



## WASHINGTON AVIATION SUMMARY

### JANUARY 2026 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. **FAA, IATA, ICAO Involved in U.S.-Venezuela Tension.**

Amid tensions between the United States and Venezuela, the Federal Aviation Administration (FAA) and other aviation bodies continued to issue warnings strongly advising against flights in the Maiquetía Flight Information Region. The region includes Venezuela and surrounding Caribbean waters. On December 12, a JetBlue pilot departing Curaçao changed altitude over the Caribbean to avoid a midair collision with a U.S. Air Force air-to-air refueler that did not have a transponder turned on. . . . Several international airlines suspended service to Venezuela, which, in turn, revoked their operating permits. The International Air Transport Association (IATA) urged Venezuelan authorities to reconsider the revocation, offering “to cooperate with relevant authorities to seek solutions that ensure air safety and preserve Venezuela’s connectivity with the rest of the world.” . . . President Trump ordered, on social media, closure of Venezuelan airspace. Venezuela filed a formal complaint with the International Civil Aviation Organization (ICAO), which in turn clarified that the 1944 Convention “contains provisions under which States regulate, manage, and control the use of their own airspace, including the decision to designate routes, restrict or uniformly prohibit flying over certain areas of its territory, the extent of air traffic services to be provided to international civil aviation operations, and under what conditions.”

### 2. **IATA: Record \$41 Billion Global Net Profit Expected in 2026.**

A record \$41 billion net profit is expected for the global airline industry in 2026 (\$39.5 billion in 2025), forecasts IATA. Operating profit is expected to be \$72.8 billion (\$67 billion in 2025) for net operating margin of 6.9% (6.6% expected for 2025). Revenues are expected to reach \$1.053 trillion (up 4.5% on \$1.008 trillion in 2025). Record load factors will continue at 83.8%; passenger numbers to reach 5.2 billion (up 4.4%); cargo volumes to reach 71.6 million tonnes (up 2.4%). Ancillary and other revenues are projected to rise by 5.5%, reaching \$145 billion; ancillary services nearly 14% of total revenue. Headwinds facing the industry include rising costs from aerospace supply chain bottlenecks, geopolitical conflict, sluggish global trade, and growing regulatory burdens, said Willie Walsh, IATA Director General. “Margins are still a pittance considering the value that airlines create. . . . Apple will earn more selling an iPhone cover than the \$7.90 airlines will make transporting the average passenger. Imagine the additional power that airlines could bring to economies if we could re-balance value chain profitability, reduce regulatory and tax burdens, and alleviate infrastructure inefficiencies.”

**3. \$1.2 Billion in Airline Funds Blocked by Governments.**

IATA reported that \$1.2 billion in airline funds were blocked from repatriation by governments as of end of October 2025. Out of total reported, 93% “are trapped in Africa and Middle East (AME)”; 10 countries are responsible for 89% of blocked funds. An IATA web page tracks progress quarterly, provides background information and highlights developments.

**4. New Government Shutdown Possible.**

Congress left Washington for a two-week holiday recess without reaching agreement on a full-year FY2026 funding package. The continuing resolution that ended the 43-day October/November government shutdown, the longest on record, is set to expire January 30. . . . FAA is investigating airline compliance with a November 12 Emergency Order mandating flight reductions at 40 airports during the shutdown, warning of fines of up to \$75,000 per flight that exceeded the limits. . . . Amid uncertainty caused by the shutdown, Delta lost an estimated \$200 million as refunds grew significantly while bookings slowed, said CEO Ed Bastian. Southwest expects earnings before interest and taxes of about \$500 million, down from previous estimate of \$600 million to \$800 million.

**5. DOT Amends Enforcement Fines for American, Southwest.**

The Department of Transportation (DOT) modified civil penalty payment provisions in an October 2024 order against American Airlines for mishandling passengers’ wheelchairs and failing to provide adequate wheelchair assistance to passengers with disabilities. Instead of paying \$16.7 million to the U.S. Treasury, American will spend \$16.8 million to benefit individuals with disabilities. . . . DOT amended a civil penalty of \$140 million levied against Southwest that required the airline to pay \$35 million to the U.S. Treasury in three installments—two of \$12 million and one of \$11 million. Southwest made the first two payments, but in lieu of the third received an \$11 million credit “for significantly improving its on-time performance and completion factor through its \$112.4 million investment in its Network Operations Control (NOC).” The \$140 million penalty, the largest ever applied to an airline for consumer protection violations, was assessed after a 2022 end-of-year “meltdown,” in which Southwest canceled almost 17,000 flights, affecting more than 2 million passengers, and failed to provide proper refunds in a timely fashion.

**6. DOT OIG Review of Passenger Protection Rules Requested.**

The DOT Office of Inspector General (OIG) was asked to conduct an investigation into whether DOT Secretary Sean Duffy’s “conflicts of interest contributed to his department ending passenger protection rules.” Duffy is a former airline industry lobbyist and consultant, noted Senators Elizabeth Warren (D-Mass.) and Richard Blumenthal (D-Conn.), and Representative Jerrold

Nadler (D-N.Y.) in a letter to the OIG, and has ended protections requiring airlines to automatically send passengers cash refunds for expenses resulting from cancellations or delays of more than three hours caused by the airline; halted a rule that required refunds when airlines canceled flights and rebooked passengers with a different flight number; and released new guidance informing airlines that they no longer have to compensate passengers for expenses incurred as a result of delays and cancellations caused by aircraft recalls.

**7. FAA’s Bedford Warned of Ethics Violations Related to Republic Stock.**

The Office of Government Ethics (OGE) notified DOT ethics officials and Senate Commerce Committee Chairman Ted Cruz that FAA Administrator Bryan Bedford failed to comply by October 7 with an ethics agreement regarding his holdings in Republic Airways, where he served as President and CEO. Bedford was confirmed on July 9. . . . Bedford “retained between \$6 million and \$30 million in Republic stock at the time of his nomination,” noted Commerce Committee Ranking Member Maria Cantwell, and “held 16,733 shares of Republic stock as of September 11.” Republic completed a merger with Mesa Air Group on November 25, in which Republic shareholders own 88% of the combined company’s common stock. Cantwell requested numerous documents from Bedford, in order to determine if and when divestments were made. . . . Bedford said he was too busy in his new position to handle the divestiture, but will continue to recuse himself from decisions involving Republic until his holding is sold.

**8. DOT Launches Advanced Air Mobility Strategy.**

DOT announced an Advanced Air Mobility (AAM) National Strategy organized around six key pillars (Airspace, Infrastructure, Security, Community Planning and Engagement, Workforce, and Automation) and including 40 recommendations. Strategic action phases, referred to as LIFT, are: Leverage Existing Programs to Support Innovation and Begin Operations; Initiate Engagement with Partners, Research and Development, and Smart Planning; Forge New Policy and Models Responsive to Public Needs; and Transform the Aviation Ecosystem. AAM is a rapidly-emerging aerospace sector focused on safely and efficiently integrating highly automated aircraft into U.S. airspace. AAM is not a single technology but rather a range of innovations—particularly new aircraft types that typically operate below 5,000 feet—to transport people and packages more efficiently than ever before. Beyond aircraft, AAM requires a modern support system, including a skilled workforce, upgraded infrastructure, and clear regulatory frameworks. In 2022, Congress passed the Advanced Air Mobility Coordination and Leadership Act, directing DOT to establish an Interagency Working Group to coordinate federal efforts related to

AAM adoption and deployment and to develop both an AAM National Strategy and a Comprehensive Plan. The initiative has wide industry support.

9. **Jared Isaacman Confirmed as NASA Administrator.**

DOT Secretary Sean Duffy stepped down from concurrently leading the National Aeronautics and Space Administration (NASA), following the confirmation of Jared Isaacman as NASA Administrator on December 17, 2025.

## II. AIRPORTS

### 1. \$1 Billion “Make Travel Family Friendly Again” Campaign Launched.

DOT announced \$1 billion in funding for “Make Travel Family Friendly Again,” an initiative meant to improve families’ experiences in airport terminals. Planned are play or exercise areas, mothers’ rooms or nursing pods, reconfigured security checkpoints to create family screening lanes, sensory rooms for children with special needs, and improved access to nutritional food options. Funding is from the Infrastructure Investment and Jobs Act’s Airport Terminal Program.

### 2. DOT To Explore “Revitalization” of Washington Dulles.

DOT submitted a Request for Information (RFI) for assistance in approaching design, financing and construction to replace or build on existing terminal and concourses at Washington Dulles, consistent with an August Executive Order, “Making Federal Architecture Beautiful Again.” The existing Eero Saarinen–designed main terminal opened in 1962. Dulles is federally owned and managed by Metropolitan Washington Airports Authority (MWAA), which currently is managing a \$7 billion construction program that includes a new concourse scheduled to open in 2026. DOT Secretary Sean Duffy said proposals will be shared with MWAA.

### 3. Chicago Revising O'Hare Expansion Schedule.

City of Chicago is revising O'Hare expansion plans to minimize operational problems, amid a surge in passenger traffic largely driven by United and American. Instead of the initial plan to build one satellite terminal, then a Global Terminal, and then a second satellite, both satellites would be constructed by 2029, followed by the Global Terminal by 2033. This framework is being refined with airline partners. “There is a need to reexamine the sequencing of terminal construction, and, if the current plan is maintained, to explore temporarily increasing the density of gates in Satellite 1, incentivizing larger aircraft, and, where possible, shifting flights to Midway,” says a Depaul University study. “Without constraints on the number of gates available to accommodate growth, the number of passenger flights at the airport would likely be around 30% above 2024 levels by 2032.”

### 4. Austin Secures New FAA Funding, Approves Southwest Expansion.

A Letter of Intent (LOI) from FAA commits \$108 million in long-term federal reimbursements to support the Austin-Bergstrom Airfield Capacity Improvements Project, which includes upgrades to airfield infrastructure and new parallel taxiways for the 20+ gate midfield Concourse B, expected to open

in early 2030s. . . . In other news, Austin City Council approved an economic development agreement with Southwest, which plans to establish a full crew base, relocate its Command Center to Austin-Bergstrom, and invest \$8.4 million in airport improvements. The project will create 2,000 new full-time jobs and retain 840 existing positions. All new jobs will pay at least the city living wage of \$22.05 an hour and benefits.

**5. ADP To Invest €8.4 Billion in Paris Airports.**

Groupe ADP (Aéroports de Paris) proposed an eight-year (2027-2034), €8.4 billion investment program to transform Paris airports. . . . In related news, Charles de Gaulle terminals will be renamed in March 2027 to provide intuitive transitions for passengers. Terminals will have a number only, rather than a number and/or letter, to correspond to international standards. Departure lounges will be identified by letters. Parking lot numbers will correspond to terminal numbers.

**6. Navi Mumbai Begins Operations.**

Navi Mumbai International opened for business, handling 4,000 passengers on its first day. The airport is being developed in phases, said Adani Group, which holds a majority stake. Chairman Gautam Adani greeted passengers on the inaugural IndiGo flight.

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

#### **1. TSA Reports Record Holiday Travel Season.**

The Transportation Security Administration (TSA) expected to screen a record 44.3 million travelers at airport checkpoints from Friday, December 19 through Sunday, January 4. . . . TSA began enforcing the REAL ID Act on May 7. Beginning February 1, passengers who do not present an acceptable form of ID will be required to pay \$45 to use an alternative identity verification system, TSA ConfirmID. . . . TSA launched a BOGO (buy one, get one free) offer for TSA PreCheck in December, when two people signed up together through authorized enrollment providers CLEAR, IDEMIA and Telos.

#### **2. TSA Rescinds 2024 Collective Bargaining Agreement.**

TSA is rescinding the 2024 Collective Bargaining Agreement (CBA) and replacing it with a new framework on January 11. “Our Transportation Security Officers (TSOs) need to be focused on their mission of keeping travelers safe not wasting countless hours on non-mission critical work,” said Adam Stahl, Senior Official Performing the Duties of TSA Deputy Administrator. TSA will no longer use its payroll system for collecting union dues from TSO paychecks, Stahl said. “TSA policy will govern for employment matters previously addressed by the 2024 CBA, and TSA policy will provide for alternative procedures to ensure that employee voices are heard and that legitimate concerns are resolved quickly.”. . . Bipartisan legislation passed by the House that would nullify the Administration’s order to bar unions at federal agencies has not been taken up by the Senate.

#### **3. CBP May Seek Social Media History from Foreign Travelers.**

U.S. Customs and Border Protection (CBP) proposed changes to the Electronic System for Travel Authorization (ESTA) application that include a request for five years of social media history. ESTA allows citizens of certain countries to enter the U.S. for short-term visits through the Visa Waiver Program. U.S. Travel Association warned this “could have a chilling effect on travel to the United States. . . . If we get this policy wrong, millions of travelers could take their business and the billions of dollars they spend elsewhere.”

## IV. TECHNOLOGY AND EQUIPMENT

### 1. United, Travelport Collaborate To Enhance Retail Capabilities.

United and Travelport will develop features and accelerate deployment of next-level New Distribution Capability (NDC) functionality for travel agencies and corporate buyers, in “a new model of collaboration between an airline and a multi-source content provider.” Travelport will receive early access to United's NDC-enabled extras and create capabilities for Travelport+. United will bring its Online Booking Tool (OBT) extras to Travelport's Deem OBT platform, with capabilities such as pooling unused United travel credits, direct enrollment in MileagePlus® and use of United Jetstream amenity funds as a form-of-payment for ancillary purchases. United will deploy specialized support teams to assist travel agencies during the transition. The multi-year agreement reflects a commitment to modernizing airline retailing while supporting the vital role that travel agencies and travel management companies play in the industry, said the companies. . . . United added mobile apps including Virtual Gate, with real-time boarding updates and progress bar, United ClubSM, with locations based on proximity to travelers' gates and available capacity, and a bag tracker with real-time locations.

### 2. Archer Plans Miami-Area Air Taxi Network.

Archer Aviation plans to connect major population and business centers in South Florida via an electric air taxi network operating from Miami International, Fort Lauderdale–Hollywood, Palm Beach International and general aviation airports. Real estate company Related Ross plans to partner with Archer to develop a vertiport in West Palm Beach; CEO and Chairman Stephen Ross owns the Miami Dolphins. Hard Rock Stadium and Apogee Golf Club helipads will be readied for electric operations. Dragon Global's Magic City Innovation District® in Miami plans to develop a vertiport. Archer's 'Midnight' piloted aircraft can carry four passengers “and perform rapid back-to-back trips with minimal charge time between flights [with] potential to replace 60-90-minute car commutes with 10-20-minute electric air taxi flights.”

## V. **ENERGY AND ENVIRONMENT**

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

The global average jet fuel price for week ending December 12 was \$86.88 per barrel, down 9.3% on prior month's average, and down 12.3% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

### 2. **Shannon Opens Ireland's First Airfield-Located Solar PV Farm.**

Shannon Airport Group installed a €3.6 million, 1.2-megawatt solar PV (photovoltaic) farm, comprising over 2,700 bifacial solar panels, on a 5.5-acre site within the airfield. It is expected to supply up to 20% of the airport's annual electricity needs, reducing reliance on the national grid and fossil fuels by generating renewable energy on-site. "Early trials indicate the installation is outperforming expectations, generating impressive levels of renewable energy including 100% of the terminal building's full electricity requirement at certain times on peak days," said officials.

### 3. **Neste, Cathay Group Agree on Supply of SAF.**

Neste and Cathay Group agreed on the supply of Neste MY Sustainable Aviation Fuel™ (SAF) for the group's operations at major international airports across Europe, the United States, and Asia-Pacific. Neste has been delivering blended SAF for use on Cathay Pacific flights from Amsterdam Schiphol and Los Angeles International and has provided SAF to Singapore Changi for flights operated by Air Hong Kong, an all-cargo airline owned by the Cathay Group. The SAF is supplied into fuel facilities of these airports blended with conventional jet fuel.

## VI. U.S. CONGRESS

### 1. ROTOR Act Approved by Senate.

The Senate passed the Rotor Operations Transparency and Oversight Reform (ROTOR) Act, as a response to the midair collision between American Airlines Flight 5342, operated by regional carrier PSA Airlines, and an Army Black Hawk helicopter near Reagan Washington National Airport on January 29, 2025 that killed 67 people. Citing thousands of close calls in that area that should have resulted in preventive action, investigators say the Black Hawk likely was operating in congested airspace without transmitting Automatic Dependent Surveillance Broadcast (ADS-B) Out. The ROTOR Act requires, among other things, all operators to equip aircraft with ADS-B In technology and transmit their position to others. It repeals a provision in the newly passed National Defense Authorization Act that exempts the Department of Defense from ADS-B transmission requirements, a provision the National Transportation Safety Board called “shameful.” . . . In related news, the government has accepted partial liability for the accident, in response to a lawsuit. The Justice Department said the Black Hawk crew failed to see and avoid the commercial jet, and air traffic controllers failed to alert the jet of the approaching helicopter. American and PSA have filed motions to dismiss claims against them.

### 2. Bedford Testifies at House, Senate Hearings.

Bryan Bedford made his first appearances in Congress as FAA Administrator at a House Aviation Subcommittee hearing, titled “State of American Aviation,” and a Senate hearing, titled “FAA’s Plan for ATC Modernization: Evaluating Progress, Ensuring Accountability and Results,” providing identical planned testimony for both. Among other things, he said FAA met its FY25 hiring goal with 2,026 new controllers and is on track to hire at least 8,900 controllers through 2028; added nine institutions to the Enhanced Air Traffic-Collegiate Training Initiative; and expanded hiring of inspectors and engineers. A new air traffic control (ATC) system will be created in the next three years; an integrator has been selected; the 15-year radar modernization roadmap was compressed into a three-year timeline; over one-third of copper wire was transitioned to fiber; and modernizing radios, upgrading voice switches, and improving digital communications has begun. . . . House Democrat Hank Johnson Jr. questioned FAA’s selection of Peraton as integrator of the ATC modernization project, since the Veritas Capital unit has little FAA experience. Competing bidder, Parsons, has contracted with FAA for nearly 50 years. Bedford said Peraton was selected for its cloud-migration competency. . . . Rick Larsen (D-WA), House Transportation Ranking Member, said “both sides of the aisle supported the \$12.5 billion investment in ATC modernization and understand that additional

funding will likely be needed. But before any additional investment, the FAA must ‘show its work’ and be more transparent about how it’s spending this investment.” He noted that employment at FAA and DOT decreased due to buyouts and safety-critical employees were pushed to depart, increasing the strain on personnel left behind and the airspace. These actions also resulted in an extraordinary loss of institutional knowledge and technical expertise, making it harder for FAA to meet its safety mission. Regarding the government shutdown, Larsen said the safety decision to quickly reduce airline flight capacity by up to 10% at 40 high traffic airports was made “without adequate coordination with key aviation stakeholders [who] had to make massive changes to their operations with little to no notice, increasing other risks in the National Airspace System (NAS). The unprecedented nature of the Administration’s decision to suddenly and drastically limit air traffic demands congressional review.” . . . House Aviation Subcommittee Ranking Member André Carson (D-IN) said information requested in oversight letters sent to the Administrator had not been received, and asked for updates on, among other things, FAA’s “response to the numerous crashes this year, including the tragic mid-air collision at DCA and the UPS crash in Louisville”; the need for much more transparency about FAA’s contracts with clear conflicts of interest; workplace safety issues for flight crews, proposals to reduce crew size on wide-body aircraft; and “foot-dragging and slow implementation of the secondary cockpit barriers mandate to protect the flight deck, crew and passengers. I first authored the provisions requiring these safety devices in the 2018 FAA law, and we are still too far away from full implementation.”

**3. House Committee Passes “Aviation Funding Solvency Act.”**

Before departing for the winter recess, the House Transportation Committee approved several bills. The “Aviation Funding Solvency Act” allows FAA to access the Aviation Insurance Revolving Fund during a government shutdown to cover critical services that will keep the aviation system running safely, while ensuring the fund has a healthy balance to address potential claims. . . . The “Supersonic Aviation Modernization Act” requires FAA to issue or revise regulations to allow operation of civil aircraft within the NAS at a speed greater than Mach 1 and in a manner that no sonic boom reaches the ground. . . . Under the “Recreational Drone Empowerment Act,” FAA can authorize recreational unmanned aircraft system operations in certain NAS sectors, as intended by the FAA Reauthorization Act of 2024. . . . The “Aviation Supply Chain Safety and Security Digitization Act of 2025” requires evaluation of challenges to verifying documentation and part authenticity throughout the supply chain, and challenges to FAA modernizing paper-based records. . . . The “Airport Regulatory Relief Act of 2025” allows states seeking to use state highway pavement specifications for airfields at nonprimary airports to notify, rather than

request, the DOT Secretary of intent to use those specifications. . . . The “ACPAC Modernization Act” adds ticket agents to the Aviation Consumer Protection Advisory Committee to ensure consumer-facing travel advisors and businesses have a voice when stakeholders are reviewing and making recommendations on consumer protection activities to DOT.

4. **“Flight Delay and Cancellation Compensation Act” Introduced in Senate.**

The “Flight Delay and Cancellation Compensation Act” was introduced by Senator Mark Kelly (D-AZ) and a group of Democrats in response to DOT’s cancellation of a proposed rule that would have required airlines to compensate passengers for certain travel cancellations or delays. The new legislation would direct DOT to require airlines to reimburse passengers for hotels, meals and transportation to lodging as a result of flight disruptions, regardless of cause of delay; to establish an Aviation Rulemaking Committee (ARC) that addresses consumer protections; and to set a baseline standard of compensation of at least \$300 for a delay of more than 3 hours but less than 6 hours, and at least \$600 for a delay of 6 hours or more. DOT would be required to undertake a rulemaking to implement ARC recommendations within 90 days after submitted; and establish a stricter interim final rule that will go into effect 18 months after the bill is enacted, “to prevent DOT from dragging its feet and ensuring the rulemaking takes place.”

5. **Senator Demands Bonuses for All ATC Workers.**

Following the shutdown, 4% of the air traffic controller and technician workforce received \$10,000 bonuses for working without pay. Excluding the other 96% “is unfair, divisive and disrespectful,” wrote Tammy Duckworth (D-IL), Senate Aviation Subcommittee Ranking Member, to DOT Secretary Sean Duffy. The decision sets “a dangerous precedent for the workers to avoid using authorized leave during future shutdowns, even while suffering from illnesses that could degrade their performance, which could make our skies less safe,” and it affects morale. Total cost for providing the bonus to the entire ATC workforce would amount to less than one percent of FAA’s annual budget, wrote Duckworth, “and likely deliver a strong return on investment in the form of improved morale among a beleaguered Air Traffic Organization workforce that has been overworked and understaffed for far too long.”

6. **“Securing America’s Fuels (SAF) Act” Introduced in House.**

The bipartisan “Securing America’s Fuels (SAF) Act” was introduced in the House. The SAF industry relies on the 45Z Clean Fuel Production Tax Credit for economic viability, said sponsors. While recent legislation extended the credit for all clean fuels, it eliminated the SAF-specific bonus. The SAF Act

would reinstate the bonus, allowing qualifying producers to receive up to \$1.75 per gallon.

**7. House Hearing on Advanced Air Mobility (AAM) Industry.**

A hearing entitled “America Builds: The State of the Advanced Air Mobility (AAM) Industry” was held by the House Aviation Subcommittee. Among witnesses, an official from Boeing unit Wisk Aero called for “development of a regulatory framework to enable autonomy.” Wisk is designing an autonomous passenger-carrying air taxi. “The U.S. AAM National Strategy, implemented through the new Electric Vertical Takeoff and Landing (eVTOL) and AAM Integration Pilot Program, will be a key vehicle to inform that framework,” he noted. “Most functions on commercial aircraft involve automation today. While our Wisk aircraft do not have a pilot onboard, human oversight remains critical. Remote crewmembers will supervise and communicate with ATC.” . . . National Association of State Aviation Officials witness said agencies will be essential in enabling AAM operations through planning, zoning, site approval, licensing, airspace protection and funding, as they have for other aviation facilities. “Policy harmonization between states and relevant standards entities is vital for cohesive governance and successful integration of AAM. States should work alongside federal, local, tribal, territorial, and industry partners to coordinate policy frameworks, close regulatory gaps, and build infrastructure-ready environments.”

**8. BABES Enhancement Act Signed into Law.**

The “Bottles and Breastfeeding Equipment Screening (BABES) Enhancement Act” was signed into law. The bipartisan legislation requires TSA to clarify and regularly update guidance on handling breast milk, baby formula and related nutrition products, in consultation with maternal health groups. It directs an independent government watchdog to conduct an audit of compliance with TSA screening policies for passengers traveling with breast milk and other infant nutrition products, providing lawmakers with information related to violations of policies.

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

### **1. U.S. Expands Travel Ban to 39 Countries.**

President Trump expanded the U.S. travel ban for “countries with demonstrated, persistent, and severe deficiencies in screening, vetting, and information-sharing.” Added to the original 12 high-risk countries (Afghanistan, Burma, Chad, Republic of the Congo, Equatorial Guinea, Eritrea, Haiti, Iran, Libya, Somalia, Sudan and Yemen) are Burkina Faso, Mali, Niger, South Sudan and Syria. Full restrictions and entry limitations were added for individuals holding Palestinian-Authority-issued travel documents, and for Laos and Sierra Leone, which previously were subject to partial restrictions. Partial restrictions are continued for nationals from original countries Burundi, Cuba, Togo and Venezuela. Because Turkmenistan has engaged productively with the United States, the ban on non-immigrant visas is lifted. Added are partial restrictions and entry limitations on Angola, Antigua and Barbuda, Benin, Cote d’Ivoire, Dominica, Gabon, The Gambia, Malawi, Mauritania, Nigeria, Senegal, Tanzania, Tonga, Zambia and Zimbabwe. Exceptions are made for lawful permanent residents, existing visa holders, certain visa categories like athletes and diplomats, and individuals whose entry serves U.S. national interests.

## VIII. EUROPE AND AFRICA

### 1. Alaska Adds Seattle Service to Europe.

Alaska Airlines begins daily, year-round Boeing 787 service from Seattle to London Heathrow on May 21. Daily summer seasonal flights to Rome begin April 28 and to Reykjavik on May 28.

### 2. Southwest Partners With Turkish, Condor.

Southwest announced a partnership with Star Alliance member Turkish Airlines for U.S.-Istanbul journeys, “unlocking onward connections across both carriers' networks.” . . . A new partnership with Frankfurt-based Condor will connect both carriers' schedules at Boston, Las Vegas, Los Angeles, Portland, San Francisco and Seattle, from January 19.

### 3. Aer Lingus Offers Dublin to Pittsburgh Route.

Aer Lingus will operate four-times weekly Airbus A321neo LR flights from Dublin to Pittsburgh starting May 25, offering U.S. customers seamless connections to Paris, Rome, Geneva, Amsterdam, Manchester and London Heathrow.

### 4. ITA Plans Direct Rome to Houston Flights.

ITA Airways will launch the first Rome-Houston route with Airbus A330-900 summer service three times weekly from May 1, increasing to five from June 1 to October 24. ITA also operates direct flights to New York, Boston, Miami, Los Angeles, San Francisco and Washington D.C., and summer season service to Chicago and Toronto. ITA has code share agreements with United and Air Canada and will join the Star Alliance in 2026, within the integration process into Lufthansa Group. Joerg Eberhart is ITA CEO and General Manager. ITA Airways is 59% owned by Italy's Ministry of Economy and Finance and 41% by Lufthansa.

### 5. SunExpress CEO To Lead Eurowings.

Marcus Schnabel was named CEO of SunExpress, effective February 1. He succeeds Max Kownatzki, who will succeed Jens Bischof as Chairman and CEO of Eurowings. SunExpress is a joint venture of Turkish Airlines and Lufthansa; Eurowings is a unit of Lufthansa Group. Kownatzki was co-founder and COO of Eurowings Europe flight operations in 2015, and has held senior positions in Lufthansa Group, as have Schnabel and Bischof, who joined Lufthansa Cargo in 1990.

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

### **1. Malaysian Government Resumes Search For MH370.**

Malaysia is resuming the search for Malaysia Airlines Flight MH370 in an effort to bring closure to families affected by the disappearance of a Boeing 777 in 2014 with 239 people onboard. Texas-based seabed-mapping firm Ocean Infinity will sweep a 5,800-square-mile section of the southern Indian Ocean where the wreckage is thought to be lodged, reports Scientific American, using “largely uncrewed surface vessels coordinating swarms of autonomous underwater vehicles that can hover a few tens of meters above the seabed and map terrain down to a depth of nearly 6,000 meters with multibeam sonar, sub-bottom profilers and high-resolution imaging.” In the “no find, no fee” arrangement, Malaysia could pay Ocean Infinity up to \$70 million if substantive wreckage is found.

### **2. Cathay Pacific Returns to Seattle.**

Cathay Pacific announced the return of nonstops to Seattle. The five-times-weekly Airbus A350-900 summer service begins March 30. . . . In other news, in May Patrick Healy will step down as Cathay Group Chairman and leave Swire Group. Guy Bradley, Chairman of Swire Pacific and a Director of Cathay Pacific Airways, will succeed Healy.

### **3. Air Premia to Launch Seoul-Washington Dulles Service.**

Air Premia will begin four weekly Boeing 787 year-round nonstops between Seoul Incheon and Washington Dulles on April 24. Other U.S. destinations are Los Angeles, New York Newark, Honolulu and San Francisco. Myungsub Yoo is CEO of the Korean carrier.

### **4. Royal Air Maroc Plans Casablanca to Los Angeles Service.**

Royal Air Maroc plans service between Casablanca and Los Angeles from June 7. The oneworld member will operate the Boeing 787 Dreamliner flights three times weekly.

### **5. Gulf Nations to Establish Civil Aviation Authority.**

Gulf Cooperation Council (GCC) countries agreed to establish the Gulf Civil Aviation Authority (GCAA). The GCC is comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (UAE). GCAA headquarters will be in the UAE. . . . In other news, GCC is trialing a one-stop travel system, in which GCC nationals can complete immigration and security formalities only at point of departure. Upon landing in the partner country, they can exit the airport

without repeating checks. The trial initially applies to flights between the UAE and Bahrain. A GCC Unified Tourist Visa is also planned.

**6. Hamad Al-Khater Named Qatar CEO.**

Hamad Ali Al-Khater was named Group CEO of Qatar Airways Group, succeeding Mohammed Al-Meer. Al-Khater was COO of Hamad International Airport and earlier held senior roles with QatarEnergy.

**7. Saudi Arabia Awards Charter Tenders.**

Saudi Arabia's General Authority of Civil Aviation (GACA) awarded two charter air carrier tenders to a group led by Kuwaiti airline Jazeera and Maldives-based beOnd. Both alliances include foreign investment with majority Saudi ownership. . . . beOnd recently announced the launch of beOnd America, promising an all-business class travel experience via New Pacific's U.S. operations.

**8. PAL Receives First A350-1000 in Southeast Asia.**

Philippine Airlines (PAL) was the first in Southeast Asia to operate the next-generation Airbus A350-1000, as company executives took delivery in Toulouse of the first of nine and flew it to Manila. Expected to fly transpacific routes, the aircraft can accommodate up to 382 passengers.

## **X. AMERICAS**

### **1. American's A321XLR Debuts on Transcontinental Route.**

American is the first U.S. airline to operate the Airbus A321XLR, carrying more than 150 passengers on the inaugural flight between New York Kennedy and Los Angeles International. New York to Edinburgh starts on March 8, New York to San Francisco on May 7, and Boston to Los Angeles on July 2. American's A321XLR includes 20 Flagship Suite® seats (direct aisle access, lie-flat, more storage), 12 Premium Economy seats (enhanced winged headrests, calf and footrests), and 123 Main Cabin seats. . . . In other news, American's basic economy fare tickets no longer earn miles or loyalty points.

### **2. Southwest Las Vegas-Hilo Service Begins in August.**

Southwest will fly from Las Vegas to Hilo three times weekly, beginning August 6. Services to Hawaii from Ontario and Burbank also begin in Summer 2026. . . . Southwest posted new fare and seating options. For travel on or before January 26, fare bundles continue to include open seating; on or after January 27, fare bundles include assigned seating.

### **3. JetBlue Opens First Lounge.**

JetBlue opened its first airport lounge, BlueHouse, in Terminal 5 at New York Kennedy. Access to the 9,000 sq. ft. space is reserved primarily for Mosaic members, transatlantic Mint customers and JetBlue Premier Cardmembers. BlueHouse in Terminal C at Boston Logan opens in 2026.

### **4. Barry Biffle Leaves Frontier.**

Frontier CEO Barry Biffle has stepped down as CEO of the company in mid-December. He was with Frontier for 11 years, and earlier held senior positions with airlines including Spirit and VivaColombia. Frontier President James Dempsey was named Interim CEO and, said Board Chair Bill Franke, "is uniquely qualified to guide our airline into the future." Frontier said Biffle would remain at the airline in an "advisory capacity" until the end of the year. . . Frontier launched six new routes from Atlanta, including St. Maarten, The Bahamas, Turks and Caicos, Mexico and Milwaukee, with fares starting at \$49. Another 23 routes across the U.S. and to Mexico launch in 2026, with fares from \$39. Also in 2026 will be introduction of first-class seats.

### **5. Spirit Receives Third Round of Debtor-in-Possession Funding.**

Spirit Aviation Holdings reached an agreement with senior secured noteholders to amend its debtor-in-possession (DIP) credit agreement, and the third funding round of an incremental \$100 million was fulfilled with \$50 million useable

immediately. Use of the remaining amount is subject to conditions that relate to further progress on a standalone plan of reorganization or a strategic transaction. Spirit “is currently in active negotiations on each of these possibilities,” said President and CEO Dave Davis, and reportedly has renewed merger talks with Frontier. Spirit is transferring two of its four Chicago O’Hare gates to American for \$30 million and plans to reject leases for another 11 Airbus A320-family aircraft.

**6. Mesa, Republic Flight Attendants Reach Joint Tentative Agreement.**

Flight attendants at Mesa and Republic, represented by Association of Flight Attendants (AFA) and Teamsters Local 135, respectively, reached a tentative joint collective bargaining agreement, which, said AFA, contains pay for boarding, increasing compensation up to 16%. Ratification vote begins January 5. The airlines will maintain parallel operations while the combined company works to consolidate to operate as a single carrier.

**7. Volaris, Viva Form Volaris Holding Company.**

Volaris and Viva agreed to create a new Mexican airline group under a holding company structure, “with the objective of expanding low fare travel and the connectivity within Mexico and abroad.” Upon closing, Viva shareholders will receive newly issued shares of the Volaris Holding Company, and Volaris shareholders will retain their shares, with each shareholder group owning 50% of the new group. Boards of Volaris and Viva unanimously approved the transaction, which is subject to regulatory and other approvals; transaction expected to close in 2026. The ultra-low-cost carriers will maintain separate identities, brands and operations (including operating certificates), with current leadership structures. Enrique Beltranena is Volaris President and CEO. Juan Carlos Zuazua is CEO of Viva. Current Viva Board Chair Roberto Alcántara Rojas will be Chairman of the new holding group.

**8. Azul Expects Bankruptcy Exit in February.**

A U.S. bankruptcy judge approved a debt restructuring plan for Azul, enabling the Brazilian airline to reduce more than \$2 billion in obligations and secure new funding via an equity rights offering, according to press interviews with CEO John Rodgerson. United holds a small stake in Azul, which will increase, and American will acquire a small stake; each will have a board seat. United code shares with Azul and an agreement with American is planned.

**9. Boeing, Airbus Complete Spirit AeroSystems Acquisitions.**

Boeing completed its \$8.3 billion acquisition of Spirit AeroSystems units, including fuselages for the 737, major structures for the 767, 777 and 787 Dreamliner, and commercially procured fuselages for the P-8 and KC-46.

Boeing will integrate Spirit's commercial and aftermarket operations and establish Spirit Defense," said Kelly Ortberg, President and CEO, noting the transaction "brings Boeing's largest supplier of spare parts in house, expands Boeing's global maintenance, repair and overhaul services footprint and adds to Boeing's rotatable, lease, and exchange portfolio." Portions of Spirit operations in Belfast will operate as an independent subsidiary branded as Short Brothers, a Boeing Company. Spirit commercial and aftermarket operations in Wichita, Dallas and Tulsa, and its Aerospace Innovation Center in Prestwick, Scotland, will integrate into Boeing. . . . Boeing divested Spirit's Subang aerostructures business to Composites Technology Research Malaysia. . . . Airbus closed its acquisition of Spirit programs in Kinston, North Carolina (to be Airbus Aerosystems Kinston) and Saint-Nazaire (Airbus Atlantic Cadréan) for A350 fuselage sections; and Casablanca (Airbus Atlantic Maroc Aero) for A321 and A220 components; as well as production of A220 wings and mid-fuselage in Belfast (Airbus Belfast), wing components for A320 and A350 in Prestwick (affiliate of Prestwick Aerosystems), and A220 pylons to be transferred from Wichita to Toulouse.

10. **Alaska Adds Seattle Service to Europe.**  
See Section VIII, item 1.
11. **Southwest Partners With Turkish, Condor.**  
See Section VIII, item 2.
12. **Aer Lingus Offers Dublin to Pittsburgh Route.**  
See Section VIII, item 3.
13. **ITA Plans Direct Rome to Houston Flights.**  
See Section VIII, item 4.
14. **Cathay Pacific Returns to Seattle.**  
See Section IX, item 2.
15. **Air Premia to Launch Seoul-Washington Dulles Service.**  
See Section IX, item 3.
16. **Royal Air Maroc Plans Casablanca to Los Angeles Service.**  
See Section IX, item 4.