counts on long-term certainty and will raise project costs.” They asked Duffy to provide clear guidance on DOT’s plans to implement objectives with respect to infrastructure spending and eligibilities; make publicly available on DOT’s website an up-to-date list of grants subject to or under review pursuant to the EOs; communicate to Congress in advance of changes to grant solicitations or grant requirements, including reissuance of Notices of Funding Opportunity; and provide clarity to project sponsors on how to demonstrate compliance with the longstanding and routinely reauthorized DOT Disadvantaged Business Enterprise.

5. **DOT Fines JetBlue, Frontier, Southwest for Chronic Flight Delays.**

DOT announced a \$2 million penalty against JetBlue for operating four chronically delayed flights at least 145 times in 2022 and 2023, the first instance of such fines. Cancellations are included as delays within the calculation. JetBlue must pay \$1 million of the fine in cash to the U.S.

Treasury, and the remainder to affected passengers. Under DOT rules, a flight is chronically delayed if it is flown at least 10 times a month and arrives more than 30 minutes late more than 50% of the time. . . . DOT fined Frontier \$650,000 for operating three chronically delayed flights in 2022 and 2023 at least 63 times, with \$325,000 to be paid to the U.S. Treasury and the remaining \$325,000 to be suspended if the carrier does not operate chronically delayed flights in the next three years. . . . The Department of Justice and DOT sued Southwest in the U.S. District Court for the Northern District of California for holding out two chronically delayed flights, one between Chicago Midway and Oakland and another between Baltimore and Cleveland, that resulted in 180 flight disruptions between April and August in 2022; each flight was chronically delayed for five straight months. The lawsuit seeks maximum civil penalties.

6. **DOT Fines Lufthansa, Swiss for Code Share Violations.**

DOT fined Lufthansa \$220,000 and its Swiss unit \$200,000 for operating multiple flights carrying United's designator code in regions in which an FAA flight prohibition was in effect for U.S. operators. The flights occurred between February 2022 and April 2024.

7. **FAA Monitors Boeing Progress.**

Prior to stepping down, former Administrator Mike Whitaker said FAA is actively monitoring Boeing's progress in executing a comprehensive plan in the areas of safety, quality improvement and effective employee engagement and training. FAA safety experts continually review the effectiveness of the changes; senior FAA leaders meet with Boeing weekly to review their performance metrics, progress and challenges they're facing. "We have conducted an unprecedented number of unannounced audits and we conduct monthly status reviews with Boeing executives to monitor progress," he added. "Our enhanced oversight is here to stay." . . . Separately, Airbus delivered 766 commercial aircraft in 2024, while Boeing delivered 348.

## II. AIRPORTS

### 1. \$332 Million in Grants Announced to Modernize Airports in 32 States.

FAA announced more than \$332 million for 171 grants across 32 states, through the Airport Infrastructure Grants (AIG) program, which can be used for airport planning, development, sustainability, terminal expansions, baggage system upgrades, runway safety enhancements, and noise compatibility projects. Airports receiving funding include Phoenix Sky Harbor, \$84.3 million to construct a new 2,100-foot Taxiway U and bridge to accommodate more aircraft operations.

### 2. Terminal B at Houston Bush Closed Until 2026.

The Terminal B lobby at Bush Intercontinental has temporarily closed and is expected to reopen in 2026, announced United and City of Houston, who are collaborating on a \$2.5 billion redevelopment project. Passengers are directed to check in at Terminal C. Terminal B will be expanded to include ground-level check-in and baggage claim areas, with three times more curb frontage and 22 new gates. The concourse will also feature “the largest United Club in the world.”

### 3. Remodel Approved for Palm Springs International.

Palm Springs City Council approved an Airport Master Plan conceptual development plan, which includes construction of seven new gates, a rental car center, a Federal Inspection Station to offer international travel, and an expanded baggage claim. Construction could start by 2027, with initial work ready for use by early 2030s. The Master Plan outlines size, scale, and location of airport components like terminals and parking, but does not include design or funding plans. The airport handled 3.2 million passengers in 2024.

### 4. Atlanta Remains World’s Busiest Airport.

Atlanta Hartsfield-Jackson was the world’s busiest global (international and domestic capacity) airport in 2024, reports OAG. Dubai International ranked second and led in international capacity. Tokyo Haneda ranked third, followed by London Heathrow, Dallas Fort Worth, Denver International, Guangzhou Baiyun, Istanbul, Shanghai Pudong and Chicago O’Hare.

### 5. UK Supports Heathrow Expansion.

The UK government supports and is inviting proposals for a third runway at Heathrow, said Chancellor of the Exchequer Rachel Reeves, and “will move at speed to review the Airports National Policy Statement [which] provides the

basis for decision making on granting development consent for a new runway at Heathrow, to ensure that any scheme is delivered in line with our legal, environmental and climate obligations.” In response, the International Air Transport Association (IATA) noted that Heathrow’s charges remain among the highest in the world, and said, “today’s airline users should not be saddled with costs that should be borne by the airport’s shareholders and the eventual users of new capacity.” . . . Heathrow handled a record 83.9 million passengers in 2024, three million more than previous record, in 2019, and had its busiest December, with seven million passengers. Heathrow forecasts 84.2 million passengers for full year 2025, and said it will invest over £1 billion this year “to make the airport fit for the future.”

**6. New Runways Open at Chinese Airports.**

Three new runways opened at Chinese airports in January. Guangzhou Baiyun opened its fourth runway, which, at 3,400 meters long by 45 meters wide, will enable the airport to “increase peak-hour capacity, save time for aircraft waiting outside the runway, further improve the normalcy of the airport's flights, and upgrade the travel experience for passengers,” reports the Chinese press. Harbin International opened its second runway and Wuhan Tianhe opened its third. Guangzhou Baiyun is building a fifth runway, which will make it the world's largest airport, able to handle 140 million passengers and six million tons of cargo and mail a year.

**7. Hong Kong Traffic Surpassed Pre-Pandemic Levels in 2024.**

Daily flight movements at Hong Kong International in 2024 surpassed pre-pandemic levels, with the “new era of three-runway operation,” a reconfiguration that enabled aircraft movements to gradually increase to match demand. “The 3RS will provide impetus for the Airport City development,” said Fred Lam, Chairman of Airport Authority Hong Kong. Rebranded as “Skytopia,” Airport City is envisaged as “a destination integrating commercial activities, popular culture, art trading, entertainment and leisure, featuring projects that capitalize on the unique advantages of Hong Kong and leverage the land and marine resources near the airport.”

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

#### 1. **Kristi Noem Confirmed as DHS Secretary; Pekoske Fired.**

South Dakota Governor Kristi Noem was confirmed as the eighth Secretary of the Department of Homeland Security (DHS). A rancher, farmer and small business owner, Noem served in the South Dakota legislature and in the U.S. House of Representatives. Troy Edgar was nominated to be Deputy Secretary of Homeland Security. . . . David Pekoske was dismissed from his position as Administrator of the Transportation Security Administration (TSA) by the Trump transition team. Nominated by Trump in 2017, he served a five-year term and was re-nominated by President Joe Biden for a second five-year term in 2022.

#### 2. **TSA: 2024 Year in Review.**

TSA screened 904 million passengers in 2024, up 5% from 2023 and 17% from 2022; screened 494 million checked bags and two billion carry-on items; prevented 6,678 firearms (94% of them loaded) from getting into secure areas of airports and onboard aircraft; and added 14 new airlines, enrolled 3.3 million new members, and renewed 2.1 million members in its PreCheck Trusted Traveler Program, for a total of 20 million. “In the face of record travel volumes and evolving threats to transportation, our workforce has risen to every challenge by remaining agile with unwavering professionalism, ensuring the safety of the traveling public and security of our transportation systems,” said former TSA Administrator David Pekoske.

#### 3. **Advanced Imaging Technology Tested.**

Advanced Imaging Technology for airport passenger screening is being developed and tested by TSA and the Science and Technology Directorate (S&T), both DHS units. Among projects are the ‘Screening at Speed Program,’ in which High Definition-Advanced Imaging Technology (HD-AIT) uses non-harmful radio or millimeter waves to penetrate fabrics to screen for concealed objects, including non-metallic objects that traditional metal detectors cannot detect. Data is processed by an algorithm that protects passenger privacy and provides results on a generic representative human figure for Transportation Security Officers (TSOs) to review. The algorithm will alert the TSO that an anomaly has been detected by presenting identifiers on the image, so they can conduct secondary screening as needed. Integrating HD-AIT into standard airport screening lanes could allow passengers to keep light sweaters, jackets and shoes on during screening, and make detection and identification of threats easier while reducing false alarms. “The more forward leaning Real-

Time AIT may eventually allow standard passengers to be screened at walking speeds, similar to a metal detector,” said TSA.

**4. TSA Publishes Final Rule on REAL ID Enforcement.**

TSA published a final rule providing a framework for federal agency phased enforcement of REAL ID requirements. As of May 7, 2025, only state-issued driver’s licenses and identification cards that meet security requirements established by the REAL ID Act will be allowed for official purposes, including boarding commercial aircraft. The final rule “provides necessary flexibility for federal agencies to begin enforcement in a manner that takes into account security, operational risk and public impact.” The REAL ID Act was enacted in 2005 pursuant to a 9/11 Commission recommendation.



## IV. TECHNOLOGY AND EQUIPMENT

### 1. Delta Unveils AI-Powered Journey.

To launch Delta's 100-year anniversary, CEO Ed Bastian announced coming innovations at the annual Consumer Electronics Show in Las Vegas. AI-powered Delta Concierge, built into the Fly Delta app, uses natural language text or voice input and in real-time "will anticipate customers' needs, provide contextualized guidance and take actions on customers' behalf." Beginning this year, Delta Concierge will notify customers about upcoming passport expiration and visa requirements. . . . Multi-modal transportation options will be offered with Delta partners Uber and Joby. Passengers who link their Uber and Delta accounts will earn miles for eligible rides and deliveries. Delta Concierge will also connect with Joby's electric air taxi service, expected to begin operations to Delta's New York and Los Angeles hubs "pending sign-off from federal and local authorities." . . . Onboard, a cloud-based personalized seatback experience, will be available through a YouTube partnership.

### 2. Seat Technology Promises Passenger Comfort.

Seat technology that allows passengers on long-haul flights to experience "improvements in mood, less discomfort and pain from prolonged sitting, and significantly better blood flow to the legs," was presented by Comfort Motion Global (CMG) at the Red Cabin Asia Summit hosted by All Nippon Airways. CMG's Healthy Motion Seating™ makes occasional small, slow adjustments to the passenger's seating position, which redistribute body weight, reducing tissue fatigue and blood vessel compression. The software-only solution requires no additional hardware and has no weight.

### 3. Ampaire Moves to Long Beach Airport.

Ampaire's Electric EEL, a hybrid electric version of the Cessna Skymaster also known as the Hawaii Bird, landed at the company's new Long Beach headquarters. "It's crucial that new technology airplanes achieve the ability to safely operate in airspace associated with major airports," said CEO Kevin Noertker. Upgrading existing aircraft to hybrid electric power is Ampaire's "rapid, capital efficient approach to making commercial electric air travel a reality with available technology."

## V. **ENERGY AND ENVIRONMENT**

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

The global average jet fuel price for week ending January 10 was \$94.63 per barrel, up 5.9% on prior month's average, and down 4.5% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

### 2. **Airbus to Invest in Minnesota SAF Hub.**

Airbus will join the Minnesota Sustainable Aviation Fuels (SAF) Hub, said Delta CEO Ed Bastian. The two companies are collaborating on early-stage, fast-track solutions through Delta's Sustainable Skies Lab and Airbus innovation labs across the globe, and will explore wing performance, fuel efficiency, superconductivity, advanced aircraft assistance, and other technologies for future aircraft.

### 3. **Use of Pongamia for SAF Explored.**

Japanese energy company Idemitsu Kosan has partnered with California-based agriculture company Terviva to explore use of pongamia as an oilseed feedstock for SAF production. A legume tree native to eastern and tropical Asia, Australia and the Pacific Islands, pongamia produces oil-rich seeds. Terviva has developed high-yield varieties and proprietary technology for processing the seeds. Idemitsu will accelerate development and adoption of pongamia-derived SAF using the HEFA (Hydroprocessed Esters and Fatty Acids) production pathway. With Stanmore, an Australian coal resource company, they will establish a pilot plantation in Queensland. Idemitsu aims to establish a supply system for SAF by 2028.

### 4. **"Farm to Fly Act" Would Expand Use of Biofuels in Aviation.**

See Section VI, item 2.

## VI. U.S. CONGRESS

### 1. Aviation Leaders Named for 119th Congress.

For the Senate Committee on Commerce, Science, and Transportation, Ted Cruz (R-TX) is Chairman and Maria Cantwell (D-WA) is Ranking Member. . . . For the House Committee on Transportation and Infrastructure, Sam Graves (R-MO) is Chairman and Rick Larsen (D-WA) is Ranking Member. For the Aviation Subcommittee, Troy Nehls (R-TX) is Chairman and Steve Cohen (D-TN) is Ranking Member.

### 2. “Farm to Fly Act” Would Expand Use of Biofuels in Aviation.

A bipartisan bill that would advance sustainable aviation fuels and create new markets for American farmers was introduced in the House. The “Farm to Fly Act” would clarify eligibility for SAF within current U.S. Department of Agriculture (USDA) programs; provide for greater collaboration for aviation biofuels throughout USDA mission areas, increasing private sector partnerships; and affirm a common definition of SAF for USDA purposes. The bill has wide support among aviation, energy and other organizations. A version of the bill was introduced in the House Agriculture Committee in 2023.

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

### **1. EASA Updates Safety Guidance on Russian Airspace.**

The European Union Aviation Safety Agency (EASA) issued a Conflict Zone Information Bulletin for the airspace of the Russian Federation, to ensure maximum flight safety amid Russia's ongoing illegal invasion of Ukraine. It replaces and broadens the scope of previous recommendations, and advises against operating within the affected Russian airspace west of longitude 60° East, at all flight levels. The recommendation also applies to foreign air carriers that have received a safety authorization from EASA (Third-Country Operators). It is valid until July 31, 2025 and can be reviewed earlier and adapted or withdrawn subject to the revised security and safety assessment. EASA, in cooperation with the European Commission, will continue to closely monitor the situation, to assess the risk exposure for EU and third-country operators conducting flights to/from the European Union (EU). No EU airlines currently fly to, from or over Russian Federation airspace. However, a number of third-country carriers continue to do so, despite the war-related risks.

### **2. India, China Agree to Resume Direct Flights.**

India and China agreed in principle to resume direct air services between the two countries. Relevant technical authorities on the two sides will meet and negotiate an updated framework for this purpose at an early date. The flights were suspended during the COVID-19 pandemic in 2020 and were not resumed due to tensions between the two countries.

## VIII. EUROPE AND AFRICA

### 1. American, Finnair Expand Cooperation.

American and Finnair are code sharing on American's flights from Dallas-Fort Worth to 12 Mexican destinations—Guanajuato, Monterrey, Ixtapa-Zihuatanejo, Cancún, Cozumel, Guadalajara, Mexico City, Mérida, Oaxaca, Puerto Vallarta, Querétaro and San José del Cabo. Finnair flies daily to Dallas-Fort Worth, to increase to up to 11 flights per week for summer season. The oneworld members are also Atlantic Joint Business partners.

### 2. Southwest, Icelandair Sign Commercial Agreement.

Icelandair is Southwest's first airline partner, with interline operations to begin in February via Baltimore-Washington; Nashville and Denver to follow later this year.

### 3. Lufthansa Group Finalizes 41% Stake in ITA Airways.

Lufthansa Group finalized its 41% stake in ITA Airways with a capital increase of €325 million. The Italian Ministry of Economy and Finance will retain a 59% share for now. Reciprocal frequent flyer programs soon will be in place, followed by "further collaborations, such as joint codeshare connections, mutual use of the respective lounges and the planned admission to the Star Alliance." ITA, established in 2021 to replace Alitalia, has a fleet of 99 Airbus aircraft and in 2024 flew 18 million passengers to 70 destinations worldwide from Rome Fiumicino and Milan Linate. Joerg Eberhart has been appointed CEO of ITA; Lorenza Maggio is Chief Strategy and Integration Officer; and Michael Trestl is ITA Implementation Officer, "responsible for the holistic integration of ITA Airways into the Lufthansa Group." . . . Lufthansa Group will take a 10% stake in Latvian state airline airBaltic for €14 million, and will have a seat on the airBaltic Supervisory Board. The carriers have a wet lease partnership, deploying up to 21 Airbus A220-300s in summer and five in winter at Lufthansa Group hubs. AirBaltic operates a fleet of 50 A220s. . . . Lufthansa Group is comprised of network carriers Lufthansa, SWISS, Austrian, Brussels, and Eurowings; regionals Lufthansa CityLine, Lufthansa City Airlines, Air Dolomiti, Edelweiss and Discover. Joint ventures include United and Air Canada on routes between Europe and North America; and ANA, Singapore and Air China on routes between Europe and Japan, and Singapore and China. . . . Lufthansa Group plans to recruit 10,000 new employees in 2025, including 800 pilots, 2,000 flight attendants, 1,400 ground staff, 1,300 technical experts, and 1,200 administrative staff. More than half of all

recruitment will occur in Germany. Over 30,000 employees were hired in the past three years.

4. **Azerbaijan Airlines Flight 8243 Downed by Russian Missile.**

Azerbaijan Airlines Flight 8243 was downed by a missile fired from a Pantsir-S1 air defense system which was brought from Syria to Russia, according to AnewZ, which said “reliable reports indicate electronic warfare systems were deployed, causing severe malfunctions in the aircraft’s control systems before the crash.” The Embraer 190 was enroute from Baku to Grozny, in the Russian republic of Chechnya, when it crashed while attempting to land; 38 people were killed and the 29 survivors were injured. Russian President Vladimir Putin, in a telephone conversation with Azerbaijan President Ilham Aliyev, “apologized that the crash occurred in Russian airspace.” At that time, said Putin, “Grozny, Mozdok and Vladikavkaz were attacked by Ukrainian combat unmanned aerial vehicles, and Russian air defense systems repelled these attacks.” Kazakhstan sent the aircraft’s flight recorders to Brazil. IATA has called for a thorough, impartial and transparent investigation conducted in accordance with the provisions of Annex 13 of the Chicago Convention which requires the publication of a preliminary report within 30 days of the accident.

5. **EASA Updates Safety Guidance on Russian Airspace.**

See Section VII, item 1.

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

### **1. Jeju Air Crash Investigation Finds Duck DNA in Engines.**

An initial investigation of the December 29 crash of a Jeju Air Boeing 737-800 at Muan International Airport found duck remains in both engines, according to a report issued by South Korea's Aviation and Railway Accident Investigation Board. Landing gear and wing flaps were not deployed during the emergency landing and the plane careened down the runway and crashed into a concrete structure and burst into flames. All but two of the 181 people and crew members on board were killed. Damaged flight data and cockpit audio recorders were sent to the National Transportation Safety Board (NTSB) in Washington, which determined they had stopped recording four minutes before the crash. The continuing investigation will examine engine components, runway structure and the bird strike. The South Korean Ministry of Land, Infrastructure and Transport (MOLIT) said it will replace the concrete structure, which housed a navigation system, with one made of materials that are more easily breakable at Muan and other airports. MOLIT ordered low-cost carriers to reduce flight hours, improve pilot training and increase the number of maintenance workers. Muan remains closed until April 18.

### **2. Delta to Resume Tel Aviv Service from New York in April.**

Delta plans to resume daily nonstops to Tel Aviv from New York Kennedy on April 1; the Airbus A330-900neo flights will provide nearly 2,000 weekly seats. During the war between Hamas and Israel, Delta code shared with EL AL on flights from major U.S. cities such as New York, Newark, Boston, Los Angeles, Miami and Fort Lauderdale. . . . Other airlines announcing a return to Israel include British Airways, ITA Airways, Air France, Lufthansa, easyJet, Ryanair and Air India. . . . A consortium of Israeli technology companies, Israeli High-Tech Headquarters, has partnered with Arkia to offer three weekly flights between Tel Aviv and New York Kennedy from February through May.

### **3. Qantas Joins Association of Asia Pacific Airlines.**

Qantas has joined the Association of Asia Pacific Airlines (AAPA). The Kuala Lumpur-based group said Qantas, "a leading Australian airline with a long heritage, would not only strengthen the Association's voice in international aviation policy discussions, but also reinforce effective regional collaboration on key aviation tenets, namely safety, sustainability, and seamless air travel."

4. **China's Civil Aviation Sector Sees Strong Recovery.**

Civil Aviation Administration of China (CAAC) announced that the industry turned a profit in 2024, for the first time since 2020, with losses reduced by \$2.8 billion from the previous year and a 25% increase in total traffic. Further improving profitability and transporting 780 million passengers are goals for 2025, said CAAC.

5. **Cathay Pacific to Launch A350 Nonstops to Dallas.**

Cathay Pacific will launch four weekly Airbus A350-1000 nonstops to Dallas-Fort Worth in April. The carrier is also increasing frequencies on North America passenger services in 2025, with three return flights per day to New York, San Francisco and Los Angeles, and daily to Boston and Chicago. . . . Cathay Group (Cathay Pacific and HK Express) exceeded 100,000-passengers on eight days during the year-end travel period. "We are pleased to have successfully completed our two-year rebuilding journey," said CEO Ronald Lam.

6. **India, China Agree to Resume Direct Flights.**

See Section VII, item 2.



## **X. AMERICAS**

### **1. Frontier Makes New Offer for Spirit.**

Spirit Airlines rejected a new buyout offer from Frontier, calling the terms “inadequate and unactionable.” CEO Ted Christie and Chairman Mac Gardner said Spirit will continue with its “extremely efficient standalone reorganization that will position us well for the future,” but left the door open for “a revised proposal that is in fact capable of closing” and addresses such deficiencies as “value inadequacy” which Spirit had raised in its discussions with Frontier . . . Bill Franke, Chair of Frontier's Board and Managing Partner of Indigo Partners, and Frontier CEO Barry Biffle said their proposal “will result in more value than Spirit's standalone plan by creating a stronger low fare airline with the long-term viability to compete more effectively and enter new markets at scale. We stand ready to continue discussions with Spirit and its financial stakeholders and believe that we can promptly reach agreement on a transaction.”

### **2. A4A CEO Nicholas Calio to Retire at End of 2025.**

Airlines for America President and CEO Nicholas Calio will retire at the end of 2025, when his contract ends, after leading the association for 14 years. A4A Board Chairman and United CEO Scott Kirby and Board Vice Chairman and American CEO Robert Isom are directing the search for Calio's successor.

### **3. United Reports Record Operations.**

For 2024, United operated the most flights and carried the most customers in its history. “We've become the leading global airline and we enter 2025 with demand trends continuing to accelerate which puts us on the path to double-digit pre-tax margins,” said CEO Scott Kirby. “United flew the largest international schedule of any U.S. carrier by available seat miles and expects to serve more international destinations than all other U.S. carriers combined in 2025, with 800 daily flights to and from 147 international destinations, including nearly 40 not served by any other U.S. airline.”

### **4. Mesa to Sell 18 Embraer Aircraft to United.**

Mesa agreed to sell 18 Embraer ERJ 175s to United; gross proceeds expected to be \$229.1 million, \$142.4 million of which will be used to pay off associated debt. Mesa will lease the aircraft from United. . . . Mesa also agreed to sell 15 used CRJ-900 airframes to a third party in multiple closings from January through April 2025; gross proceeds expected to be \$19 million, to be used to pay down Mesa's loan with the U.S. Treasury. . . . In December, Mesa Chairman and CEO Jonathan Ornstein said the regional would increase

daily aircraft utilization rates by 7%, from an average 8.9 block hours per day in fourth quarter 2024 to an average 9.5, in first quarter 2025. “The additional revenue generated from increased utilization will be instrumental in improving operating results and cash flow going forward,” said Ornstein. “As a result of the increase in flying, Mesa intends to begin to recall previously furloughed pilots beginning in January.” Mesa operates as United Express.

**5. Delta Reports Record Full Year 2024.**

Delta reported record full year 2024 revenue and is making \$1.4 billion in profit-sharing payments, said CEO Ed Bastian. . . . Delta introduced the Airbus A330-900neo on the permanent route between Atlanta and Buenos Aires; the transition from the 767-400ER boosts capacity by 20%. The A330-900neo will operate on seasonal New York Kennedy-Buenos Aires service through March.

**6. American Reports Record Full-Year Revenue.**

American reported record fourth-quarter and full-year revenue. In 2024, the company decided to permanently park 43 Embraer 145s, and ratified new agreements with mainline flight attendants and passenger service employees.

**7. Air Wisconsin to Shift to EAS, Charter Operations.**

Air Wisconsin announced a strategic realignment to focus on Essential Air Service Program (EAS) markets, expand its charter operations, and transition its association with American Airlines to a code share and interline relationship. Air Wisconsin's capacity purchase agreement with American will conclude in April 2025. Air Wisconsin has further diversified its operations with a recent focus on the charter market. With its fleet of 60 CRJ-200 aircraft Air Wisconsin currently performs flying services for American operating as American Eagle throughout the Midwest and East Coast, is a wholly owned subsidiary of Harbor Diversified, and has recently retired all remaining debt on its aircraft. President & CEO is Robert Binns.

**8. Alaska Launches Seasonal Nonstops to Mexico.**

Alaska launched seasonal nonstops to Puerto Vallarta from New York Kennedy, Sacramento, Kansas City and St. Louis; to Cancun from Kansas City; and to Los Cabos from Sacramento. With the recent acquisition of Hawaiian Airlines, Alaska serves more than 140 destinations in North America, Central America, Asia and the Pacific.

**9. Southwest Engages in Sale, Leaseback of 36 Boeing 737-800s.**

Southwest and lessor BBAM announced the sale and leaseback of 36 Boeing 737-800s. The aircraft will be owned and leased to Southwest by Incline Aviation III, the third in BBAM's flagship aviation investment fund series. “By

opportunistically monetizing surplus value from a portion of our existing all-Boeing 737 fleet, Southwest is generating significant cash to drive fleet modernization and offset capital expenditures in support of our capital allocation strategy,” said a Southwest official. . . . Southwest is pausing all noncontract internal and external hiring, due to its focus on reducing costs.

**10. JetBlue Adds Summer Destinations.**

Among summer additions, JetBlue for the first time will fly daily to Halifax from Boston, from June 26, and San Pedro Sula, Honduras, from New York Kennedy, from June 12. Newark to Santo Domingo, Dominican Republic begins June 12. New daily service between Guatemala City and Fort Lauderdale begins in April. Previously announced daily Boston to Madrid and Edinburgh nonstops begin in May.

**11. Breeze Reports First Full Quarter of Operating Profit.**

Breeze Airways reported its first full quarter of operating profit since its 2021 launch. The Utah-based airline generated \$200 million in revenue and achieved an operating margin of 4%. For the year, total revenue was \$680 million, up 78% over 2023; 29 new destinations were added, increasing available seat miles by 52%. Breeze’s point-to-point business model centers on serving secondary airports largely abandoned by major carriers over the past two decades, said founder and CEO David Neeleman; as of December, Breeze was the sole carrier serving 87% of its 220 nonstop routes.

**12. Aeromexico to Offer Mexico City-Philadelphia Service.**

Aeromexico will offer daily Boeing 737 nonstops between Mexico City’s Benito Juárez and Philadelphia year-round from June 5, when daily Embraer 190 service between San Luis Potosi and Hartsfield-Jackson Atlanta also begins. Both routes will be operated as part of the Aeromexico-Delta Joint Cooperation Agreement.

**13. Arajjet Starts U.S. Service from Dominican Republic in April.**

Arajjet will begin U.S. service in April with flights from its two hubs, Santo Domingo and Punta Cana, to New York Kennedy, Miami and San Juan. An Open Skies Air Transport Agreement between the Dominican Republic and the U.S. came into effect in December. The first low-cost carrier in the Caribbean region, Arajjet began operations in September 2022 and flies Boeing 737 MAX aircraft to destinations in North, Central and South America and the Caribbean. Arajjet flew over one million passengers in 2024. “We’re eager to welcome American travelers and its diaspora communities to the Dominican Republic and further establish the country as an exciting hub connecting to 16 countries in the Americas,” said CEO Victor Pacheco.

**14. Avianca Adds Service Between Florida and Latin America.**

Avianca intends to launch direct flights connecting Fort Lauderdale with Medellin and Managua; Miami with San José and Guatemala City; and Tampa with Bogotá. The Fort Lauderdale–Managua route is via fifth freedom operations from San Salvador. Subject to government approval, the proposed operations will bring Avianca’s offering to 16 direct routes from Florida to Latin America. The Bogotá-based Star Alliance carrier transported four million passengers on 27,000 flights to and from the United States in 2024, said CEO Frederico Pedreira.

**15. Azul, Abra Sign MoU to Combine Brazil Businesses.**

Azul and Abra signed a non-binding Memorandum of Understanding (MoU) with intent to combine their businesses in Brazil. Abra is the majority investor in Gol and Avianca. Gol and Azul have approximately 90% complementary and non-overlapping routes. Although the MoU provides for the unification of strategy, the airlines are expected to keep their operating certificates, and therefore their brands and operations, separate. The combination “would provide the opportunity to strengthen the sector, increasing the number of flights on offer, reaching more than 200 cities served in Brazil and the ability to compete in a highly globalized sector,” said Azul CEO John Rodgerson. Close of transaction is subject to, among other things, Gol’s emergence from Chapter 11 bankruptcy protection.

**16. Military Black Hawk Crashes with AA5342 Pax Flight Inbound to DCA.**

See Section I, item 2.

**17. American, Finnair Expand Cooperation.**

See Section VIII, item 1.

**18. Southwest, Icelandair Sign Commercial Agreement.**

See Section VIII, item 2.

**19. Delta to Resume Tel Aviv Service from New York in April.**

See Section IX, item 2.

**20. Cathay Pacific to Launch A350 Nonstops to Dallas.**

See Section IX, item 5.