



14 July 2021

White House Executive Order to Enhance Competition

On July 9, President Biden issued an Executive Order (EO) directing federal agencies to take action to enhance competition and consumer protection in the economy. In the airline sector, the EO will require the refund of baggage and other ancillary charges when baggage is significantly delayed or when a purchased service isn't actually provided. The EO also directs that baggage, change and cancellation fees be clearly disclosed to the customer at the time of purchase, and for DOT to report on the failure of airlines to provide timely refunds for flights cancelled because of the COVID-19 pandemic. The EO establishes a White House Competition Council to work across agencies to enhance competition in the airline and other major industries and directs DOT to consult with DOJ to ensure fair competition in the airline industry, including the ability of new entrants to gain access. NACA received a preliminary briefing from DOT officials and will provide data in the coming weeks to help guide the Department's aviation-related consumer protection and competition policies.

Senate Infrastructure Packages

The White House and a bipartisan group of Senators led by Joe Manchin (D-W.V.), and Kyrsten Sinema (D-Ariz.), chair of the Senate aviation subcommittee, Susan Collins (R-Maine) and Mitt Romney (R-Utah) recently agreed to a framework to invest \$1.2 trillion in infrastructure over the next eight years, which does not include an increase in the \$4.50 per flight segment Passenger Facility Charge cap as a pay-for. We expect any aviation-related sustainability initiatives, such as a performance-based tax credit for blenders of sustainable aviation fuel, to be included in a separate, multi-trillion dollar "human" infrastructure proposal as part of a budget reconciliation (majority vote) measure. The Senate intends to vote on both packages before leaving for the August recess.

Framework for Safely Reopening International Air Travel

NACA and a coalition of more than 20 aviation industry stakeholders released a framework to safely lift entry restrictions and restart international travel. In the near-term, the framework urges the Biden administration to quickly lift entry restrictions and reopen travel between the United States and the European Union and the United Kingdom, and limit travel between the United States and higher risk countries to passengers who are fully vaccinated. Read the Framework document here.

TSA Implements ICAO Cargo Screening Requirement

NACA and other trade associations have worked extensively with TSA to amend the language implementing the ICAO cargo screening requirement for charter/on-demand cargo operations as well as impracticable to screen items. The Chairman of the House Homeland Security Committee expressed strong concern about the timing and process TSA undertook to resolve these issues in a letter to the Administrator. TSA waited until hours before the July 1 implementation date before issuing a second version of these amendments with the minimum elements to make them viable. We are continuing our efforts with TSA to refine the amendments to facilitate our members' operations.

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Contact Tracing

CDC/FAA/DHS have informed us contact tracing will be implemented using an interim track and a long-term track. On the interim track, a working group will start next week to move towards implementation over the next 30-40 days. The long-term solution is expected to be a formal rulemaking process titled "Advanced Passenger Information System modernization" from Customs and Border Protection, to be published in the next 8-10 months, consisting largely of formalizing the rules for contact tracing.

TSA Extending Some COVID Protocols

TSA informed industry recently they are granting extensions for Recurrent Training until Sept 30, 2021, and Aircraft Search until March 25, 2022.

FAA Technical Matters

NACA recently had our quarterly call with <u>FAA Executive Director AFS-1</u>, <u>Rick Domingo</u>, discussing multiple topics, including the Weight and Balance Advisory Circular that was effective June 12, changes at the FAA that will impact our members, such as the reorganization of the operations branch (AFS-200) and the maintenance branch (AFS-300), and the "sun setting of the Cargo Focus Team (CFT)." The CFT was a great help to our members when issues arose at local offices. Rick assured us there will still be educated FAA resources for NACA to use to help assist our members when issues arise.

The <u>NACA Operations</u>, <u>Maintenance and Safety Councils</u> met between June 23-30. There was a fantastic exchange of information on multiple topics during all the council meetings, which were extremely well attended by NACA members and FAA staff. The <u>Maintenance Council</u> discussed the change of the CFT and a FAA 8900 handbook change impacting the compliance program. The <u>Operations Council</u> discussed the Weight & Balance Advisory Circular, members whose local Certificate Management Office does not completely understand the process, and the new Pilot Record Database rule. The <u>Safety Council</u> discussed moving forward with DOD and airline emergency response procedures to meet the needs of NTSB and DOD requirements, and a briefing on FAA moving to a new Safety Management System program, along with allowing airlines to roll multiple reporting requirements or programs under the airlines' Safety Management System processes.

Summer Board of Directors Meeting

NACA has scheduled an in-person Board of Directors meeting for Wednesday, July 21, at NACA headquarters in Arlington, Va., which will be very well-attended. We are hosting FAA Administrator Steve Dickson and TSA Administrator David Pekoske as guest speakers, along with senior Hill staffers. A Tuesday night reception and dinner will kick-off the first in-person NACA meeting in over a year.

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