



WASHINGTON AVIATION SUMMARY

AUGUST 2026 EDITION

CONTENTS

I.	REGULATORY NEWS	1
II.	AIRPORTS	4
III.	SECURITY AND DATA PRIVACY	6
IV.	TECHNOLOGY AND EQUIPMENT	7
V.	ENERGY AND ENVIRONMENT	10
VI.	U.S. CONGRESS	11
VII.	BILATERAL AND STATE DEPARTMENT NEWS	14
VIII.	EUROPE/AFRICA.....	16
IX.	ASIA/PACIFIC/MIDDLE EAST	17
X.	AMERICAS	18

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

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I. REGULATORY NEWS

1. IATA Appoints First Female Director General.

Saadia Zahidi was named Director General of the International Air Transport Association (IATA), effective November 1, 2026. The first woman to hold the position, she will succeed Willie Walsh who leaves IATA on July 31 to lead Indian airline IndiGo; IATA CFO Sandrine Le Borgne will serve as Interim DG. Zahidi joins IATA from the World Economic Forum where she was Managing Director. She founded and heads its Centre for the New Economy and Society, and has served on the UN Secretary-General's panel for Women's Economic Empowerment and the European Space Agency's High-Level Advisory Group. She holds Swiss and Pakistani nationalities.

2. IATA Releases 2025 World Air Transport Statistics.

The United States remained the world's largest passenger market in 2025, with 890.1 million passengers (arriving and departing), but recorded the slowest growth of the world's top 10 markets, up 1.6% compared to 2024, according to IATA's latest edition of World Air Transport Statistics (WATS). China ranked second with 776.1 million passengers, up 4.8%. Several Central Asian countries were among the world's fastest-growing passenger markets. Kazakhstan recorded a 40% surge to 18.1 million while Uzbekistan welcomed 12.5 million, up 16.9%. Elsewhere, Vietnam recorded 80.9 million passengers in 2025, up 14.8%. Number of international premium-class passengers (business and first class) reached 109.7 million in 2025, up 4.5%, accounting for 5.5% of all international travelers. Latin America saw the largest jump in premium-class passengers, rising 22.1% to 4 million. Europe continued to hold the largest share, with 39.7 million. North America (10.4%) and the Middle East (9.5%) accounted for the highest shares of premium-class passengers as a proportion of total passenger numbers.

3. DOT Restores 2011 Air Fare Advertising Rules.

The Department of Transportation (DOT) issued a final rule, effective July 2, 2026, that restores regulations on disclosure of fees for ancillary services as they existed before publication of the 2024 rule, "Enhancing Transparency of Airline Ancillary Service Fees." By reverting to requirements of a 2011 rule, "Enhancing Airline Passenger Protections," DOT restores requirements designed to ensure transparency without requiring integrated display of fees during initial search results, as had been required in the 2024 rule. Specifically, the 2011 rule required: (1) airlines disclose on their homepages for at least three months any increase in baggage fees or changes in baggage allowances; (2) airlines and ticket agents disclose a notice on the first screen

where a fare is shown that additional baggage fees may apply, including instructions on how to access those fees; (3) airlines and ticket agents provide information on e-ticket confirmations regarding free baggage allowances and applicable fees for the first and second checked bag and carry-on bag; and (4) airlines disclose all fees for ancillary services in one central place on the airline's website, permitting non-baggage fees to be expressed as ranges. Airlines and associations had challenged the 2024 rule as arbitrary and capricious. All requirements introduced in the 2024 rule are now legally void; a comment period was waived. . . . DOT extended a pause on enforcement of airline refund requirements regarding cancelled flights for one year to July 7, 2027. This applies to situations where a flight is renumbered, but passenger is successfully rebooked on new flight without experiencing a "significant change or delay." If a flight number change is accompanied by significant delay or disruptions, standard consumer refund mandates remain fully enforceable. The extension gives DOT time to complete a pending rule titled "Airline Refunds and Other Consumer Protections III."

4. Boeing To Resume Issuing Certificates For New Planes.

The Federal Aviation Administration (FAA) allowed Boeing to resume issuing airworthiness certificates at end of production process for all 737 MAX and 787 airplanes, following "months of thorough data and safety review demonstrating consistent production quality." FAA will continue inspections, audits, and monitoring of Boeing's production system, including critical assembly activities, production quality trends, and compliance with approved type design and engineering requirements. FAA stopped allowing Boeing to issue airworthiness certificates for 737 MAX airplanes in 2019 after the Lion Air and Ethiopian Airlines crashes, and for Boeing 787 airplanes in 2022, because of production quality issues.

5. FAA Proposes Rule Enabling Supersonic Overland Flight.

FAA proposed a rule that sets a noise-based certification standard for supersonic aircraft, "replacing the longstanding prohibition on civil supersonic flight over land with a modern, performance-based regulatory framework." Another rule will establish landing and takeoff noise standards. "These actions will give manufacturers the guidance they need to finalize their designs and bring these exciting innovations online," said DOT Secretary Sean Duffy. "Advances in aerospace engineering, materials science, noise reduction, and new operational concepts will eliminate the old sonic boom," said FAA Administrator Bryan Bedford. "This means we can ultimately repeal the ban from the 1970s on supersonic flight over U.S. territory while minimizing noise impacts to residents in communities along the route and near airports." Comments due August 17, 2026.

6. FAA Urges Operators To Preserve CVR Data.

FAA issued a safety alert urging operators to develop procedures for preserving data on cockpit voice recorders (CVRs) to prevent evidence from being overwritten. The alert responds to National Transportation Safety Board (NTSB) recommendations related to the 2024 Alaska Airlines accident, in which a Boeing 737-9 experienced an in-flight separation of a mid-exit door plug and rapid depressurization. NTSB's investigation found the airline's procedures were ineffective in ensuring preservation of CVR data, resulting in loss of critical information.

7. FAA NPRM On Duty, Rest Requirement Preemptions.

FAA issued a notice of proposed rulemaking (NPRM) to clarify that regulations governing duty and rest periods for pilots and flight attendants preempt state and local meal and rest break requirements. Recent litigation prompted FAA to review the regulations and forestall confusion. Comments due September 4, 2026.

8. FAA Rule Requires Radio Altimeter Upgrade.

FAA issued a final rule to ensure aircraft radio altimeters can withstand interference from 5G wireless signals, in conjunction with rules adopted by the Federal Communications Commission (FCC) for new 5G spectrum band auctions. The deadline is December 30, 2030, for scheduled passenger airlines and October 31, 2034, for all other affected aircraft. "FCC requirements for a radio-altimeter rebate program will provide financial incentives for the aviation community to hold to the altimeter-upgrade schedule," said FAA. "As a result, commercial aircraft will equip with next-generation technology several years earlier than otherwise would have been feasible."

II. AIRPORTS

1. FAA Grants \$1.776 Billion To 46 Airports.

FAA announced on July 2 grants totaling \$1.776 billion to 46 airports for runway rehabilitation and safety and other enhancements. A small sample of airports receiving funding from Airport Infrastructure and Airport Improvement Program (AIP) grants includes Denver (\$88.8 million), Baltimore/Washington (\$62.4 million), Houston Hobby (\$62.2 million), New York Kennedy (\$47.6 million), Orlando (\$36 million) and Oakland (\$28.1 million). . . . Dallas Love Field received \$23.7 million “to enhance the travel experience for families,” said FAA, and reconstruct passenger boarding bridges.

2. FAA Extends Flight Limits At Chicago O'Hare.

FAA will extend current limits on scheduled flights at Chicago O'Hare through October 30, 2027. Limits were set to expire October 24, 2026; however, construction projects and airfield adjustments are expected to continue through Summer 2027 with continued impact on operations.

3. Washington Dulles Transformation Plans Unveiled.

Renderings for a \$20 billion transformation of Washington Dulles were unveiled by DOT, United Airlines and Metropolitan Washington Airports Authority (MWAA) at the White House. The project preserves the iconic Eero Saarinen terminal design and eliminates the infamous Dulles mobile lounges (a/k/a people movers). It will add gates, replace Concourses C and D with facilities that support more and larger aircraft, and provide new AeroTrain connections and additional concessions and lounges, including “one of the largest United Polaris Lounges in the world.” MWAA President and CEO Jack Potter said the new effort builds upon the \$7 billion Dulles Master Plan already underway. In December 2025, DOT sought proposals and public-private partnership plans from developers, architects and engineers for the project, which will occur in phases over several years. MWAA and airlines will finance new concourses and terminal facilities through municipal bonds. Other portions “will offer opportunities for public-private partnership investments.”

4. IATA, CANSO, ACI Launch Joint Runway Safety Initiative.

A joint initiative to reduce the risk of runway incursions was launched by IATA, the Civil Air Navigation Services Organization (CANSO) and Airports Council International (ACI). Several recent incursions have been fatal. “This initiative brings airlines, airports and air navigation service providers together to identify runway risks earlier and take coordinated action,” said IATA.

5. Portland's Main Terminal Reconstruction Completed.

Portland International's main terminal reconstruction, the largest public infrastructure project in Oregon history, was completed on-time and on-budget without a single day of closure, announced Port of Portland. The 11-year, \$2.15 billion effort "modernized PDX, strengthened its seismic resilience, and cut its carbon footprint. . . . We grew nearly 40% in size while slashing energy use per square foot in half"; a ground-source heat pump, by late 2026, will heat and cool the airport, cutting fossil fuel use by 95%.

6. Cleveland Finalizes New Airline Use And Lease Agreement.

Cleveland Hopkins finalized a new eight-year Airline Use and Lease Agreement (AULA) and two-year renewal option, retroactive to January 1, 2026. The Northeast Ohio airport, which plans major landside improvements, handles 10 million passengers annually with 10 passenger airlines, 130 daily departures and nonstop service to 40 destinations.

7. Sun Group, Changi To Develop Vietnam's Airport Network.

Sun Group and Changi Airports International (CAI) signed a strategic cooperation agreement, under which they will work together "across the full lifecycle of Vietnamese airports," from master planning and design optimization, through construction advisory and pre-opening preparation, to ongoing operations, maintenance, and development of specialized aviation services. Sun Group is the parent of Sun PhuQuoc Airways; airport investments include Van Don International and ongoing development of Phan Thiet, as well as Phu Quoc, which is the site of the 2027 Asia-Pacific Economic Cooperation summit. CAI has advised more than 60 airports in 20 countries.

8. Cambodia Opens Phnom Penh Techo International.

Cambodia Airport Investment Co. announced the opening of Techo International. Near Phnom Penh, it will serve as the country's primary airport, and, said officials, will be among the largest in the world with handling ability of up to 15 million passengers annually in its first phase; 30 million in Phase 2, which will bring a second pier and additional runway; and 50 million in Phase 3, which will deliver a third runway and new terminal. Investment for Phase 1 exceeded \$2.3 billion and was financed locally. A special economic zone as well as residential, commercial, logistics, and manufacturing developments will be adjacent to the airport.

III. SECURITY AND DATA PRIVACY

1. TSA Launching Gold+ Privatization Program.

The Transportation Security Administration (TSA) will launch a new privatization program at Tampa, Charleston and Des Moines airports next year. TSA Gold+ expands the Screening Partnership Program (SPP), which currently uses private contractors at about 20 airports. “This is a major departure and step backwards from the aviation screening security system that Congress created in the wake of the Sept. 11th terrorist attacks in 2001 and the deadly bombing of Pan Am Flight 103 over Scotland in 1988,” said the American Federation of Government Employees (AFGE), warning against putting private contractors “in control not only of security screening functions but the screening technology itself—the very machines that detect explosives, weapons, and other prohibited items. While TSA staff theoretically would provide oversight, they would no longer be directly in charge of screening passengers or carry-on items at these participating airports.”

2. European Aviation Groups Urge Changes In Entry/Exit System.

Implementation of the Entry/Exit System (EES) “is creating severe operational consequences disrupting passengers and putting border authorities, airports and airlines under unsustainable pressure,” wrote aviation groups to Ursula von der Leyen, President of the European Commission. “We therefore urge your immediate intervention before the situation deteriorates further during the peak summer travel season.” While a measure allowing Border Control Authorities to suspend biometric data collection until September has provided some relief, “it has not prevented excessive queues for passengers nor preserved airport and airline operations.” The letter requests immediate flexibility for Member States “to completely suspend EES, preventively whenever passenger volumes exceed the operational capacity of border control facilities, at least throughout July and August,” and staffing adjustments, among other things. The letter was signed by Airports Council International (ACI) Europe, Airlines for Europe (A4E) and IATA senior executives.

IV. TECHNOLOGY AND EQUIPMENT

1. Virgin Atlantic, Joby To Bring Electric Air Taxi Service To UK.

Virgin Atlantic and California-based Joby Aviation signed a multi-year contract, establishing Virgin Atlantic as Joby's exclusive airline partner for electric, vertical take-off and landing (eVTOL) air taxi service in the UK. The collaboration builds on Joby's partnership with Delta, which holds a 49% stake in Virgin Atlantic and in 2022 agreed to a multi-city partnership with Joby for community-to-airport transportation across the U.S. and UK. Joby plans to launch service at Virgin Atlantic hubs in London and Manchester, with Manchester anchoring Joby's connections across the North of England. Routes planned include Manchester to Leeds in 15 minutes and Heathrow to Central London in as little as 8 minutes, journeys that take over an hour by car today. Joby will retain sole responsibility for aircraft operations, route management, and securing UK Civil Aviation Authority (CAA) regulatory approvals, while Virgin Atlantic will support infrastructure integration and customer acquisition at both hubs. Joby aircraft use six tilting propellers to take off and land vertically with a fraction of noise produced by helicopters. Back-to-back flights will be operated on routes of up to 100 miles. Joby's thousands of test flights include a recent point-to-point flight between New York Kennedy and Manhattan. Certification is progressing under the Bilateral Aviation Safety Agreement between FAA and UK CAA.

2. Eve Air Mobility, FDOT Partner To Advance AAM In Florida.

Embraer's Eve Air Mobility announced a partnership with the Florida DOT for a focused Advanced Air Mobility (AAM) initiative at SunTrax Air. The FDOT-led initiative will bring together Eve's expertise in eVTOL operations and services with SunTrax Air's research, testing and validation capabilities. The effort will focus on delivering insights into the infrastructure, operational procedures, and airspace navigation procedures needed to enable the safe and efficient integration of AAM into Florida's transportation network. Owned and operated by FDOT, SunTrax Air serves as Florida's dedicated Advanced Air Mobility research and development hub, providing a collaborative environment to evaluate technologies, operational concepts, and supporting infrastructure for next-generation aviation.

3. GE Aerospace Conducts First Hybrid-Electric Flight Above 30,000 Feet.

GE Aerospace conducted the first hybrid electric flight above 30,000 feet, reaching the same altitude levels of passenger commercial aircraft. During tests, the team's single longest flight in hybrid electric operation was more than two hours. The test was enabled by GE Aerospace's hybrid electric

propulsion system developed through the NASA Electrified Powertrain Flight Demonstration (EPFD) project. The right side of the EPFD aircraft, a Saab 340B, was modified for flight tests with a hybrid electric system that fits inside an inverted nacelle, providing extra ventilation. BAE Systems provided the batteries and Boeing subsidiary Aurora Flight Sciences supplied the complete nacelle. BETA Technologies served as systems integrator and BETA pilots ferried the aircraft to the UK for public demonstration flights at the Farnborough International Airshow, operating in hybrid electric mode during each leg of the journey.

4. Farnborough Airshow News.

Boeing released its 2026 Commercial Market Outlook ahead of the Farnborough International Airshow, forecasting operators will need 44,000 new airplanes to support air travel demand and air cargo expansion over the next 20 years. Passenger traffic is expected to grow 4% annually, resulting in a doubling of global air traffic between 2026 and 2045. . . . Among commercial activities at the show, Philippine Airlines signed a Memorandum of Understanding (MoU) with Boeing to acquire 15 787-10 Dreamliners, with opportunity for five more, and an MoU with Airbus for nine additional A350-1000 aircraft, with purchase rights for five more. . . . SMBC Aviation Capital signed firm orders for 100 B-737 MAX and 65 A321neo and 35 A320neo aircraft. . . . AerCap ordered 15 B-787-9 Dreamliners, which will increase AerCap's fleet of 787s to 140. . . . Abra Group, parent of Avianca, Gol and WamosAir, agreed to acquire 20 Embraer E195-E2s, with 10 purchase options and 15 purchase rights. . . . Riyadh Air is exercising options for another 28 Dreamliners from a 2023 order that also includes conversion of 20 airplanes to the larger 787-10 variant. With a previously unidentified purchase of 11, firm order count is 67 Dreamliners. The Saudi startup also exercised purchase rights for another six A350-1000s. . . . Bombardier's Global 8000 set a new speed record en route to Farnborough from Los Angeles—8 hours and 46 minutes; the flight crew overcame unfavorable tailwinds, reaching a top speed of Mach 0.93, 2.2% faster than previous record for the city pair. The business jet is the fastest civil aircraft since the Concorde.

5. BETA, United Therapeutics, Flight Test eVTOL Organ Delivery.

BETA Technologies, in partnership with United Therapeutics, completed the first operational flights of the eVTOL Integration Pilot Program (eIPP). The flights used BETA's ALIA electric aircraft to carry an animal organ in a medical containment system. The organ was flown from Virginia Tech Montgomery Executive Airport to Charlottesville Albemarle Airport before being transferred to another ALIA and flown to Frederick Municipal Airport and then Martin State Airport. The route covered roughly 275 nautical miles between Blacksburg, Virginia and Baltimore County, Maryland. The company's aircraft have flown

more than 160,000 nautical miles, and it has established a charging network across 123 sites in the U.S. and Canada.

6. Counter-Drone Successes Protected FIFA World Cup 2026.

DOT Secretary Sean Duffy announced that federal, state, and local agencies seized more than 700 unauthorized drones across the 11 U.S. host cities. The FAA established nearly 250 temporary flight restrictions creating no-drone zones over match venues, fan festivals, team hotels, and training sites. Federal and local Ground Intercept Teams handled mitigation and enforcement, with the FBI and DHS seizing drones found in restricted airspace. Duffy credited a whole-of-government approach involving the FBI and DHS for holding violators accountable. The operation required more than a year of preparation and training, along with a \$500 million counter-drone grant from the One Big Beautiful Bill Act, and will inform security planning for future major events, including the 2028 Olympic Games.

7. Manna, Irish Drone Delivery Company, Launches Tulsa Operation.

Manna, an Irish drone delivery company, has picked Tulsa, Oklahoma, as a U.S. operations and manufacturing center and the central base for its American expansion. Founded in Ireland in 2018, Manna began U.S. operations in Fort Worth, Texas in 2023. The company has completed almost 380,000 global deliveries and plans to create more than 1,000 jobs in the Tulsa region over the next three years. Tulsa's federal Tech Hub designation and investment in drone infrastructure helped attract the company. Manna is also evaluating six additional U.S. cities for expansion by the end of 2027. Founder Bobby Healy states, contrary to reports, the U.S. expansion does not signal a shift away from Ireland, and that Manna continues to grow its "R&D, manufacturing, flight testing, operations and regulatory functions in Glasnevin and Offaly."

V. ENERGY AND ENVIRONMENT

1. Fuel Bill For Global Airline Industry.

The global average jet fuel price for week ending July 17 was \$149.40 per barrel, up +15.6% from prior month's average, and up +65.9% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

2. Delta Multi-Airport Collaboration With Shell Expands SAF Access.

Delta aims to expand sustainable aviation fuel (SAF) availability and adoption across multiple U.S. hubs and priority cities with a five-year multi-airport collaboration supported by Shell Aviation. Airports include Los Angeles International, Portland, New York Kennedy, Boston Logan and Minneapolis-St. Paul. Shell will support blended and neat SAF deliveries, helping establish logistics, blending and distribution capabilities required for dependable supply across Delta's network. Delta and Shell will evaluate and advance next generation SAF technologies, including alcohol to jet and power to liquid pathways.

3. EU Proposes Revised Emissions Trading Scheme.

The European Commission proposed an expansion of the Emissions Trading Scheme (EU ETS) to include flights beyond Europe's borders. "This recalls the EU's first attempt to extend its ETS back in 2008-2012, when they wisely abandoned the effort in favor of supporting a global approach," said IATA. "Consequences will be harmful—sowing acrimony over extraterritoriality, slowing global decarbonization, and sapping European competitiveness—with European travelers and businesses paying the price," said IATA Director General Willie Walsh. "The EU instead should focus on making CORSIA [Carbon Offsetting and Reduction Scheme for International Aviation], the agreed global mechanism, even more successful. Increasing SAF allowances and enabling a book-and-claim system for SAF could be promising steps. . . . We will engage with European policy makers towards a more effective approach with no extraterritoriality, full support for CORSIA, and effective SAF incentives."

VI. U.S. CONGRESS

1. Aviation Coalition Requests \$20 Billion For ATC.

The Modern Skies Coalition, representing more than 50 U.S. aviation organizations, asked congressional leaders to allocate \$20 billion to close the funding gap for the Brand-New Air Traffic Control System (BNATCS). “Partial funding risks stranded investments, prolonged reliance on obsolete systems, higher lifecycle costs, and continued operational strain across the National Airspace System,” said the letter. An initial \$12.5 billion “down payment” was approved a year ago and appropriators have increased annual funding for the FAA Facilities & Equipment account to \$4 billion annually from \$3 billion. The Coalition wrote that a Common Automation Platform for air traffic controllers should be a top priority for the BNATCS effort and additional federal investment. Replacing FAA’s current en route, terminal, and oceanic procedures automation systems used to separate and sequence aircraft into a single modern platform would cost about \$10 billion. Congressional oversight on the status of BNATCS initiatives was urged “to ensure accountability and acceptable performance.”

2. “Quiet Skies Act” Would Finalize In-Flight Cell Phone Call Ban.

The FAA Reauthorization Act of 2018 required the Secretary of Transportation to ban voice calls on commercial flights, and eight years later that still hasn’t happened, said House sponsors of the newly introduced “Quiet Skies Act,” which would require FAA to finalize the ban within 180 days of enactment. The bilateral bill was supported by Global Business Travel Association (GBTA), whose members say “the cabin should remain a place to work, rest and think, and not become a group phone booth for dozens of simultaneous private conversations at 35,000 feet.” New satellite connectivity from Starlink and similar networks has erased the bandwidth limits that once kept calls off planes, and more than 36 major airlines have now committed to the technology, said GBTA.

3. Nomination Hearing For TSA Administrator.

The Senate Commerce Committee held a hearing on the nomination of David Cummins as TSA Administrator. “With nearly 65,000 employees, TSA functions much like a complex, large corporation,” said Committee Chairman Ted Cruz (R-Tex). “As a private sector business executive, Mr. Cummins has the acumen that is needed to keep an organization like the TSA lean, focused, and operating smoothly. He has already identified screening-technology modernization, workforce morale, and improving the traveler experience as priorities for his tenure as Administrator.” Cummins most recently was with

government contractor Serco. . . . Noting that the President's proposed Fiscal Year 2027 budget request "seeks to cut more than 9,400 TSA personnel through expanding privatized screening and other initiatives," Andy Kim (D-NJ) said "private contractors answer to a bottom line, incentivizing them to cut labor costs. And TSA's privatization push is built on offloading its highest expenditure—personnel compensation and benefits." . . . The American Federation of Government Employees asked the Administration to withdraw the Cummins nomination "and put forward a qualified leader who respects the workforce and will protect the traveling public from heedless experiments to benefit contractors' bottom lines." The nomination of Cummins has advanced to the full Senate. . . . The Senate Commerce Committee advanced several bills. The "Supersonic Aviation Modernization Act" directs FAA to issue or revise regulations to allow for operation of civil aircraft at speeds greater than Mach 1 in the national airspace system without a special authorization, so long as no sonic boom reaches the ground in the United States. The "Aviation Medication Transparency Act" would require FAA to publish and regularly update a user-friendly list of medications approved for pilots and air traffic controllers. The "Aviation Innovation and Global Competitiveness Act" would improve FAA's aircraft certification process to support development of eVTOL and other new technologies.

4. Airlines Warn Congress of Daylight Savings Time Implications.

As Congress moved toward making daylight saving time permanent across most of the U.S., Airlines for America (A4A) warned of "considerable implications for aviation, including passenger disruption, crew and aircraft positioning, and domestic and international connectivity issues." The "Sunshine Protection Act" was approved by the House and needs approval from the Senate. The "Sunshine for Our Kids Act of 2026" has been introduced in the House. "Airlines operate expansive interconnected domestic and global networks that are reliant on stability and predictability," said A4A. "Any changes would need an implementation timeline that reflects these global complications."

5. House Passes Homeland Security Bills.

The House of Representatives passed 10 bipartisan bills that were advanced by the House Committee on Homeland Security. Among them, the "Reimbursable Screening Services Program Extension Act of 2026" extends a TSA pilot program through Fiscal Year 2031 and allows TSA to expand the pilot to up to 14 locations, from the current limit of eight. The program allows TSA to be reimbursed for establishing and providing screening services outside an airport terminal's existing primary screening area for passengers. . . . The "Spending Aviation Fees for Equipment, Guaranteeing Upgraded and Advanced Risk Detection and Safety Act of 2026" (SAFEGUARDS) would

require that the first \$500 million collected in each fiscal year from the 9/11 security fee (passenger security fee) be deposited into the Aviation Security Capital Fund, an increase from the currently required \$250 million, to be used for aviation security checkpoint technology. Currently, these fees generally are deposited in a Treasury Department fund and applied toward federal debt reduction. . . . The “One-Stop Pilot Program Extension Act” modifies a TSA pilot program, under which eligible passengers and their checked baggage arriving in the United States from certain foreign airports, with connecting flights, may be eligible to continue without additional TSA re-screening. The bill extends the pilot through December 23, 2032, from the current December 23, 2028, and revises requirements for excluding checked baggage from additional TSA security re-screening. Among other things, the bill specifies that a passenger must be unable to access their checked baggage until arrival at final destination, and that U.S. Customs and Border Protection must have received timely images of the baggage from the participating foreign airport prior to a passenger’s arrival in the United States.

VII. BILATERAL AND STATE DEPARTMENT NEWS

1. EIB Commits €3 Billion To Airbus For R&D.

The European Investment Bank (EIB) and Airbus agreed on a €1 billion loan to support research and development in France, Germany and Spain, “the first tranche of a €3 billion envelope tailored to underpin enterprising innovation.” The financing will support Airbus’ planned investments through 2030 in advanced technologies and integrated systems for commercial aviation, as well as security and defense systems. “The highly competitive terms and extended flexibility grant us the maximum optionality to manage our balance sheet, minimize the cost of carry and sustain our long-term investments in aerospace innovation,” said Airbus. EIB is the financing arm of the European Union, owned by the 27 Member States, and one of the largest multilateral development banks in the world. . . . Boeing asked the U.S. Trade Representative to request a full accounting of terms of the loan, in a letter seen by Reuters. The companies waged a 17-year battle over government subsidies at the World Trade Organization, which ended in 2021 with a five-year truce calling for an open and transparent process.

2. U.S., Cambodia Sign Air Transport Agreement.

The United States and Cambodia signed an air transport agreement that will bring their civil air transportation relationship “to the highest modern standard consistent with U.S. Open Skies principles . . . and provide the framework for new opportunities for customers, airlines, and air travel and cargo services companies.” The agreement enables all-cargo seventh-freedom traffic rights, allowing U.S. cargo carriers to operate between Cambodia and a third country without an operational nexus to the United States. Pending the agreement’s entry into force, both sides’ aeronautical authorities intend to permit operations consistent with terms of the agreement on the basis of comity and reciprocity. The signing followed the U.S. International Development Finance Corporation Board approval of support for Cambodia’s new Techo International Airport in Phnom Penh.

3. South America Moves Toward Single Air Transport Market.

Argentina, Brazil, Chile and Paraguay signed an MoU as a first step toward achieving a single South American air transport market. Under the South American Air Liberalization Agreement (ALAS), a working group will draft rules over the next year, to be implemented by each country. Brazil also signed agreements with Argentina and Paraguay to incorporate seventh-freedom traffic rights for passenger, cargo and combination services, effective immediately. . . . Separately, Peru’s Ministry of Transportation and

Communications (MTC), through the General Directorate of Civil Aeronautics (DGAC), signed international instruments, including MoUs, with Colombia, Spain, Chile, Panama, Brazil, Costa Rica, El Salvador, Paraguay, Guatemala, the Bahamas, Bolivia, Ecuador, Uruguay, and Guyana, completing its air transport liberalization process across South America, and has expanded its strategy to Central America, the Caribbean, and Europe.

VIII. EUROPE AND AFRICA

1. Anko Van Der Werff To Leave SAS For Air Canada.

SAS President and CEO Anko van der Werff will leave the company at the start of 2027 to become President and CEO of Air Canada. Since he joined SAS in 2021, the airline has restructured, announced an order of up to 40 Airbus widebody aircraft, and joined SkyTeam in preparation for becoming part of Air France-KLM Group, subject to regulatory approvals. . . . Van der Werff will succeed Michael Rousseau, who announced his retirement after 19 years with Air Canada when the government expressed displeasure at his limited ability to speak French. Van der Werff was selected because he can communicate in French, said Air Canada officials, and has “an exceptional breadth of international aviation experience and a proven 25-year track record.” In addition to SAS, he has held senior positions at Avianca Group, Aeroméxico, KLM Royal Dutch Airlines (now Air France-KLM) and Qatar Airways.

2. Apollo Offers £5.7 Billion For easyJet.

easyJet reached an agreement in principle with Apollo Global Management on a possible acquisition, rejecting earlier Castlelake proposals. Apollo’s cash offer of £5.7 billion assumes the easyJet brand will remain in use following completion of the transaction, said the UK budget airline. The deadline for Apollo to announce a firm offer is August 7.

3. Lufthansa Submits Bid For TAP Air Portugal Minority Stake.

Lufthansa Group submitted a bid to Portuguese state-owned investment company Parpública for an initial minority stake in Star Alliance partner TAP Air Portugal. “We want to strengthen Portugal’s national airline as part of the Lufthansa Group and as the leading airline for the South Atlantic, with Lisbon as a strategic hub,” said Lufthansa Group CEO Carsten Spohr. “With SWISS, Austrian Airlines, Brussels Airlines, and ITA Airways, we have demonstrated how the European integration of our Lufthansa Group secures prospects and growth for our home markets and hubs.” . . . Lufthansa appointed Lorenza Maggio as CEO of Brussels Airlines, subject to approval by the Board of Directors of SN Airholding. She succeeds Dorothea von Boxberg, who is leaving the company. She also will assume the role of Executive Board Representative to the European Commission. An Italian national, Maggio has been a member of the Board of Directors of ITA Airways since January 2025.

IX. ASIA/PACIFIC AND MIDDLE EAST

1. American To Launch Chicago-Tokyo Nonstops.

American Airlines will launch nonstop Boeing 787-9 service between Chicago O'Hare and Tokyo Narita on March 27, 2027, with onward connections to Asian destinations operated by Japan Airlines.

2. American, Starlux Seek Codeshare Authority.

American Airlines and Taiwan's Starlux applied to DOT for code share authority, allowing American to place its code on Starlux-operated flights between the U.S. and Taiwan and beyond, and Starlux to place its code on American-operated flights in the U.S. and beyond. They have an interline partnership which offers single-ticket booking and through-checked luggage between American's North American network and Starlux's transpacific and Asian routes. . . . Starlux code shares with Alaska Airlines; flights cover Salt Lake City, Portland, Denver, Philadelphia, Orlando, Washington D.C., and Newark to Seattle or San Francisco, operated by Alaska, and connecting flights from Seattle or San Francisco to Asia operated by Starlux.

3. Southwest, Air Premia Launch Interline Partnership.

Southwest and South Korea-based Air Premia have entered a partnership to jointly provide transpacific travel with interline connections at their shared gateway airports in Honolulu, Los Angeles and San Francisco. Tickets are available through Air Premia, travel agents, and travel websites. From Seoul Incheon, Air Premia flies to destinations in Asia including Hong Kong, Japan, Thailand and Vietnam with a fleet of Boeing 787-9 aircraft.

4. Emirates Rolls Out New Lounge Concept.

Emirates is rolling out refreshed lounges with zones for relaxation, work, socializing and dining at Munich, Frankfurt, Manchester, Mauritius and Istanbul. A \$13.6 million investment in each lounge provides Italian eco-leather seating, wireless charging and universal power access at every seat, Rolex clocks with global time zones, dining areas with live cooking stations, a barista bar with dedicated mixologist, shower suites, dedicated male and female prayer rooms, and spaces for private meetings and breastfeeding. Lounges are complimentary for First and Business Class customers and Emirates Skywards Platinum and Gold members, including those travelling in Premium Economy and Economy Class. Paid access is also available.

X. AMERICAS

1. United Offers Cartagena Nonstops From Houston, Washington, D.C.

United will launch four weekly Boeing 737 nonstop flights from Houston Intercontinental and Washington Dulles to Cartagena, Colombia, on December 17, subject to government approval. . . . United is adding a row of Economy Plus seats on 50 new Airbus A321XLRs with extra elbow room and access to a shared table across an open middle seat that transforms into a lie-flat surface. CEO Scott Kirby said the first "Born to Explore" A321XLR is expected to enter domestic service this fall, and international early next year. The airline is also offering Relax Row, multiple rows of seats on Boeing 787s and 777s that transform into a couch.

2. Delta Reports \$1.4 Billion In Pre-Tax Profit For June Quarter.

"We delivered \$1.4 billion in pre-tax profit while absorbing the highest quarterly fuel expense in our history," said Delta CEO Ed Bastian, announcing June quarter financial results. "We expect momentum to carry into the second half with double-digit margins and a return to earnings growth. For the full year, we are affirming the guidance we set at the start of the year to grow earnings by 20%, overcoming a multi-billion-dollar fuel headwind." . . . Delta is offering Basic fares in premium products in select markets, allowing customers to access premium products at a lower price point.

3. JetBlue Increases Fort Lauderdale Schedule.

JetBlue continued its Fort Lauderdale expansion with the launch of nonstop daily service to Baltimore, Charlotte, Cleveland, Nashville, Detroit, Houston, Chicago and Ponce, Puerto Rico. New service to Indianapolis; San Diego; Columbus, Ohio; Cali and Barranquilla in Colombia; and Caracas, Venezuela begins in coming months. . . . JetBlue has received court approval to acquire Spirit slots for up to 12 round-trip flights at New York LaGuardia, subject to regulatory approvals, and is expected to move operations to Terminal A (Marine Air Terminal). In June, JetBlue announced it would close its technical operations base at LaGuardia. . . . JetBlue will roll out a new domestic first-class experience, BlueFirst, later this year and, to prepare, has introduced a "simpler, more intuitive way" to shop for flights. Customers choose Main, EvenMore, BlueFirst or Mint, which define their seating area, onboard amenities and service, then select one of up to three fare options. . . . Under a new partnership with ClarityPay, eligible customers booking on the JetBlue website or mobile app can access financing options with introductory offer of 0% APR on terms up to 12 months; payments managed directly through ClarityPay.

4. **Avelo Adds Fifth Base At North Dallas' McKinney National.**

Avelo will open a fifth base at North Dallas' McKinney National on November 11, with nonstop flights to Las Vegas, Fort Lauderdale, Fort Myers, Orlando and Tampa. The launch flights will coincide with the opening of a newly constructed passenger terminal at McKinney and a new designation as a commercial service airport (DTX), after only general aviation operations. . . . Avelo will begin twice-weekly nonstops to Aguadilla, Puerto Rico, on November 19, from Southern Connecticut's Tweed-New Haven, in addition to its San Juan service. . . . Avelo will begin twice-weekly nonstops between Houston Intercontinental and Tweed-New Haven on September 21, having previously served Houston Hobby. . . . Avelo serves 37 destinations with a fleet of 16 Boeing NG 737s and in 2028 will be the first U.S. airline to fly the new Embraer 195-E2, with an order of up to 100 new aircraft.

5. **Anko Van Der Werff To Leave SAS For Air Canada.**

See Section VIII, item 1.

6. **American To Launch Chicago-Tokyo Nonstops.**

See Section IX, item 1.

7. **American, Starlux Seek Codeshare Authority.**

See Section IX, item 2.

8. **Southwest, Air Premia Launch Interline Partnership.**

See Section IX, item 3.