



Dear Colleagues,

The industry's recovery continues with both North America and Latin America showing significant improvements. Looking at the most recently [published data](#), North American carriers had a 129.2% traffic rise in July versus the 2021 period. Capacity rose 79.9%, and load factor climbed 19.4 percentage points to 90.3%, which was the highest among the regions for a second month. Latin American airlines' July traffic rose 119.4%, capacity rose 92.3% and load factor increased 10.5 percentage points to 85.2%, compared to July 2021.

While the industry is on the right track, we continue to face operational and regulatory challenges, from proposed ticket refunds in the US, an increase in overflight fees both in Canada and the Bahamas, and possible new "green" taxes in Chile and Colombia. Governments have quickly reverted to utilizing aviation as a cash cow to recuperate financial shortfalls by considering tax reforms detrimental to the industry, and at the same time, introducing new

refund and rebooking requirements that are not realistic in today's operating environment. To address these critical developments, please find below IATA's latest activities and initiatives across the Americas.

To further emphasize the critical role aviation plays in the region's socio-economic recovery, we held two recent Aviation Days, one for [Peru](#) and one for the [Caribbean](#), calling on the respective Governments to work with the industry to establish a clear joint agenda and create the right business, operational and regulatory environment to make Peru and the Caribbean more competitive on a global stage.

Please let me know if you have any questions and continue to count on our support.



PETER CERDÁ

REGIONAL VICE PRESIDENT, THE AMERICAS

## AIR PASSENGER MARKET IN DETAIL – JULY 2022

JULY 2022 (% YEAR ON YEAR)	WORLD SHARE <sup>1</sup>	RPK	ASK	PLF (%-PT) <sup>2</sup>	PLF (LEVEL) <sup>3</sup>
<b>Total Market</b>	<b>100%</b>	<b>58.8%</b>	<b>37.3%</b>	<b>11.3%</b>	<b>83.5%</b>
Africa	1.9%	81.9%	48.3%	13.9%	75.3%
Asia Pacific	27.5%	47.5%	28.1%	10.0%	76.4%
Europe	25.0%	84.0%	48.9%	16.6%	87.0%
Latin America	6.5%	59.2%	53.2%	3.1%	83.1%
Middle East	6.6%	176.7%	75.3%	29.8%	81.2%
North America	32.6%	26.9%	21.2%	4.0%	88.2%

### BAHAMAS: UPDATE ON FIR OVERFLIGHT CHARGING SCHEME

IATA met with the Deputy Prime Minister (DPM) of the Bahamas who is also the Minister of Tourism, Investment and Aviation, to continue the discussions regarding the Bahamas air navigation charging scheme, implemented since May 2021. DPM confirmed that this new administration is standing by the agreement reached with the FAA by its predecessor and is committed to building the Bahamas Air Navigation Services Authority's (BANSAs) capacity. IATA submitted official feedback to BANSAs and will urge the US Department of Transport, Transport Canada and UK's Department for Transport to review their respective Open-Skies Agreements with the Bahamas to ensure a fair charging principle is maintained. For details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

### BRAZIL: UPDATE ON BAGGAGE ALLOWANCE INITIATIVE

IATA, ABEAR, ALTA and airlines met with the President of Lower House and the President of Senate to discuss the congressional analysis of the Presidential veto on the free baggage allowance clause. Once again we urged Congress to confirm the Presidential veto. A vote is not expected until after October's Presidential election. For more details, please contact IATA's Assistant Director of External Relations for Brazil, [Marcelo Pedroso](#).

### BRAZIL: UPDATE ON GRU ENVIRONMENTAL TAX

IATA, ABEAR, ALTA, JURCAIB and the national government continue assessing possible actions to strike down the law that implements an environmental tax proposed by the municipality of Guarulhos. The state prosecutor of Guarulhos filed an action challenging the tax which resulted in an injunction, therefore leaving the proposed law with no effect until a final decision is taken by the court. JURCAIB is preparing the application to file an amicus brief, and if positive, will file as soon as possible after the court's decision. Once admitted, IATA has been cleared to file on behalf of our members. In parallel, the Ministry of Infrastructure is also analyzing the possibility of filing an amicus curiae in addition to a more technical opinion. It is anticipated that the municipality will appeal the action. For more details, please contact IATA's Country Manager for Brazil, [Dany Oliveira](#).



## CANADA: URGING NAV CANADA TO REDUCE 29.5% INCREASE IN USER CHARGES

IATA, jointly with NACC, A4A, and member airlines, met with NAV CANADA's Executive Team to once again highlight the negative impact NAV CANADA's 29.5% rate increase has on the industry's recovery efforts. NAV CANADA agreed to update airlines on its financial recovery progress in November 2022, and in consideration of a positive financial outlook, consider the necessary steps to reduce user charges. NAV CANADA also committed to conduct a mid-fiscal year user charges consultation with IATA and airlines in April 2023. For more details, please contact IATA's Regional Director, Operations, Safety & Security, [Jose Ruiz](#).



## CANADA: NEW REFUND & REBOOKING REQUIREMENTS

The CTA published the final regulations on 22 June in [Canada Gazette II](#) whereby amending certain provisions of the [current regulations](#) which took effect on 8 September 2022, requiring airlines to provide passengers with either a refund or rebooking, at the passenger's choice, when there is a flight cancellation, or a lengthy delay, due to a situation outside the airline's control that prevents it from ensuring that passengers complete their itinerary within a reasonable time, applicable to all flights to, from and within Canada. IATA will continue to engage CTA to highlight the industry's concerns. For details, contact IATA's Vice President, Member & External Relations for North America, [Doug Lavin](#).

## CHILE: POSSIBLE INTRODUCTION OF GREEN TAXES

President Boric presented the government's tax reform, which so far does not include specific measures for aviation in terms of VAT or other levies. However, the industry was made aware that the government plans to introduce new measures to address climate change in the form of "green taxes" later this year. IATA, ACHILA and local airlines, are proactively designing an action plan to address possible scenarios to mitigate potential impacts any legislation could have on the industry. For more details, please contact IATA's Country Manager for Chile, [Gabriela Peralta](#).

## COLOMBIA: TAX REFORM'S POTENTIAL IMPACT ON AIR TRANSPORT

A new tax reform was presented by the new government in the lower chamber of Congress. IATA and local airlines are analyzing the text to assess the potential impact on the industry and submit formal comments on behalf of the industry. Inclusions with respect to estate, VAT, and a revision of the carbon tax are under consideration. The new government expects the tax reform to be approved by the end of 2022, fast-tracking the debate in Congress under an urgent procedure. For more details, please contact IATA's Country Manager for Colombia, [Andres Uribe](#)

## PANAMA: TOCUMEN OPEN TO RENEGIATE FUEL RATE INCREASE

A contract signed in 2018 between Tocumen and Exolum, the fuel farm operator, included a yearly price adjustment following CPI plus an extra 1%. During the pandemic, Tocumen agreed in principle to waive the retroactive increase and only apply the increase moving forward. Following advocacy efforts and a meeting with IATA, ALTA, and ALAP, and after discovering significant differences between the original terms of reference of the contract and the final contract signed, Tocumen expressed its openness to renegotiate waiving a rate increase if airlines consume a specific volume of jet fuel and agreed to a 50% reduction in this year's escalation amount per current contract, and start negotiations towards a change in contract terms. For details, contact IATA's Area Manager for Central America, [David Hernandez](#)

## PERU: LIM EXPANSION PROJECT MOVES FORWARD WITH SINGLE TERMINAL OPTION

Following advocacy efforts from IATA and airlines to defend the industry's position regarding the LIM expansion project, the Ministry of Transport and Communications (MTC) and Lima Airport Partners (LAP) have desisted from carrying out a project with two terminals and they have committed to respect what was originally agreed by building one single large terminal. IATA continues to advocate for the modification of the agreement between MTC and LAP to ensure compliance with the original obligation to build a terminal for at least 37MM passengers. For more details, please contact IATA's Country Manager for Peru & Bolivia, [Martin la Rosa](#).

## USA: ISSUANCE OF NPRM ON TICKET REFUNDS

On August 3, the US Department of Transportation issued a [Notice of Proposed Rulemaking \(NPRM\)](#) on ticket refunds. The NPRM would require US and foreign airlines and ticket agents to provide prompt ticket refunds for cancelled flights or significant changes of flight itinerary when consumers do not accept alternative transportation. The rule would also give passengers the means to cancel non-refundable fares in circumstances where government health restrictions prevent them from flying or they determine on their own that they are suffering from a communicable disease or feel unsafe to fly because of a health condition. IATA plans to submit formal comments to the [docket](#). For more details, please contact IATA's Vice President, Member & External Relations for North America, [Doug Lavin](#).

## USA: SUMMARY OF LATEST FAA ROUNDTABLE ON 5G

The FAA held its 7th 5G roundtable discussion with industry on 7 September 2023. The July 2023 FAA deadline for retrofit of aircraft serving the US remains in place. While the aircraft and radio altimeter OEMs all reported progress in developing retrofit solutions to enable carriers to meet the deadline, all expressed continued doubts about the ability of carriers to meet the deadline because of a number of factors, including supply chain challenges, certification deadlines and regulatory uncertainty. The FAA reported that they do not expect that airlines will need to retrofit a second time to address altimeter interference. IATA has retained external counsel to review the regulatory process being following by the FAA in imposing this retrofit mandate. In addition, IATA is surveying member airlines to collect information on the challenges being faced in making this deadline for purposes of sharing it with the FAA.. For more details, please contact IATA's Vice President, Member & External Relations for North America, [Doug Lavin](#).

## USA: INFLATION REDUCTION ACT OF 2022 INCLUDES SAF CREDITS FOR AVIATION

On August 16, President Biden signed the [Inflation Reduction Act](#), which includes about \$370 billion for American energy security and climate change. This includes \$245 million in grants for Sustainable Aviation Fuels (SAF) projects and a new credit for Sustainable Aviation Fuel (SAF) sold or used from 31 December 2022 until 31 December 2027. Other tax credits are given to hydrogen production and carbon capture and sequestration technologies. These benefits will be instrumental for the US aviation industry to achieve its pledge to reach 3 billion gallons by 2030 under the SAF Grand Challenge announced by the Biden administration earlier this year. For more details, please contact IATA's Senior Manager for External Affairs and Sustainability for the Americas, [Pedro de la Fuente](#).

