



MONTHLY INSIGHTS
PETER CERDÁ

2021 is off to a rough start and while we had high hopes at the end of last year for steady improvement towards recovery of our sector with the arrival of the vaccine, the reality two months into the new year has been challenging and we are at a critical point in the pandemic.

Unfortunately, we have seen an increase in restrictions in North and South America, and the Caribbean due to the emergence of new COVID-19 variants. Simultaneously many governments have decided to increase fees and charges, implement new consumer rights regulations and delay much needed infrastructure improvements, putting the recovery of the industry at risk.

One thing is clear: Governments must collaborate with our sector to drive the economic and social recovery across the Americas. In the U.S., it is critical to establish strong ties with the Biden Administration to continue our constructive dialogue with the US Government on key industry initiatives. In Canada, there is a strong need for a reset on the industry / government relationship which has deteriorated over the past year. And in Latin America and the Caribbean, going back to the way we did business in 2019 is simply unacceptable as the last time the industry made a profit was in 2017 and has been in the red ever since.

There must be a fundamental change to make air transport in the region more competitive. Moving forward, Governments must see airlines as business partners, not cash cows, to advance the region's air transport sector.

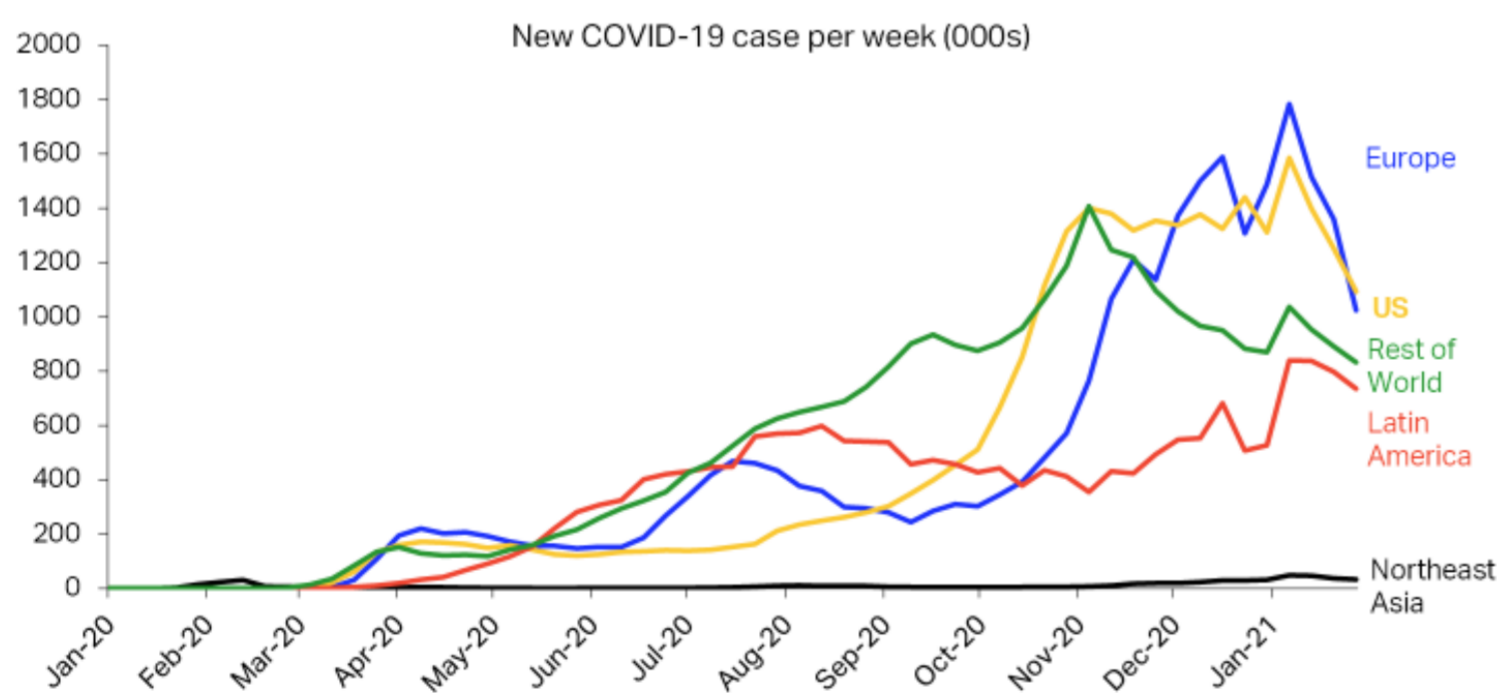
To do so, we will focus our work on four pillars: Infrastructure, competitiveness, regulatory framework and environmental sustainability. I will share more details and specific next steps on these pillars in the next edition.

Every crisis brings opportunity, and we must act now to build our region back better than before and create a more competitive air transport sector post COVID-19. While we continue to provide you with the latest operational information via the COVID-19 Americas Updates, please find our team's latest actions across the region below.

We will continue to fight on your behalf so that governments utilize aviation as a key driver in the region's economic and social recovery in the short term while making our industry more competitive and a valued business partner in the long term. Please let me know if you have any questions and continue to count on our support. Stay safe.

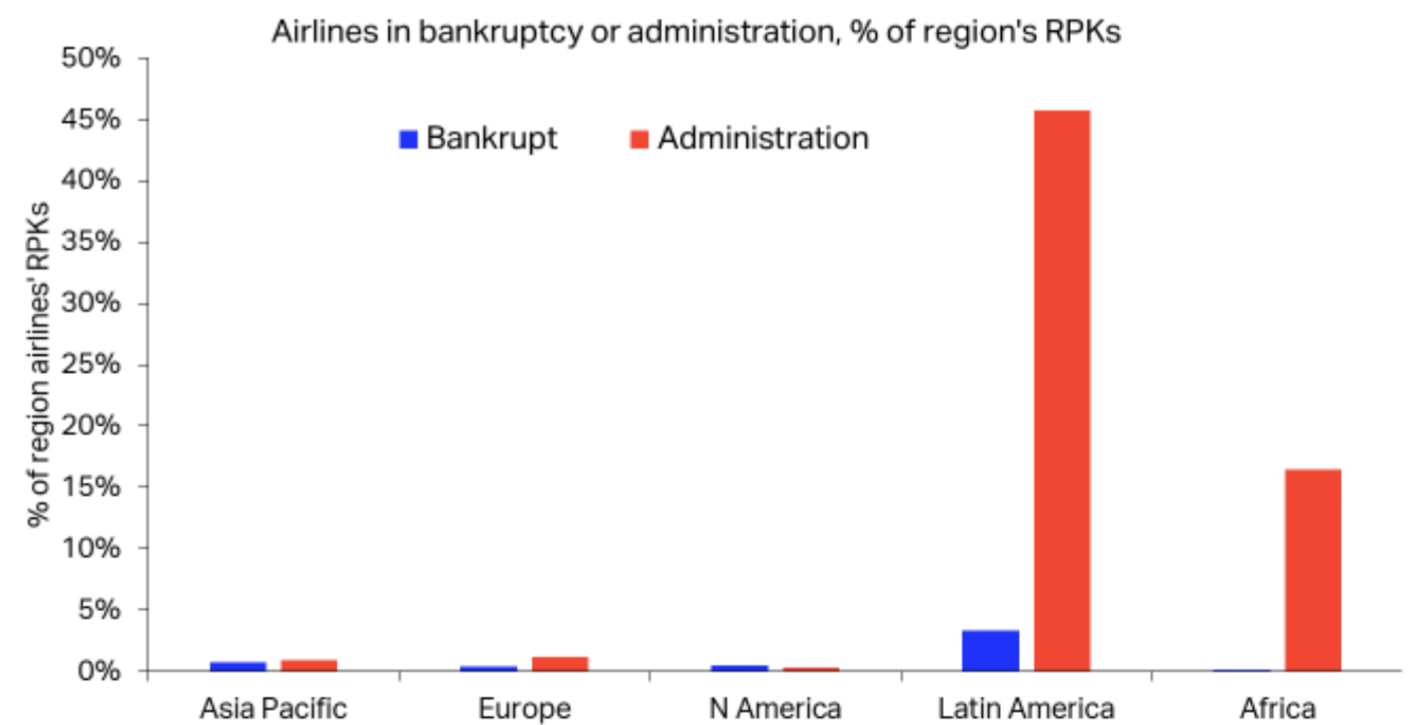
COVID-19: Regional Financial Relief Analysis

New COVID-19 cases remain high in most regions New variants have meant virus control much harder than expected

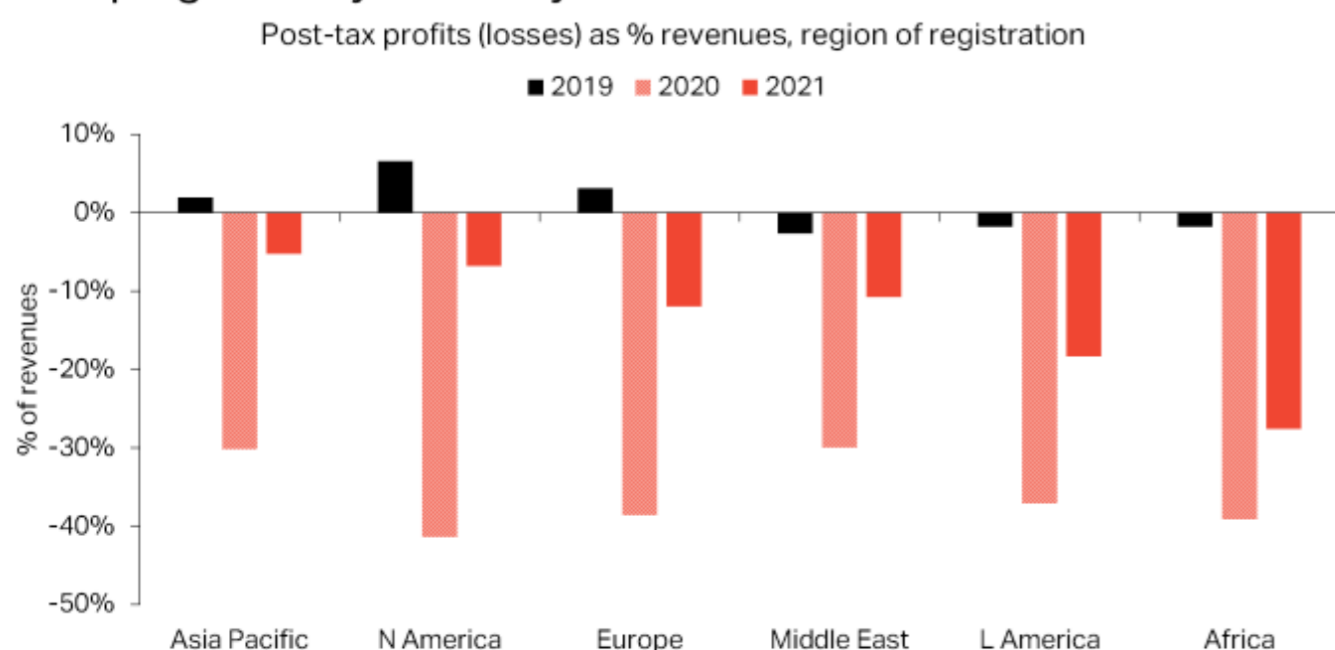


Source: IATA Economics using data from European Centre for Disease Control

Airline failures in 2020 very unevenly spread Government aid preventing some failures where provided

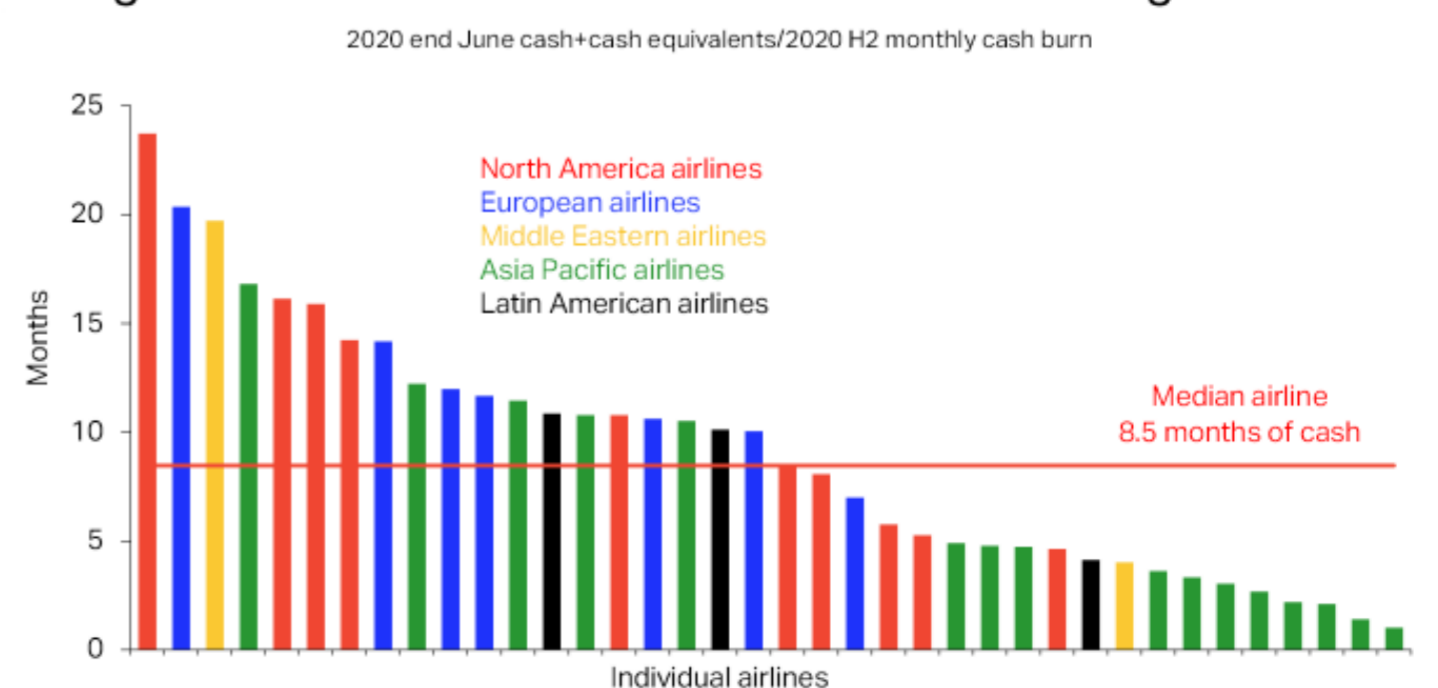


Cash burn continues but more regional variation in 2021 Developing country recovery suffers from a slower vaccine rollout



Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/airline-industry-economic-performance---november-2020---report/>

Durability of cash and credit lines key to survival Little government aid and slow vaccination create significant risk



BAHAMAS: GOVERNMENT DELAYED CHARGING FOR BAHAMAS FIR TO APRIL 1

IATA was successful in persuading the Bahamian Government to delay their intent to commence charging for the Bahamas FIR on March 1, 2021. The Bahamian government is currently in the process of reclaiming management of its sovereign airspace from the US and Cuba but will retain the FAA and ECNA respectively as third-party service providers of their airspace. While the service agreements between these entities are still in the negotiating phase, the Bahamian authorities informed their intent to begin collecting of the new fees from March 1, 2021 which would have caused double charging for airlines overflying the airspace. IATA expressed the industry concerns in a letter to the Bahamian Minister of Aviation and Tourism, urging the authorities 1) to delay the implementation of new fees until the Bahamas sign the service agreements; and 2) push to lower fees to reflect an accurate relation between the overflight fees and the actual cost of providing the overflight service. Following this correspondence, the Bahamians issued a NOTAM officializing a delay in their intent to commence charging until April 1, 2021. For more information, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).



CANADA: AIR PASSENGER PROTECTION REGULATIONS PROVISIONS

IATA is working with airline members and the National Airlines Council of Canada (NACC) on a submission in response to a consultation introduced by the Canadian Transportation Agency (CTA) to develop a new regulation requiring airlines to provide passengers with refunds when there is a flight cancellation, or a lengthy delay, and it is not possible to complete the passengers' itinerary within a reasonable time. For more information, please contact IATA's Vice President for Member and External Relations for North America, [Doug Lavin](#).



CHILE: ADVOCATING AGAINST RIGHT TO RETRACTION & TRANSFERABILITY OF TICKETS

IATA and ACHILA presented before the Lower House of Congress to advocate against the approval of a project of law that included the right to transfer tickets to other people for domestic flights and the right to retract from the purchase of tickets up to 48-hours prior to date of travel. As a result of our presentations, the Lower House approved a revised text and agreed to establish a 24-hour window from the date of purchase for the right to retract, applicable up to 7-days prior to date of travel. The approved text is consistent with regulation applied in Brazil and the United States. The Lower House also approved the right for ticket transferability as was proposed, but the right to transfer tickets applies only to domestic flights and only for a maximum of three tickets per person per year. The bill now advances to the Senate where it will need to be approved before becoming law. For details, contact IATA's Assistant Director, Member and External Relations for Latin America and the Caribbean, [Alejandro Munoz](#).



COLOMBIA: INDUSTRY CONCERNS ON POSSIBLE BOGOTA PRECLEARANCE PLANS

IATA has written to the Colombian and US governments opposing the implementation of Preclearance at El Dorado International Airport (BOG) due to the constrained infrastructure, increased connection times and cost associated with this initiative. The industry is open to work with both governments on potentially evaluating another airport in Colombia. If the issue is not resolved at the Ministerial level, it will be escalated to the President of the country. For more information, please contact IATA's Country Manager for Colombia, [Andres Uribe](#).



EL DORADO

GUATEMALA: URGING GOVERNMENT TO RECONSIDER NEW CARGO AIRPORT

IATA expressed the industry's disagreement to the Guatemalan government regarding the construction of a cargo airport near the port city of San Jose on the Pacific coast and issued a corresponding [press release](#). Separating cargo from passenger operations will increase both costs and complexity for operations in the country. Examples of other projects in the region that failed to deliver the economic benefits that were initially promised were also cited. IATA has asked the government to focus on the development of the current La Aurora International Airport (GUA) instead. For more information, please contact IATA's Area Manager for Central America, [David Hernandez](#).



GOBIERNO DE GUATEMALA

HONDURAS: NEW INTERNATIONAL AIRPORT OPERATOR MET WITH AIRLINES

IATA facilitated a meeting between representatives from Palmerola International Airport (PIA), the operator of the new airport that will serve Tegucigalpa, and carriers that operate in the country. The operator provided an update on the status of the project, which is 70% complete and is expected to open in October 2021 before the current administration ends. PIA agreed to establish next steps which include sharing a schedule of the operational readiness and airport transfer with the airlines. For details, contact IATA's Area Manager for Central America, [David Hernandez](#).



PALMEROLA

MEXICO: IMPLEMENTATION DATE OF AIRSPACE REDESIGN PUSHED TO MARCH 25

The implementation of the Mexican Airspace was delayed upon the request from IATA, following a safety airworthiness review and identification of obstacles. The concerns have been corrected by the ATC provider SENEAM and the new implementation date is set for March 25. For more details, please contact IATA's Assistant Director of Safety and Flight Operations for Latin America and the Caribbean, [Marco Vidal](#).



MEXICO: CIVIL AVIATION AUTHORITY UNDER FAA IASA AUDIT

In November 2020, Mexico had its FAA IASA audit and initial findings indicate there is a serious probability the country could be downgraded to category 2, severely impacting air connectivity. IATA met with the Civil Aviation Authority's (AFAC) Director General confirming that they are working on correcting their shortcomings. We agreed that IATA would help in providing data to support AFAC on the solution process to address the identified findings. In addition, IATA will write to the Mexican Secretary of Transportation, calling on the government to ensure that AFAC have the necessary resources to meet the IASA requirements. For more details, please contact IATA's Area Manager for Mexico, [Cuit Gutierrez](#).



PERU: LAP UPDATE ON LIM DEVELOPMENT PLANS

Lima Airport Partners (LAP) presented their concept for the future development of Jorge Chavez International Airport (LIM) which considers the current state of traffic demand and the expected return to growth. The delivery date for the new runway and ATC tower are February 2023 and the new terminal is February 2025, reflecting the 98 day extension provided to LAP by the Peruvian Government. LAP expressed its concerns about the timely delivery of other projects under the responsibility of CORPAC (ATC) and MTC (road and bridge access to airport) which need to align to the opening date of the new terminal for a successful start of operations. IATA will continue to engage LAP to ensure timelines are met so that airlines can plan accordingly. For more details, please contact IATA's Assistant Director of Airport Development for the Americas [Mark Rodrigues](#).



LAP

IATA REACHING OUT TO REGULATORS TO LIFT 737-MAX RESTRICTIONS

At the request of member airlines, IATA is reaching out to regulators in the region to ask for the lifting of restrictions for operations of the Boeing 737-MAX. 27 States in the Americas have already granted permission to conduct flight operations and IATA is currently engaging the authorities in Argentina, Mexico and Peru to also lift restrictions. For details, contact IATA's Director of Safety & Flight Operations for the Americas, [Jose Ruiz](#).



IATA: EXPANDING OPERATIONAL OUTLOOKS AND SUPPORT FOR MEMBER AIRLINES

The IATA Liaison Desk at the FAA Command Center began providing multiple daily operational outlooks for the US National Airspace System (NAS) and Canada based on our coordination with the FAA and other service providers which will now be sent out three times a day (0200, 1400 & 2000 UTC) Monday through Friday and two times (1530 & 2230 UTC) on Saturday and Sunday. In addition, we are expanding our operational reach into South America and these daily outlooks will also contain the operational outlooks for Brazil and Colombia. Over the coming months we will evaluate the possibility to include more countries in Latin America and from other parts of the globe. If you or someone from your team would like to be added to the distribution list, please contact [IATA's Liaison Desk](#) at the FAA Command Center.

