

Dear Colleagues,

We continue to feel the impact of COVID-19 on our industry in the Americas region on a daily basis. While the domestic market in the United States continues to recovery strongly, the situation in Canada and across Latin America and the Caribbean is less positive and we have seen an increase in new restrictions over the past few weeks which I continue to share via our COVID-19 Americas Updates.

While the daily uphill battle against COVID continues, we are also focusing our activities to implement the industry strategy to make the region more competitive in the longer term in the areas of infrastructure, taxes and charges, regulatory framework and environmental sustainability. We have been calling for Government collaboration to create the right operating environment.

For example, IATA is working with its members to urge the respective authorities to eliminate the discrimination of charges that exists across the region as shown in the below chart. More specifically on the charges related activities, in the Bahamas, we continue to work at the highest level with the Prime Minister's Office to ensure the new proposed cost structure of charging for their Flight Information Region (FIR) is reasonable and does not result in a significant increase for our members.

We are also engaging Governments that are proposing legislation that will negatively impact the air transport industry.

Our top priority at the moment is that the Congress in Colombia will not pass a proposed bill in June that would include a financial guarantee for airlines by mandating an insurance policy for every ticket sold in case an airline goes bankrupt or leaves the country without honoring unflown tickets.

Lastly, there are key presidential elections taking place in the region: Ecuador already elected a new President with Guillermo Lasso who is expected to set the country on a pro-business path. We have reached out to his team to engage the new Government right away on how the value of air transport generates economic and social benefits for Ecuador. In addition, in Peru, we have also requested a meeting with the two Presidential run-off election candidates to pro-actively position the air transport agenda and identify opportunities for immediate cooperation.

As usual, you will find an overview of IATA's latest activities and initiatives below that support our on-going work on the industry strategy to increase the competitiveness of the region. Please let me know if you have any questions or suggestions for further actions and please continue to count on our support.



PETER CERDÁ

REGIONAL VICE PRESIDENT, THE AMERICAS

Differences between Domestic and International Aeronautical Fees

Domestic vs. International Overflight Fees

Based on 1000km – A320-200



Domestic vs. International Landing Fees

Based on 1000km – A320-200



Please note:

% shows how much more expensive international fees are compared to domestic fees.

BRAZIL: COST AVOIDANCE AT CGB AIRPORT

Together with ABEAR and member airlines, IATA avoided cost increases at Marechal Rondon International Airport (CGB) airport. SOCICAM, who operates the airport, raised airport charges without a proper consultation process. In a joint effort, the industry urged Brazilian Civil Aviation Authority (ANAC) to revert the price increases. ANAC determined that the airport must engage in a transparent and meaningful consultation process with airlines. The airport also agreed to only apply an inflation adjustment to the aeronautical fees and use the revenue cap mechanism as requested by all airlines. It is estimated that airlines will benefit from BRL 3.5 Million (USD650K) in annual savings. For details, contact IATA's Country Manager for Brazil, [Dany Oliveira](#).



BRAZIL: FUEL AND FLIGHT TIME REDUCTIONS DUE TO DIRECT ROUTING

IATA consolidated data provided by Brazilian airlines from April 2020 to January 2021 regarding flight time/distance reductions and fuel savings due to the Direct Routing Initiative. The total reduction in fuel burn was approximately 13.2K tons, combined with an overall decrease of flight time of 99.6K minutes and flown distance of 457.4K NM. Compared to February 2020 as a "pre-COVID" reference base, monthly fuel savings represented a 5.6% reduction in fuel consumption. These routes are now available for international flights. For more details, please contact IATA's Assistant Director, Safety & Flight Operations, [Julio Perreira](#).



GUATEMALA: ACCEPTANCE OF AWBs PRINTED ON BOND PAPER

After a lengthy advocacy process, Guatemala's National Customs Authority issued a resolution that accepts clearance of goods using airway bills printed on regular (bond) paper as valid documentation. This initiative facilitates commerce among states and opens the door for further implementation of initiatives that reduce paperwork and allow for simpler, faster, and more efficient cargo operations in the country. For more details, please contact IATA's Regional Cargo Manager for the Americas, [Rigoberto Lopez](#).



COSTA RICA: GOVERNMENT IMPOSES FEE ON GROUND HANDLERS' REVENUE

The government has enacted a 12% fee on ground handlers' revenue at Juan Santamaría International Airport (SJO) which had been approved in 2019. This measure has been under discussion since 2018 and through industry advocacy involving IATA, the government had delayed the implementation date since early 2020. IATA has sent a letter asking CETAC, the council governing civil aviation, to void the fee or postpone it further considering the current crisis and we will continue to advocate against the fee. For more details, please contact IATA's Manager, Industry Relationships for Central America, [Lucas Castellon](#).



ECUADOR: CHANGES IN TAX LAW RELATED TO DIVIDEND DISTRIBUTION

The country's tax authority has introduced, effective 2021, changes in their tax law to include further provisions on the taxation of dividends by foreign carriers. Local airline association, affected carriers, and IATA will engage with local tax advisors to clarify the interpretation of the tax law on any potential impact on the reporting and financial requirements in Ecuador. For more details, please contact IATA's Manager, Member & External Relations, Latin America and the Caribbean, [Alejandro Restrepo](#).



EL SALVADOR: GOVERNMENT ENACTS \$3.50 AGRICULTURAL FEE ON ALL TICKETS

The Ministry of Agriculture has enacted a \$3.50 fee levied on all tickets with destination El Salvador as part of phytosanitary measures for plant and animal health which include treatment for international waste disposal. IATA, local airline association, and affected carriers have advocated, both with the government and [externally](#), for the removal of the fee due to ill-timing of the measure and lack of clarity of the business case behind it. For details, please contact IATA's Area Manager for Central America, Ecuador and Venezuela [David Hernandez](#).



PARAGUAY: POSSIBLE REGULATION THAT WOULD CREATE NEW SERVICE FEE

IATA learned of a project of law presented by Travel Agency Associations ASATUR and AAVIP to the Ministry of Tourism (SENATUR), intending to modify the current law, which establishes the right for travel agencies to charge a 6% commission to airlines on ticket sales. If approved, the new law would allow, amongst others, the reduction of this commission from 6% to 1%. However, it would also create a new service fee of up to 96 dollars on direct and indirect sales. IATA has approached SENATUR and the DGAC expressing its concerns on airlines being omitted from the discussions and providing arguments against the project of law but the Ministry of Tourism intends to support the initiative. IATA also met with Civil Aviation Authority DINAC to obtain their support to push back on the initiative. For more details, please contact IATA's Country Manager for Argentina, Paraguay and Uruguay [Maria Jose Taveira](#).



ST. MARTEEN: PRINCESS JULIANA INTERNATIONAL AIRPORT RECONSTRUCTION

In 2017 Hurricane Irma destroyed the main terminal of Princess Juliana International Airport (SXM). The reconstruction process has been slow, with insurance proceedings taking longer than expected, coupled with the challenges brought forward by the COVID-19 pandemic. This resulted in local airline staff occupying temporary offices with less than optimal working conditions. IATA and Airlines for America (A4A) raised these concerns in writing to the Prime Minister requesting that the government of St. Maarten prioritizes the airport reconstruction. In mid-March, the airport presented IATA and airlines with the most recent plans and timelines for the terminal reconstruction, confirming that temporary offices offering airline staff better and safer conditions would be available by June. IATA offered the project team a peer review of the plans to ensure that infrastructure and technology meet industry standards and the airlines' needs. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).



Princess Juliana
International Airport

VENEZUELA: DECREASES IN EN-ROUTE AND LANDING FEES

In 2016, Venezuela increased its overflight fees by 50%, causing an increase in costs related to the fees and/or an increase in fuel costs for those which found it more cost effective to fly around the country. Furthermore, the deviated traffic also had a negative impact on adjacent Flight Information Regions (FIRs). For example, avoidance of Venezuela also resulted in avoidance of the Dutch-Caribbean (DC) airspace. IATA has been working with Venezuela's ANSP INAC to lower its costs with the intent of returning competitiveness to the immediate region. INAC recently announced a 20% decrease in en-route fees, effective February 24, 2021. Venezuela also decreased international landing fees by approximately 45%, effective February 24, 2021. For details, contact IATA's Charges Manager for the Americas, [Federico Munoz](#).



LENGTHENING THE RECOVERY OF LOSSES EXPERIENCED IN DENICE AIRSPACE

The most northern airspace in the North Atlantic is jointly managed by ISAVIA and NAVIAIR, Iceland's and Denmark's air navigation providers, respectively, known as DENICE. Along with the airspace managed by NAV CANADA and UK NATS, the DENICE airspace is of high importance for North Atlantic traffic. In 2020, IATA and airlines consulted with ISAVIA and NAVIAIR with regards to charges. Given the cost-related nature of DENICE, one of the primary concerns was around the recovery of 2020 losses, which by rule are expected to be recovered in 2022. During the consultation, IATA and airlines requested the recovery of the losses to be extended over 5-7 years. IATA has received notice from ISAVIA that it supported lengthening the repayment over 5 years and was advocating ICAO to approve the motion. ICAO is expected to deliver a decision in the coming weeks. For more details, please contact IATA's Regional Director for Safety & Flight Operations, The Americas, [Jose Ruiz](#).

