



Dear Colleagues,

The industry is preparing for a [busy summer season](#) ahead, and collaboration, sufficient staffing and accurate information sharing are all essential to minimize operational disruptions and their impact on passengers. However, we anticipate a challenging operating environment in the United States where airlines and passengers are currently experiencing long processing times with US Customs and Border Protection (CBP) at key international airports, and potential ATC delays. We have already contacted your operational teams to provide IATA with as much data as possible to send a strong letter to the US Government / CBP urging them to address the current challenges. While a quick solution might not be readily available, we do hope that the US Government will appreciate the airlines' concerns and reconsider their plans to implement stricter refund and compensation policies due to delays/cancellations under the airline's control. More details on our actions are included below.

In more optimistic news across the region, the US officially ended its COVID-19 vaccination requirements for international air travelers as of May 12, lifting one of the last impediments for a full recovery of the international passenger market to the United States. And Mexico's Government approved and published a bill to reform Mexico's Civil Aviation Law as part of its efforts to regain CAT 1 in the FAA's IASA program which we expect to occur in the coming months.

To further support the region's economic recovery, we held an [Aviation Day for Colombia](#) in Bogota last week with more than 350

senior participants from across the aviation value chain, including key government representatives, followed by a workshop focused on sustainability and how to achieve the industry's net zero goal by 2050. The conference served as an important advocacy and communications platform to highlight the most critical industry priorities in Colombia to make air transport more competitive and enhance the country's connectivity, focused on pushing our member airlines' interests in the following areas: 1) adequate & modern infrastructure; 2) cost reductions to improve connectivity, 3) regulation in line with global best practices, and 4) development of state environmental policies to promote sustainability. To support our advocacy efforts, we issued a corresponding [press release](#), utilizing the below key data points to ensure the government values air transport as a strong partner in the country's economic and social recovery.

Next up is [IATA's Annual General Meeting and World Air Transport Summit](#) in Istanbul from June 4 -6, followed by the Americas edition of the [Wings of Change Conference](#) in Mexico City on June 27 and 28 under the theme "enabling the region's socio-economic recovery". I hope you will be able to join us.

As usual, please find IATA's most recent activities across the Americas below and please let me know if you have any questions or suggestions. Thank you for your on-going support.



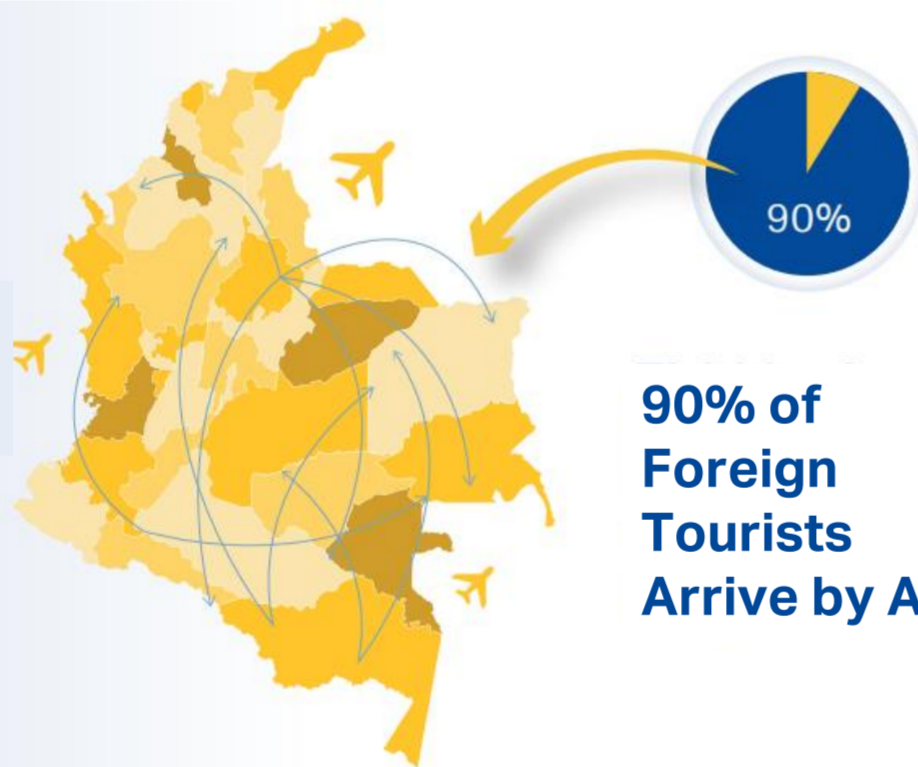
PETER CERDÁ
REGIONAL VICE PRESIDENT
THE AMERICAS



CONTRIBUTIONS OF AIR TRANSPORT IN COLOMBIA

214
Domestic Routes

Connecting all remote areas of the country, like San Andrés, Ipiales and Leticia.



<p>Cartagena</p> <ul style="list-style-type: none"> Added 10 new non-stop international routes Passenger volumes increased from 660,000 in 2015 to 1.2 million in 2022 Today, passengers from around the world can enjoy the city's beaches and culture 	<p>Bogotá</p> <ul style="list-style-type: none"> Economic capital and international hub of the country Connecting Colombia with 46 non-stop international destinations <p>46 International Destinations</p>
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BELIZE: INCREASE IN AIRPORT DEVELOPMENT FEE



The Belize Airports Authority issued a decree where they double the airport development fee from US\$18 to US\$36. This increase already adds upon a US\$1.50 agricultural inspection fee enacted by the Ministry of Agriculture for a significant 35% increase in the total charges levied by Belizean authorities on the ticket. IATA addressed a letter to the Ministry of Blue Economy and Civil Aviation protesting this charge based on its negative effect on tourism. For more details, please contact IATA's Manager, Industry Relationships for Central America, [Lucas Castrellon](#).

BRAZIL: UPDATE ON BAGGAGE ALLOWANCE PROPOSAL



As previously reported, the Presidential veto pertaining to the free baggage allowance proposal was included in the Congressional agenda for its consideration and possible vote. As a result of joint industry advocacy efforts from ABEAR, JURCAIB, ALTA, A4A, and IATA, the Government and Congress decided to defer this item by removing this specific item from the agenda. In parallel, the industry proposed the organization of consultative sessions between the Government, members of Congress, and the industry associations to study regulatory alternatives to the imposition of the free baggage allowance proposal. For more details, please contact IATA's Country Manager for Brazil, [Dany Oliveira](#).

BRAZIL: PROPOSED TAX RELIEF ON PASSENGER REVENUES



After joint industry advocacy efforts, Brazil's lower house approved the text of MP1147 which reduces to zero some taxes (PIS & COFINS) levied on regular air passenger revenues. The government estimates that the airline industry will save ~US\$100 Mi per year through this tax benefit (2023-2026). The text now proceeds to the Senate for further consideration and, if approved, will subsequently require presidential sanction. For more details, please contact IATA's Assistant Director, External Affairs & Sustainability, Brazil, [Marcelo Pedroso](#).

CANADA: PROPOSED AMENDMENTS TO PASSENGER RIGHTS REGIME



Canadian Transportation Minister Alghabra recently announced new proposed amendments to the Canada Transportation Act to strengthen Canada's passenger rights regime to include compensation and accommodations for passengers impacted by disruptions attributable to air carriers. IATA is working with the National Airlines Council of Canada (NACC) to advocate against any new regulations during this pre-consultative process and we expect draft regulations to be issued later this year. For more details, please contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).

CANADA: NAV CANADA CONSULTATION MEETING



On April 14, after NAV CANADA (NC) announced its second quarter financial results, a midterm consultation was held in Ottawa where NC reported that based on current operating levels and respective forecast, there are still uncertainties about air traffic growth, with a projected modest recovery rate. Based on these assumptions and near-term challenges, no changes to charges level are expected for the current fiscal year. However, assuming certain scenarios materialize, NC considers charges reduction possible during fiscal year 2024. To support such move, the recovery of the Rate Stabilization Account was extended through 2028. After the meeting, IATA sent a summary of the key takeaways which was answered by NC with the commitment to work together for the recovery of the sector. The next meeting is scheduled for July 13, and IATA will continue to push for the reduction of the increases implemented in FY2021. For details, contact IATA's Regional Director, Charges for the Americas, [Filipe Reis](#).

CHILE: UPDATE ON "GREEN TAX" REFORM



IATA met with authorities from the Ministry of Treasury as part of a consultation process to discuss the "Green Tax Reform." Government representatives confirmed the administration's intention to introduce a tax on jet fuel for domestic operations as of 1 January 2025, which, if approved, will be implemented gradually over a spectrum of eight years. The tax will be based on jet fuel emissions, setting the initial levy at 1.5 UTM (tax unit) per cubic meter of jet fuel, equivalent to approximately US\$47 per ton of CO2. The industry expressed opposition to establishing a new tax on jet fuel and associating it with emissions, highlighting its potential impact on the local market and that today, aviation is a hard-to-abate sector with no alternative energy sources. The Government assured continued dialogue with the industry, noting that the project is currently in the pre-legislative stage before entering the congressional discussion. For more details, please contact IATA's Country Manager for Chile, [Gabriela Peralta](#).

COLOMBIA: URGING GOVERNMENT TO REDUCE VAT ON TICKETS AND FUEL



IATA sent a letter to the Ministry of Finance reiterating the need to review a proposal for the reduction of a VAT on tickets and fuel from 19% to 5%, following the dismissal of the proposal under the country's National Development Plan, which is currently being discussed in Congress. Two additional bills have been presented in Congress asking for the same and are pending discussions in both chambers. In addition, IATA highlighted the issue during its Aviation Day and we will continue to monitor the situation and press for the reduction of the VAT. For more details, please contact IATA's Country Manager for Colombia, [Paula Bernal](#).

DOMINICAN REPUBLIC: UPDATE ON RESOLUTION 217-2022 / TOURISM TAX NATIONALITY EXEMPTION



IATA and ALA met with tax authority DGII, who has been given the directive to find a solution to Resolution 217-2022. The industry reiterated the challenge to comply with the resolution and presented web-based solutions that are in place in other jurisdictions for similar taxes with nationality exemptions. DGII is exploring possible solutions on their end, one of which is engaging with the director of technology at immigration to evaluate if the online immigration form can support a payment gateway to collect the tourism tax. In parallel, IATA has sent a letter to the JAC requesting an extension to the entry into force of the resolution. A follow up meeting is scheduled for [June 1](#). For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

ECUADOR: GUAYAQUIL AIRPORT AUTHORITY REDUCES AIRPORT CHARGES



The Guayaquil Airport Authority announced that it will reduce airport charges for landing and runway lighting by approximately 19% and 12%, respectively, with immediate effect. Airport charges reductions in Ecuador are part of the industry's ongoing advocacy efforts to improve the country's air transport competitiveness which were highlighted by IATA as part of the Aviation Day held in 2022. This adds to the recent reduction of the Eco Delta, the Potencia Turistica, the currency repatriation tax, and the jet fuel tax repeal under discussion. For details, contact IATA's Area Manager for Central America & Ecuador, [David Hernandez](#).

PERU: SUMMARY OF CAN'S AVIATION FORUM IN LIMA



Comunidad Andina (CAN) and IATA jointly held a forum on "*Air Transport Challenges in the Region*" in Lima, with over 240 attendees and the participation of key air transport executives and government officials. The forum served as an important platform to highlight the most critical industry priorities in the region: (i) adequate infrastructure, (ii) reduction of airport charges and fees, (iii) enhancing the regulatory framework, (iv) industry's net zero sustainability goal, and (v) simplification of airport security processes. IATA also met with Peru's Prime Minister to emphasize the importance air transport plays in the country, urging him for a joint government industry agenda. For details, please contact IATA's Manager for Peru, [Martin La Rosa](#).

THE BAHAMAS: LATEST DEVELOPMENTS ON OVERFLIGHT CHARGES



After the U.S. Department of Transportation denied the complaint filed by A4A and its members on charges discrimination against the Commonwealth of the Bahamas, IATA reengaged with BANS to bring the industry to the table to consult on overflight charges, to which BANS agreed to holding a virtual engagement call on May 15. During the call, IATA presented the airlines' expectations for establishing a new charges scheme according to ICAO principles: non-discrimination, cost-relatedness, transparency, and industry consultation. BANS mirrored the same approach on their short presentation and committed to reviewing its air navigation services charges structure, with implementation tentatively by July 1, 2023. BANS will share the requested financial information by May 22 along with a new proposal for charges. A consultation meeting will be held in June. IATA will coordinate details with all parties. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

UNITED STATES: PROPOSED RULEMAKING TO PROVIDE PASSENGERS WITH COMPENSATION & ACCOMMODATIONS



On 8 May 2023, President Biden announced that the US Department of Transportation would initiate a rulemaking process to ensure that passengers that are subject to delays or cancellations within the airlines' control receive appropriate compensation and accommodations. The President also directed DOT to expand its [Airline Customer Service Dashboard](#) to provide information on what compensation and accommodation is currently being provided by US carriers when delays or cancellations occur. IATA issued a [press release](#) and is working with Airlines for America to oppose the proposed regulation which is expected to be issued in draft form later this year. For details, contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).

UNITED STATES: 5G UPDATE



The FAA has confirmed that it will maintain the 1 July 2023 5G retrofit deadline even though many carriers are unable to secure the needed parts from suppliers. Boeing and Airbus reported that a significant number of B777s and A380s, several A330s and A320s, and all A220s will likely not make the deadline, which could result in flight cancellations or diversions in the case of poor weather conditions in the US. The FAA expressed confidence that it will be able to manage this operational issue. The new Airworthiness Directive that mandates the retrofits is expected to be issued in June. For more details, please contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).