

Dear Colleagues,

Recently, I participated in the UNWTO's Meeting of the Tourism Ministers of the Americas to present the air transport industry's perspective. I urged the 18 Ministers to take a more active role in engaging their respective Health and Transport Ministers to re-open markets, remove COVID restrictions and emphasized the importance of coordinated and aligned decisions. Currently, many decisions have been politically driven rather than based on science and hard data. These decisions are negatively impacting passenger travel and movements of good and while countries want to attract tourism, the Governments are contradicting that goal by implementing or not lifting entry restrictions.

For that reason, we continue to push for meetings with Ministries of Health, supported by the Tourism and Transport Ministers to reach and influence the final decision makers. Unfortunately, many Governments are more focused on upcoming elections rather than taking these important decisions. Some good news came out of Chile over the weekend: After months of [joint advocacy work](#), the Government announced it will implement a "mobility pass" for those fully vaccinated to travel within Chile and is working towards a "green passport" to restart international operations. Details to be shared soon.

The other big push is towards acceptance of antigen tests as an alternative to the much more expensive PCR tests. Below you will find a recent analysis done by IATA showing that adding the cost of PCR testing to average fares dramatically increases the overall cost of flying and further inhibits our sector's restart.

Unfortunately, on top of an unwillingness to lift restrictions, many Governments across the region are considering increasing taxes or implementing new regulations that would have a negative impact on airlines. The most concerning development transpired in Colombia over the past week where a Consumer Rights bill advanced in the Senate which would require airlines to obtain insurance policies that guarantee passengers will receive the services acquired or a refund in the case of an airline's insolvency (applicable to all tickets). An additional article would impose onerous compensation requirements for consumers for possible domestic flight delays. The bill will now go to the congress floor for a final vote which has to take place before June 20. 55 of 108 votes are required for the bill to become law. In coordination with airlines and ATAC, IATA is taking a series of actions to stop the bill.

Please find below an overview of IATA's latest activities across the Americas. Please feel free to reach out with any questions or suggestions for further actions.



PETER CERDÁ

REGIONAL VICE PRESIDENT, THE AMERICAS

High PCR testing costs could stall recovery

Broad range of PCR test costs (min. – max.)



Adding PCR testing to average fares* dramatically increases the cost of flying

Pre-crisis the average one-way airline ticket cost	\$200
<small>(2019 data, including taxes and charges)</small>	
Departure PCR test	\$90
Arrival PCR test	\$90
2-test average one-way airline ticket cost	\$380

The cost of COVID-19 testing on family travel would be even more severe

Pre-crisis average return airline ticket cost for family of 4	\$1600
<small>(2019 data, including taxes and charges)</small>	
Outbound PCR test x8	\$720
Inbound PCR test x8	\$720
2-test average return airline ticket cost for family of 4	\$3040

Testing and vaccination can eliminate quarantine

1

Tests should be rapid, affordable and convenient

It is crucial that governments standardize testing requirements to give travelers consistency. In line with WHO recommendations, testing should be provided free to travelers.

2

Vaccination should not be mandated for travel

Non-vaccinated passengers should also be able to travel (e.g. with testing) but vaccinated passengers shouldn't need testing or quarantine.

3

Digital vaccine certificates must be integrated into the travel process

Governments should implement WHO guidelines for digital vaccine certificates, to prevent fraud and enable more efficient processing.



is a passenger app that travelers can use to obtain digital proof of a test or vaccination from an authorized laboratory and sharing that health data privately and securely with airlines and border authorities.

BAHAMAS: AIR NAVIGATION SERVICE AGREEMENT SIGNED

The Bahamas Air Navigation Services Authority (BANSAs) and the US FAA signed an air navigation service agreement formalizing the Bahamian Government's efforts to regain the management of its sovereign airspace. Effective May 1, 2021 the FAA stopped charging airlines and BANSAs will do so instead. Negotiations regarding the small portion of the airspace managed by Cuban entity Empresa Cubana de Navegacion Aerea (ECNA) was still ongoing. The Minister advised that fees collected will only be used to fund the costs of managing and operating the civil aviation system in the Bahamas and will not go towards government coffers. IATA will continue working with the authorities to identify cost efficiencies in their infrastructure investment plans and currently await a response from the Bahamian government to the formal letter sent in this regard. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

BRAZIL: IMPLEMENTATION OF NEW SAO PAULO TERMINAL CONTROL AREA

After extensive collaboration between the industry and Brazilian aeronautical authorities, the New Sao Paulo Terminal Control Area (SAO TMA NEO) was implemented on May 20, serving four airports in the most important airspace in Brazil: Guarulhos (GRU), Congonhas (CHG), Campinas (VCP), and San Jose dos Campos (SJK). The implementation of the SAO TMA NEO is expected to increase capacity by 10% over a 10-year period to assume the increase of forecasted demand, reduce holding time and delays, and remove conflict areas while improving aircraft separation. Estimations based on fast time simulation on efficiencies are fuel savings between 1.5% and 3% of total fuel used to fly to and from SAO TAM NEO - equivalent to 8,500 to 17,000 tons of fuel - and avoidance of CO2 emissions between 27,000 to 54,000 tons. For more details, please contact IATA's Assistant Director for Safety & Flight Operations, [Julio Perreira](#).

CANADA: NAVCANADA CONFIRMED TO MAINTAIN FEES FLAT FOR FISCAL YEAR 2022

On May 19, NAV CANADA (NC) consulted with airlines and IATA. Last year NC increased fees by 30% to cover a fraction of its losses due to the pandemic and issued bonds to cover the majority of said losses. NC also deferred the increase by a year and spread its payment over 5 years. With a slower than expected recovery in 2021, mainly as a result of severe travel restrictions imposed by the Canadian government, NC expects incremental losses for 2021 despite cost cutting measures and additional issuance of debt. As NC deficits now surpass CAD 1B, airlines feared another increase to fees. At the request of airlines and IATA, NC confirmed it will maintain fees flat for fiscal year 2022. This means that NC will not increase fees further than the 30% increase it imposed last September. For more details, please contact IATA's Charges Manager for the Americas, [Federico Munoz](#).

COLOMBIA: IMPROVEMENT OF CONCESSION CONTRACTS RESULTS IN COST SAVINGS

The airport concession contracts for CLO and CTG were extended until July 2022, as a compensatory measure for having restricted operations due to the pandemic, which negatively impacted the airports' revenues. While the extensions still carry the same fees, we have been able to work on improving the future long-term concession contracts. For CTG's 8 year 'stop-gap contract', after several working sessions, Colombia's National Infrastructure Agency (ANI) agreed to reduce the investment plan from USD 110M to USD 70M generating a USD 40M in savings for airlines. For CLO, investment triggers were incorporated, which is a novelty in the Colombian framework. IATA will continue to work towards further improving conditions. For details, please contact IATA's Country Manager for Colombia, [Andres Uribe](#).

COLOMBIA: ALIGNMENT OF ADVANCED CARGO INFORMATION TO INT'L STANDARDS

IATA and local stakeholders have strongly lobbied the Colombian tax authority (DIAN) to align their requirements for advanced cargo information to international standards. Colombia was one of the few countries in the region with a non-standard "local development", which caused cost increases and delays to the customs clearance process on the airside. In March 2021 DIAN launched a [Request for Information \(RFI\)](#) with a requirement for the new customs management system (Nuevo Sistema de Gestión de Aduanas - NSGA) to follow the World Customs Organizations data model version 3.7, where consultation with IATA on industry standards is required. This RFI will enable the industry to build on existing systems, integrate data with the Colombian Government and drive efficiencies to both our members and the extended value chain. For more details, please contact IATA's Manager, Industry Relationships for Colombia, [Guilherme Goulart](#).

ECUADOR: CARRIERS AGREE TO FILE CLASS ACTION SUIT ON CHANGES IN TAX LAW

Following the introduction of changes in their tax law to include further provisions on the taxation of dividends by foreign carriers, affected carriers decided to file a class-action suit to seek an injunction to the tax payment requirement. Together with local airline association ARLAE, IATA worked closely with the impacted carriers and the legal action was agreed following the recommendation of a local tax advisor to clarify the interpretation of the tax law. The suit will be filed by ARLAE on behalf of affected carriers. For details, please contact IATA's Manager, Industry Relationships for Central America, Ecuador and Venezuela [Lucas Castellon](#).

EL SALVADOR: GOVERNMENT REPEALS \$3.50 AGRICULTURAL FEE

Following advocacy efforts with the recently appointed Ministry of Agriculture, the government has agreed to repeal the \$3.50 fee which was to be 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. Furthermore, the Minister will call a round table with the industry's participation through IATA to discuss the initiative. For details, please contact IATA's Area Manager for Central America, Ecuador and Venezuela [David Hernandez](#).

UNITED STATES: INFRASTRUCTURE PACKAGE AND SAF BLENDER TAX CREDIT BILL

IATA has joined an industry coalition in advocating for inclusion of several aviation priorities in the infrastructure package currently being negotiated by the Biden-Harris Administration and the Congress. The four key focus areas of the priorities list include: Sustainable aviation fuel development, production, and distribution; low/no-emission technologies deployment; aviation environmental research and development; and air traffic management modernization. IATA has also formally endorsed legislation being introduced in the U.S. House of Representatives that would establish a new tax credit aimed at incentivizing the production and use of low-carbon sustainable aviation fuel. Under the proposal, aviation fuels that achieve a 50% or greater reduction in lifecycle greenhouse gas (GHG) emissions as compared to conventional jet fuel would be eligible to receive a tax credit ranging from \$1.50/gallon to \$2.00/gallon for fuels that achieve a 100% GHG emissions reduction. For more details, please contact IATA's Vice President, Member and External Relations North America, [Doug Lavin](#).

UNITED STATES: REVISED TARMAC DELAY RULE

The US Department of Transportation (DOT) issued a final rule modifying US and foreign airline obligations with respect to tarmac delays at US airports. The delay clock continues to start once the aircraft's door is closed and/or the passengers are not permitted to deplane. However, carriers can stop the clock once a request is made to the FAA control tower/airport authority to return to the gate if the aircraft is in the area on the tarmac that is not in the carriers' control. The rule also modifies reporting requirements and passenger notifications and takes effect on 2 June 2021. For details, please contact IATA's Country Manager for the United States, [Ben Barrocas](#).

LATIN AMERICAN CIVIL AVIATION COMMISSION (LACAC) MEETING

IATA presented three position papers at a recent LACAC working group meeting. The [first position paper](#) urges States to extend or explore new financial relief measures that could support airlines during their recovery from the crisis. The [second position paper](#), recommends increased alignment between LACAC's Environment Committee and industry's environmental priorities such as: safeguarding CORSIA; promoting the development of Sustainable Aviation Fuel (SAF) in the region; and building support for the industry's aspirational long-term goal to achieve carbon zero emissions to be tabled at the next ICAO Assembly. [The third position paper](#) aims to establish industry collaboration between airlines and government authorities to promote policies and regulatory reforms to help establish incentives for the development of SAF in the region. The three papers received unanimous support from state representatives, and the environment position papers will advance to the Executive Committee for final approval. For more details, please contact IATA's Regional Director Member and External Relations for Latin America and the Caribbean, [Oracio Marquez](#).