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ATW 2024
AIRLINE OF THE YEAR
DELTA AIR LINES

AVIATION WEEK NETWORK

May/June 2024 | Volume 61 | Number 3

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ATW 2024 Airline of the Year

DELTA AIR LINES

Airbus A350-900

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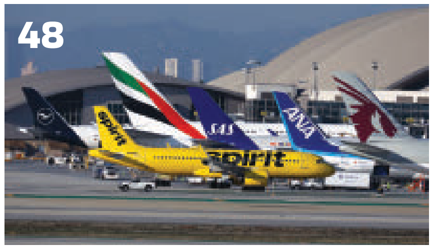

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BUSINESS/AUDIENCE DEVELOPMENT CONTACT INFORMATION

PUBLISHER
AIR TRANSPORT WORLD
MANAGING DIRECTOR, MEDIA & MARKETING SERVICES
Iain Blackhall
Aviation Week Network
2121 K Street, NW, Suite 210
Washington, DC 20037
Tel. 202-517-1100
iain.blackhall@aviationweek.co.uk

PRESIDENT
AVIATION WEEK
Gregory Hamilton
greg.hamilton@informa.com

SENIOR VICE PRESIDENT DATA, INTELLIGENCE & MEDIA
Anne McMahon
anne.mcmahon@aviationweek.com

SENIOR AUDIENCE DEVELOPMENT MANAGER
Tyler Motsinger
tyler.motsinger@informa.com

SUBSCRIPTIONS

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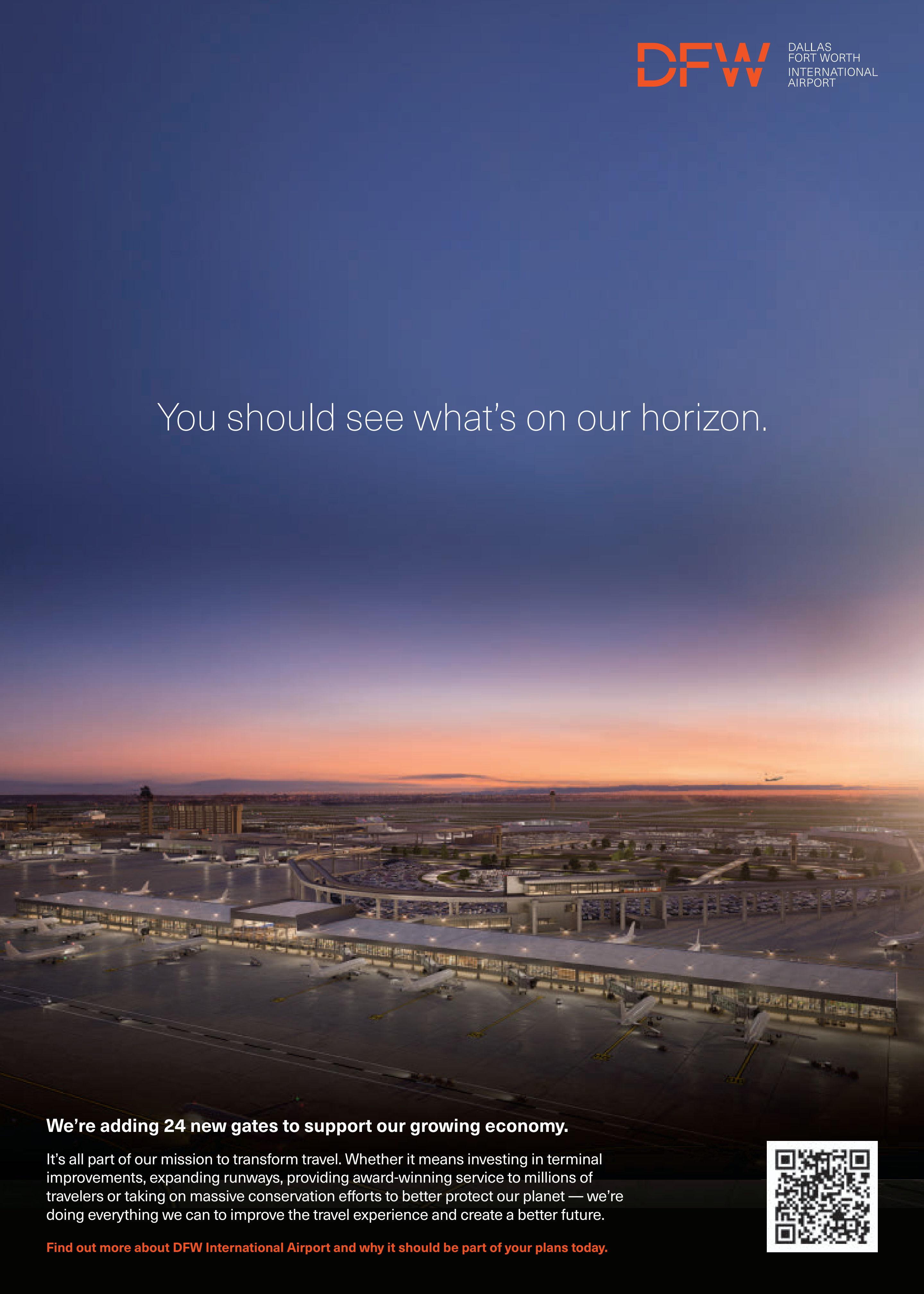
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ATW
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Editorial

Aviation *Sustainability's Dangerous Year*

Karen Walker | Editor-in-Chief
karen.walker@informa.com

It seems eons ago that the term flygskam, or flight shame, entered the vocabularies of airline executives after a Swedish teenager decided to aim her climate-change activism at the air transport industry.

The cynic might observe that Greta Thunberg's demands for people to stop flying were answered, but in the most devastatingly cruel and, in the end, temporary way. The COVID virus brought commercial flying to a standstill in 2020 while also killing millions of people worldwide. Ironically, if Thunberg cares to notice, millions more were saved by medical equipment and vaccines that were transported via airliners.

Since those dark days, airlines have massively stepped up, and invested in, initiatives to further reduce emissions and flying's impact on the Earth, despite going deep into the red and accumulating crippling debt because of the revenue losses through the initial pandemic months.

But the aviation sustainability challenge is only getting more complicated and difficult. Global demand for air travel is extremely strong. Figures released by IATA for March showed demand for international air travel is particularly robust—some 19% higher than a year earlier. Domestic demand, meanwhile, increased almost 7% year-over-year, returning to more normal pre-pandemic levels.

People want to fly. It's good when people learn about other cultures first-hand. It's good when trade and tourism bring wealth and growth to impoverished economies. And it's imperative that airlines serve that need.

Against that, however, SAF availability is becoming an even more rare and expensive commodity as demand for it, too, soars. Yet widespread, affordable SAF remains the best—almost only—solution towards meeting the industry's 2030 and 2050 emissions reduction targets.

How to bridge the gap? There's a lot of talk about collaboration and partnerships. They are critical. But the most influential partners in the sustainable aviation quest are the world's governments and political leaders. They alone can change the dynamics of the fossil-fuel suppliers and markets and create long-lasting, stable policies that reduce the demand for fossil fuels not just from airlines, but from industries and populations generally.

Globally, there are many important state and regional elections expected this year. This adds uncertainty to the longevity of government SAF incentives where they exist, such as in the US. Will they continue if there is a political leadership change? In that respect, 2024 is a dangerous year for aviation, which desperately needs long-term policies on SAF production.

Looked at another way, this could be a year of opportunity. New incoming government leaders might finally grasp the political benefit of being seen to champion the two things people want: to be able to fly and to do it sustainably.

That may be too much common sense to credit any politician. But politicians tend to fly a lot, too. It's time they played their full part in a problem that, for all their significant efforts, airlines alone cannot solve. ATW

Words' Worth

Boeing's eternal conflict pits optimistic words against delayed actions.

BY SEAN BRODERICK


SEAN BRODERICK/ATW

Five years and counting into a crisis that is starting to seem less like a bad stretch and more like a new normal, it's fair to assume designing the next great airliner—or any airliner—is nowhere near the top of Boeing's priority list.

Instead, Boeing is focused on the basics: Build airworthy aircraft with minimal, cost-inducing pre-delivery rework. Catch inevitable quality mistakes before aircraft are in customers' hands. Meet contract delivery targets (or at least come close). And do so consistently.

Never mind losing a full-year order tally or backlog size comparisons to Airbus; Boeing is instead working to win back trust from industry stakeholders.

Start with the FAA. The agency's eight-week audit of 737 MAX production, prompted by the Jan. 5, in-flight loss of an Alaska Airlines' MAX 9 door panel, found "numerous" violations of Boeing procedures and FAA rules and gave the company 90 days to come up with a plan to correct the issues.

In the meantime, the agency placed a de facto production cap on 737 MAXs by not permitting more than 38 deliveries of newly built aircraft per month (excluding those from inventory).

Boeing's long-term plans, laid out during a November 2022 investor event, call for the company to be producing 50 per month, sometime in 2025-2026. CFO Brian West admitted the latest challenges will likely push that target even further.

Let's face it, the 737 MAX delivery cap is largely for show. Boeing hasn't demonstrated it can crank out more than 25-30 737s per month consistently since the MAX grounding started in March 2019, despite Boeing saying in July 2023 that the transition from 31 to 38 per month was underway and telling suppliers to target the mid-40s by mid-2024.

The Boeing 787 hasn't fared much better. Despite a July 2022 FAA-approved plan to ensure aircraft coming off the line conform to Boeing's design specifications—something that shouldn't need revisiting 1,000 aircraft into a production run—output has stalled at below Boeing's five-per-month target because of what the company says are external supply-chain issues. This means still more 787 delivery delays.

Operators don't have many options. Lessors may have some available aircraft in the coming years, but Airbus doesn't. A conflation of confidence in their product line, demand for new lift, and Boeing's steady slide have filled Airbus' delivery slots for years, particularly in the ultra-competitive narrowbody space. Sticking by Boeing is the only viable choice for many airlines and lessors. But the company's mounting, largely self-inflicted challenges mean fewer are sugar-coating the mess Boeing has gotten them into.

"I can't tell you if they're making progress or not because it's all actions that matter, not words," American Airlines CEO Robert Isom said during the carrier's April 25 earnings call. "We'll do everything we can to support Boeing. We need them to be successful in the long run. But as I've said before, we're going to make sure that we're protected."

American, which saw its summer 2023 long-haul plans disrupted by 787 delivery delays, is hardly alone. In late 2021, Southwest Airlines, the MAX 7 launch customer, said it expected to have more than 70 of the new, small MAX family variants by 2023. Not only is Southwest still waiting for its first MAX 7 delivery, but the variant wasn't even certified as of early May. So instead of modernizing its fleet and maintaining growth plans, Southwest is parking as many older aircraft as it can spare and hoping Boeing can build more of the MAX 8s the carrier has on order sooner.

"While we remain committed to our fleet modernization, we feel it is prudent to retain some flexibility until we have better certainty around our aircraft deliveries and around the certification of the MAX 7," Southwest CFO Tammy Romo said during an April 25 earnings call.

At least the MAX 7 has completed all FAA-required flight testing, which is more than can be said for the MAX 10 and the new 777-9. The MAX 10, the largest MAX variant, seems destined for a post-2025 debut. But Boeing maintains that the latest iteration of its highly successful 777 family, the 777X, will see both certification and first deliveries by the end of 2025. Type inspection authorization (TIA)—regulatory-speak for the go-ahead to conduct required flight testing—is the next big milestone for each. The lack of TIA combined with FAA scrutiny of all things Boeing suggests that 2025 is naively optimistic. Lufthansa Airlines CEO Jens Ritter said as much when he told media he expected the 777-9 "will be here for the summer timetable 2026 at the earliest."

As for those November 2022 plans focused on recovery and steady progress by 2025-2026? Boeing is standing by them.

"Boeing told us they're getting on the right path when they recertified the MAX to go back in operation [in late 2020]," Air Lease Corp. executive chairman Steven Udvar-Házy said at a J.P. Morgan investor event in March. "Since then, we've seen cascading events of delays, complexities, nonconformities, quality problems. So, we haven't seen the kind of progress that Boeing promised us."

Will that change?

"I think they have no other solution now but to correct their imperfections," Udvar-Házy offered.

Arguably commercial aviation's most influential aircraft purchaser, Udvar-Házy sounds like he's ready to trust Boeing again. At the same time, he acknowledged ALC is anticipating delivery delays across its order book into 2029. Words only carry so far. ATW

Hear more on this subject as the author and other Aviation Week editors discuss Boeing's production challenges on the Aviation Week Check 6 podcast here: ***https://bit.ly/4b1DRd4***.

Quotables

"We no longer believe that we will get the first aircraft in 2025; we think it will be here for the summer timetable 2026 at the earliest."

Lufthansa Airlines CEO **Jens Ritter** on expectations for the new Boeing 777-9.

"We have to see what the conditions are to any potential sale; then we'll decide if and how we proceed."

Air France-KLM CEO **Ben Smith** on whether the group is interested in acquiring TAP Portugal.

"When Germany's economic performance is anemic at best, denting its competitiveness with more taxes on aviation is policy madness. The government should be prioritizing measures to improve Germany's competitive position and encouraging trade and travel."

IATA director general **Willie Walsh** on Germany's 19% aviation tax increase.

"Let's be honest, Lufthansa can live without ITA. The question is the other way around: Can ITA live without Lufthansa? I think more and more observers agree that the answer is 'no'."

Lufthansa Group chairman and CEO **Carsten Spohr** on plans to buy a 41% stake in Italian carrier ITA—a deal still under regulatory scrutiny.

"There is no level playing field between Western and Chinese companies because Chinese [carriers] can still operate over Russian airspace."

Finnair interim CEO **Jaakko Schildt** referring to how, since Russia invaded Ukraine, European and North American governments have blocked Russian airlines from entering their airspace and most western airlines avoid Russian airspace.

Congratulations, Doug!

The American Airlines team congratulates former Chairman and CEO Doug Parker on receiving the **2024 Air Transport World Lifetime Achievement Award**.

We are proud of your continued contributions to the industry that embody and share our purpose of caring for people on life's journey. Thank you for your many years of leadership at American and for serving our team members and communities.

Exceptional Winners

Boeing 767-300

DELTA AIR LINES

The airlines and people recognized in the golden anniversary of the ATW Awards display some shared qualities: leadership, innovation, agile thinking and strong team motivation. They are truly deserving.

Hard as the COVID pandemic was on the air transport industry—and it was unprecedentedly harsh—our winners showed the fortitude and determination not merely to survive, but to come back stronger than ever.

It is especially fitting in this 50th anniversary year to see Delta retake the Airline of the Year mantle—it previously won in 1977 and 2014—and for Goh Choon Phong, CEO of four-time *ATW* Awards winner Singapore Airlines, to be recognized for his many years of outstanding leadership.

New this year is the Humanitarian Force for Good Award, presented in partnership with Airlink. This recognizes all the good that airlines and airports do to connect people and trade, both on a daily basis and during crises, and how hard that is to achieve.

Our winners go beyond achieving—they excel. Congratulations to all of our 2024 ATW Award winners and thank you to CFM, our platinum sponsor. ATW

The 50th Annual ATW Awards will be presented on Friday, May 31, 2024, at a gala dinner in Dubai at the Hilton Dubai Al Habtoor City. For more information go to: ***atw-awards.aviationweek.com***

2024 *ATW* AIRLINE INDUSTRY ACHIEVEMENT AWARDS

AIRLINE OF THE YEAR

DELTA AIR

IN A BANNER YEAR, DELTA AIR LINES posted operating income of $5.5 billion for 2023 on all-time record revenue of $58 billion. The Atlanta-based SkyTeam carrier also continued strong growth across domestic, international, leisure and corporate markets.

LINES

Airbus A350

DELTA AIR LINES

Delta Air Lines 2023 Financial Results			
	2023	2022	Change
Operating Revenue	$58 billion	$50.6 billion	15%
Operating Expenses	$52.5 billion	$46.9 billion	12%
Operating Income	$5.5 billion	$3.7 billion	51%
Net Income	$4.6 billion	$1.3 billion	254%

Source: Delta Air Lines

Delta Air Lines Fleet		
Type	In Service	On Order
A220-100	31	–
A220-300	24	76
A319-100	49	–
A320-200	54	–
A321-200	123	–
A321-200neo	52	103
A330-200	10	–
A330-300	30	–
A330-900	26	12
A350-900	27	16
A350-1000	–	20
717-200	68	–
737 MAX 10	–	100
737-800	69	–
737-900ER	160	–
757-200	98	–
757-300	15	–
767-300ER	39	–
767-400ER	19	–
Total	894	327

Fleet data current as of March 26, 2024.
Source: Aviation Week Fleet Discovery database

CEO Ed Bastian's mantra is that Delta's success flows from taking care of its 100,000 global professionals. Each year on Valentine's Day, eligible Delta frontline employees receive a profit-sharing check. This year's total was worth an extraordinary $1.4 billion, taking the total amount given over the past decade to more than $11 billion.

Delta's investments in building a premium brand to loyal customers have also paid off, with the brand being named among the top five US e-commerce retailers by *Fortune*, alongside non-aviation companies Amazon, Walmart, eBay and Apple.

Sustainability pervades everything Delta does—its multi-faceted, collaborative approach includes advocating for policy incentives to scale the market so all airlines can access more affordable sustainable fuels. Delta is a founding member of Americans for Clean Aviation Fuels and has joined a sustainability coalition with Boeing and NASA to support the Sustainable Flight Demonstrator program.

Delta takes care of its customers with investments and innovations on the ground and in the air, including free, fast Wi-Fi for its SkyMiles members.

Bastian likes to remind everyone that Delta is a service industry that's in the business of people. By focusing on that, Delta has raised the service stakes for its customers and is able to attract and keep people and corporations that seek to be connected to a premium air travel brand.

"Our people and their commitment to deliver unmatched service excellence for our customers is at the foundation of Delta's success," Bastian said.

The 2023 December quarter was another record-breaker for Delta, which delivered all-time high revenue with the largest holiday travel volumes in the company's history. Corporate sales accelerated into the end of the year, while premium revenue grew 15% versus the same quarter a year earlier. Loyalty revenue increased by 11%, driven by strong co-brand spend growth. Renumeration from American Express for the quarter was $1.7 billion and $6.8 billion for the full year, a 20% year-over-year increase.

And the outlook for 2024 remains strong. "We are entering a period of optimization and expect to unlock efficiencies that will fund continued investment in our people, our operation and our customers," CFO Dan Janki said. "We expect to deliver earnings and cash flow growth for the full year." ATW

In recognition of its innovation, world-setting standards and dedication to excellence, the 2024 *ATW* Airline of the Year Award goes to Delta Air Lines.

INTERVIEW: DELTA AIR LINES' CEO **ED BASTIAN**

A People-First Approach

Bastian

DELTA AIR LINES

Congratulations on an amazing financial and operational performance that led to Delta being selected as the *ATW* Airline of the Year. What in your words do you think is key to Delta's performance? I think the strategy we've been on for I'd say over the last 15 years is focusing on service. We're a service industry. We're a people business. We transport people. But if you focus too much on the transportation and forget the human element of the experience, you're going to have some challenging times. We have always focused our people on delivering the highest level of experience for our customers. It starts with delivering an incredibly reliable product; that's table stakes, that's the foundation, but that's not the reason for being. On top of that, we add the opportunities to serve and to make sure that our people—our customers—feel the warmth, the caring and the welcoming experience that Delta provides.

And as a result of that, they'll have an elevated experience with us that we will take and continue to grow our business with them. That loyalty then really starts to build and it's the consistency over time. This is every single day for us.

It's about Delta's people and their motivation to want to be excellent every day? Yes. When I became CEO, I guess nine years ago now, I did an interview in my first month or so in the job and I was asked, 'name your job in five words.' And instinctively it came out of my mouth, 'taking care of our people'.

You would think it was rehearsed. It wasn't. And I think that really speaks to who we are, and you could put that question in front of any of our leaders. It's taking care of our people, and if you do a great job taking care of your own people, they in turn have the confidence and the trust that they have your back and you'll do whatever is necessary to ensure that you'll support them and get them the tools and the opportunity to succeed. And that builds a winning culture, but it starts from the leaders taking care of the people and not trying to replace them in terms of thinking too much for them or trying to automate their jobs out of existence or trying to tell them how to do their work. That allows them to shine and that, I think, is the secret to our success.

Have you shifted in terms of offering a premium product or attracting a particular type of audience that you feel that there is market growth for? Certainly. When you think about where Delta was 15 years ago, around the time we acquired Northwest, and where we are today, it's really remarkable when you look at that network map. Today, we're the number one revenue producer in New York, we're the number one revenue producer in LA, we're the number one revenue producer in Boston, number two in Seattle, and of course right through the heartland of the country—whether it be Detroit, or Atlanta, or Salt Lake City, or Minneapolis—we're number one as well. And that is a result of focusing on where the premium components of our industry's revenue pool lie: big business markets, opportunities to grow on the international front as well, the gateways both on the east and west coasts, having opportunities to continue to get more deeply involved in those communities are all part of the strategy. And building on that base with the business customer, the high-value customer—the premium customer, as we call them today—is something we've been at for a very long time and where the network is going.

What about international growth? Today, Delta is about two-thirds domestic, one-third international. I'd like to think a decade from now we'll be at least balanced in terms of our revenue pool, and that growth is growth with our partners as well, with Air France-KLM and Virgin, Korean, LATAM and Aeromexico—really great airlines—and growth we're doing ourselves.

How much do you value your airline partners and alliances? We like to affectionately refer to them as the Delta Team. I know we're all part of the SkyTeam [global alliance], but we also have our own team within SkyTeam, the Delta Team, and we have ownership stakes in those companies because we believe in having shared accountability, shared equity in the success of our franchises. A lot of people ask why we do it, because we're really the only airline that does it at a scale like that. It's because these are more than just commercial partnerships where I sell you, you sell me, and we try to figure out how we work together with ATI. These are actually ownership-equity relationships where we are inside the boardroom of our partners, we're inside the management of the partners, and they actually welcome that because they want to see how Delta thinks and they want to get our point of view.

What do these Delta partners bring to your customer service? We want to make certain that our customers, who are largely a US centric customer base, are looking at international travel. We're looking for opportunities to make it easier for them, more seamless for them to provide the amenities, the reliability that they come to expect from us in the US. We want that to be present internationally as well. There are many innovations in technology and international growth that we're learning from our partners.

The second part is that international travel is expensive. Those planes are expensive. Everything about it is expensive. It's a premium experience to travel internationally. It doesn't matter whether you're sitting in one of our luxurious Delta One suites or you're sitting in our main cabin, it's still a premium experience. And for us to offer as much international service on our own without our partner support, we'd be a small fraction of who we are today. We need our partners to sell and get Delta known in France and Delta known in The Netherlands and in Sao Paulo just as much as we try to get our partners known in the US. So that flow between hubs has been a strategy, and today we operate roughly 50% of our international service in terms of capacity going into those big hubs of our partners, who then take and distribute customers all around the world to the hundreds of destinations that we collectively serve. It's a more efficient way to produce a much more reliable set of expectations, rather than Delta trying to fly all over the world on its own.

Delta has one of the world's largest fleets, nearly 1,000 aircraft. It's also quite a mixed fleet. You've got Airbuses and Boeings, widebodies and narrowbodies. Your regional affiliate, Delta Connection, operates a lot of regional jets. You recently placed an order for 20 Airbus A350-1000s and the A350 is your flagship. You don't have any Boeing 737 MAXs, but you do have some MAX 10s on order. Do you feel comfortable with where you sit with your fleet and how it will meet your growth plans? To the second question, yes. I absolutely feel comfortable that we have the fleet in place today as well as the growth pattern. That's been our strategy working both with Boeing as well as Airbus, to secure the planes of the future, particularly on the international front because I think that's where a lot of our growth aspirations lie. The new order is for the A350-1000s comes with an option to take on an extra 20, which we hope to be exercising as well.

To the question about Boeing and the MAXs: We need

Boeing to succeed as an industry. Boeing is vital to who we are. We have so much Boeing expertise within Delta. The majority of the airplanes that we fly are Boeing aircraft. And while we've almost exclusively been taking Airbus over the last five years, that wasn't by design because of the MAX. I tell people, sometimes you'd rather be lucky than smart. And when we did the bake-off between the A321 and the MAX seven or eight years ago, it was well before any of the MAX issues, before the MAX was flying. We've been taking 50, plus or minus, new A321s every year, as well as retiring older aircraft, taking the Airbus A220s through that process, taking A330s and A350s. So that's not a sustainable strategy. We need Boeing to be able to offer their support and their technology and that's why we did the order for the MAX 10. I don't think anyone could tell you when it is actually going to arrive. I think it will arrive at some point and when it does, we'll take it.

Give me your general view on your 2024 outlook and top priorities. Demand is really, really strong. The demand that we've seen over the last couple of years in the post-pandemic world has continued to develop and grow and it's finding new avenues for growth. Business travel has really boomed in the last six to nine months as companies have started to reopen their offices and get people back into more traditional patterns of travel. While many of those people were traveling anyway through hybrid or other forms of travel, they're now adding in-office visits and customer-seeing, which is one of the things that's vital to our business, because Delta is not just about classic companies, but also the consultancies, the service providers, as well as the accounting firms and the law firms. They are really important and many of them are in our top 20 in terms of overall corporate business.

You can go back and study the last 50 years and our industry, as you know, is very volatile, very cyclical. Rarely does one year look like the next. But there's one stat that is consistent throughout the last 50 years of US air travel, and that's the relationship of dollars spent by consumers on air travel and the size of the US economy. That percentage is roughly 1.3% and you can go back to 1975 and it's roughly 1.3% and maybe a little less because that was pre-deregulation, but it's pretty consistent, year in, year out.

That shows you the amount of priority customers place on air travel; the inherent demand as well as the capability they have to invest in air travel. And that even stood the test through 9/11. It broke shortly but came right back again.

Look how quick we came roaring back [from the pandemic]. The gap for the last 2022 period is roughly $300 billion of unmet demand that customers had the means and the desire to travel but weren't capable because of the pandemic. We're just now getting back to 1.3%, given the size of our economy. This is our new normal, and I think it's going to pick up from here because any airline out there will tell you that if we had more planes, they'd be full; there's such a strong inherent demand. So that's going to be the strategy we will continue: Running a great operation. Delta has been at the top of the charts for easily the last six months on just about every category there is month in, month out, operationally, which is where we strive to be. It's not very technical or elaborate; it's just about showing up every day and delighting customers.

You make it sound simple, but it's not. You're right. We operate 5,000 flights a day and serve on average over 500,000 customers a day. And it's a lot, but our people do it as good as anyone.

Do you think the investor community is catching up with that reality of just how much demand is coming back? Because it seems to me that the investor community is lagging. The investor community clearly is lagging. It's the one thing that hasn't caught up and revenue's ahead of plan and the operations are running better than they were pre-pandemic. But the investors lost a lot of money when the pandemic hit, and it's not the first time they lost money in our industry. It's an industry where smart investors do make a lot of money if they understand and pay attention. For the casual investor, it's a tough industry because changes happen. It's very dynamic. The one thing that Delta has stood out on and that our stock has been responding quite nicely to over the last year is the health of our brand as a premium experience.

When you offer a premium experience, customers will pay. They see great value in that. Value in our industry has been talked about in terms of price. That story has gotten pretty dated and those [carriers] that are focused on price have had a real challenge. Those carriers that are focused on delivering a great experience, a quality experience—people see value in that. And that's why we've had a focus on premium for some time. That's why our brand is one of the healthiest brands in the entire country. We were named in the last year by *Fortune* the 11th most admired company in the world as an airline still recovering from the pandemic.

We're the fifth-largest e-retailer in the country, fifth largest, not just in the industry but overall, along with Apple and Amazon and a couple of others. That speaks to the health of our brand. Then you couple that with the investments we've made in the airports, the quality of that experience, the investments in the fleet. We're two years younger than we were pre-pandemic, despite the fact that, chronologically, we're four years older.

DELTA AIR LINES

How has technology played into customer service improvements? The technology of our app is a huge driver of loyalty in our business. And customers who have that experience with the app tell us it's one of the best apps they use, period, and not just in travel. And they become almost addicted to it. They want to see where their points are. They want to see where their plane's coming from, they want to see what's coming next, where they can go and what they can use their points for. It's really a lifestyle app that they use. And then we've added free Wi-Fi on top of that, so that they can continue to stay connected on their journey, and it's fast and it works well and it's free.

So, you put all that together and we're moving beyond just the commodity category. We're moving into the branded world. Branded consumer products generate multiples that are easily two to five times the multiple that the airlines traditionally have generated.

It's one of the reasons we went with the Wi-Fi because we're building a whole new generation of customers. In the last year we've added over 2 million new members to our SkyMiles program. These are customers we already had but we didn't know who they were, and they've become members of our program so they can tap into free Wi-Fi. And now we can serve them better. And that's the next generation of loyalists to Delta, because once people start becoming familiar with the brand, they tend to stay quite loyal to our brand.

What do you believe is the top challenge for this industry generally? Sustainability comes to the top of that chart, no question, and all of us have described that as our existential challenge. We don't have a solution at the moment. Ninety-eight percent of our footprint is coming in the form of jet fuel, and we don't have any economic alternative at present. We do have some alternatives being developed in biofuels and some sustainable aviation fuels, but they're coming at a tremendous cost, two to four times the price of the cost of jet fuel, which is not cheap in itself. And as a result, we don't have the capital to afford to do this through traditional, conventional means.

So, we need to make sure that our constituents are far beyond just the airline industry, reaching out to the energy producers, to others that depend on our industry: the engine manufacturers, the Boeings, the Airbuses of the world, the customers, the hotels. The travel-and-experience base is such a key part of our overall economy here in the US and in many international markets as well, with many people depending on sustainable travel to keep their businesses growing.

We're building coalitions and we've got a couple of good plans. One in particular that Delta's built up is in Minneapolis, which I'm really excited about. We have an opportunity to take up to 50% of our jet fuel consumption in the Minneapolis hub and turn it into a sustainable aviation product within the next 10 years. But it requires a coalition of the willing and it needs to attract capital and attract interest and government support—not mandates, but government incentives to invest alongside us. If you're an energy producer today, you want a role.

Through a coalition, you can create an opportunity to start to bring that green premium down. And our goal in Minneapolis is to have that premium be within 10% of the jet fuel marketplace. I think once we start producing that level of scale, that will put pressure on jet fuel prices, which will, in turn, incentivize people to want to invest in this space more. It's going to take a lot of local initiatives. There's no global solution to this. I think the Minneapolis initiative could be a model that people all around the world can look to. ATW

Interview by Karen Walker. To listen to the full interview with Ed Bastian on the ATW Window Seat podcast, go to: ***https://bit.ly/EdBastian.***

GE Aerospace

Today we recommit ourselves to inventing the future of flight as GE Aerospace, now an independent publicly traded company on the New York Stock Exchange. A new era begins.


WE
ARE
GO.

ECO-AIRLINE OF THE YEAR

INTERNATIONAL AIRLINES GROUP

BRITISH AIRWAYS

The imperative to ensure the world's air transport system remains a leader in sustainability has never been clearer. This industry has united behind a global commitment to be carbon net-zero by 2050. It's a tough challenge that requires the participation, innovation and investment of major players like International Airlines Group (IAG).

IAG, parent of British Airways, Iberia, Vueling, Aer Lingus and LEVEL, has used its scale, influence and track record over the last 30 years to transform its business and to drive industry-wide changes for a truly sustainable aviation industry.

IAG and its airlines were the first to publish their carbon footprint, offer a carbon offset program for their customers, set a target for net-zero greenhouse emissions, and set a voluntary target of 10% sustainable aviation fuel (SAF) use. These are best practices since adopted by other airlines. In addition to its total investment of 1 billion dollars in sustainable aviation fuel, IAG bought 12% of the world's SAF supply in 2023 and achieved a significant 3.6% reduction in carbon intensity.

The Group has a set of guiding principles that drive its sustainability initiatives:

- Establish clear and ambitious targets relating to IAG's most material issues.
- Embed a low-carbon transition pathway in its business strategy.
- Align management incentives to deliver a

low-carbon transition plan.
- Take leadership in carbon disclosures.
- Accelerate progress in low-carbon technologies including aircraft technology, SAF, carbon offsets and carbon removals.
- Accelerate innovation in low-carbon technology.
- Lead the industry in innovating and deploying SAF, including power-to-liquids.
- Step up social commitments, including on diversity, employee engagement, and sustainability, as a core value.
- Take industry leadership in stakeholder engagement and advocacy.

IAG and its airlines have stood by this comprehensive mandate for decades, long before aviation sustainability became a widely understood concept and before the global air transport industry committed to a 2050 carbon net-zero goal.

Even more impressive, IAG airlines have introduced multiple fuel- and emissions-saving operations that include:

- Aer Lingus implemented more efficient alternate airport routings, enabling one-third of flights to carry 160 kg less fuel, saving 1,100 tons of greenhouse gas emissions (GHG) per year.
- Aer Lingus and British Airways modified their procedures to retract landing lights earlier after takeoff, saving 570 and 8,000 tons of GHG emissions per year, respectively.
- British Airways deployed a new fuel efficiency dashboard, enabling pilots to better align fuel use with fuel needs, and also implemented the first phase of its potable water reduction plan, avoiding nearly 2,000 tons of GHG emissions per year.
- British Airways retrofitted 10 Airbus A320-series aircraft with Sharklet winglets, saving 6,000 tons of GHG emissions per year.
- Iberia implemented a new onboard real-time weather forecasting tool and new improved engine wash methods.
- Vueling partnered with Eurocontrol and ENAIRE, the Spanish ANSP, to define a new key performance measure that measures the airspace efficiency according to GHG emissions instead of distance flown.
- Vueling deployed NAV Flight Services' NAVlink Wind Updates on its fleet. Preceding trials have demonstrated that the use of optimized in-flight wind data updates allows the flight management computer to plan more efficient descent trajectories.

In 2021, IAG was the first airline globally to set a voluntary target of 10% SAF use, dependent on appropriate government support, which has since been adopted by over 30 airlines globally. This target will require IAG to use 1 million tons (~330 million gallons) of SAF in 2030.

As of year-end 2023, IAG had secured 25% of the SAF to achieve this target, committing $865 million in SAF purchases and investments as of year-end 2022, based on a forecasted jet fuel price in 2030 and contracted margins for SAF production. This is the largest disclosed financial commitment to SAF by any airline globally.

VUELING

In January, LanzaJet completed its Freedom Pines Fuels facility in Soperton, Georgia, in the US, becoming the world's first commercial-scale alcohol-to-jet facility. As a part owner of LanzaJet, British Airways plans to buy 25% of the facility's annual production of 27,000 tons (9 million gallons).

And earlier this year, IAG signed its largest ever SAF purchase agreement with Twelve, which plans to produce advanced power-to-liquid SAF made from CO2, water and renewable energy. This project plans to deliver 790,000 tons (260 million gallons) of SAF to IAG, with a lifecycle emissions reduction of at least 80%, and is the largest annual commitment by any airline globally to power-to-liquid SAF.

The people of IAG, led by group sustainability head Jonathon Counsell, are making a difference in aviation sustainability every day. And they are showing ways the wider industry and the individual can participate in that critical effort. ATW

The 2024 *ATW* Eco-Airline of the Year is International Airlines Group.

EXCELLENCE IN LEADERSHIP

SINGAPORE AIRLINES

GOH CHOON PHONG

Singapore Airlines (SIA) CEO Goh Choon Phong is an exemplary leader of an extraordinary aviation company.

Goh joined SIA in 1990 and has risen through the ranks and held senior management positions in Singapore and overseas. He joined the SIA board in October 2010 and assumed the role of CEO on Jan. 1, 2011. He also serves on the board of SIA Engineering Company and is the chairman of Budget Aviation Holdings, which oversees SIA's low-cost subsidiary, Scoot. He is a member of the Association of Asia-Pacific Airlines' Executive Committee and a former chairman of the IATA Board of Governors.

Goh continuously strives to achieve the best and to ensure SIA maintains its famous world-class standards. He leads by example, dealing with issues in a nimble and agile manner. He focuses on strengths and capabilities with a vision that has made the airline better than ever, hitting new operating and financial performance records.

As CEO at SIA, Goh implemented and oversaw strategic changes to the airline that led to its transformation and growth. A significant change was his decision to merge the company's four airline brands—two full-service carriers, SIA and SilkAir, and two LCCs, Scoot and Tigerair—into two distinct brands: SIA and Scoot. That simplified struc-


EMBRAER

SINGAPORE AIRLINES

ture contributed to record-breaking financial performances and better customer service, with new products tailored to each of the airlines' audiences.

Another important initiative under Goh's watch has been the partnership of SIA with Indian conglomerate Tata Sons, which led to the establishment of the Indian full-service carrier Vistara in 2015. India has since emerged as one of the world's most important and fastest-growing aviation markets, and SIA and Tata have detailed plans to merge Vistara with Air India, placing SIA inside that market.

Goh believes in partnerships. SIA has developed a strong partnership strategy with airlines such as Malaysia Airlines, Garuda Indonesia, Philippine Airlines, Thai Airways International and Vietnam Airlines in South-East Asia, as well as ANA Holdings in Japan, Lufthansa and SAS in Europe, United Airlines in the US, and Air New Zealand and Virgin Australia in Australasia.

Goh was also the company's leader through the COVID pandemic, out of which the airline was one of the fastest in Asia to recover and from which SIA emerged even stronger than in 2019. Goh was quick to realize the priorities when crisis struck: SIA was one of the first airlines to go to the markets to raise additional liquidity and subsequently raised S$22.4 billion ($16.6 billion), the highest in the airline industry, giving the company the foundation to navigate the pandemic.

Goh also reviewed SIA's end-to-end operations during the pandemic, ensuring that its people were ready for all opportunities that came their way and putting SIA and Scoot in a strong position to capture the significant pent-up demand for air travel as it returned, which Goh always held faith in.

Goh has long been a passionate advocate for the industry as a whole. Previous awards bestowed on him include the CAPA Asia-Pacific Airlines CEO of the Year and the US Business Council's Dwight D. Eisenhower Global Innovation Award.

Always humble, Goh is the first to credit the achievements of Singapore Airlines to its people and to say how proud he is to lead them. ATW

Goh Choon Phong is the recipient of the 2024 *ATW* Excellence in Leadership Award.

Airbus A350-900

SINGAPORE AIRLINES

VALUE AIRLINE OF THE YEAR

AIRBUS

SCOOT

Airbus A320neo

Throughout its 12-year history, Singapore-based long-haul LCC Scoot has continuously evolved to enhance the customer experience by leveraging technology and innovation and by listening to its passengers.

Under the leadership of CEO Leslie Thng, Scoot has posted record passenger growth, load factors and profits. This has come hand-in-hand with an overall year-on-year improvement in customer satisfaction and net promoter scores.

SCOOT

Sustainability is a priority for Scoot that centers on three key pillars: achieving net zero carbon emissions by 2050; reducing waste across all operations; and making a positive impact on society.

Scoot's new fleet of nine leased Embraer E190-E2s, which began deliveries this year, and its plans to replace its Airbus A320ceos with A320/A321neos, will ensure maximum fuel efficiency and operational quietness. The airline also ensures that dedicated care agents are on hand when needed and that onboard crews are warm and welcoming.

Throughout, Scoot continually invests in technology to strengthen infrastructure, speed customers' airport journey from arrival to departure, and drive revenue, productivity and cost efficiencies. The company's multi-language live chat function, supported by its chatbot MARVIE, lets passengers access immediate self-help responses to frequently asked questions such as managing and changing booking details, processing refunds and cancellations, and checking flight times.

Scoot's network spans almost 70 destinations across Asia-Pacific, Australia, the Middle East and Europe, and the airline continues to grow and strengthen.

In a podcast interview with ATW editor-in-chief Karen Walker, Thng spoke about what sets Scoot apart in a highly competitive market.

"People are at the core of our business. I think it is where the collective efforts, as well as the hard work by everyone in Scoot, enabled us to recover very quickly post-pandemic," Thng said.

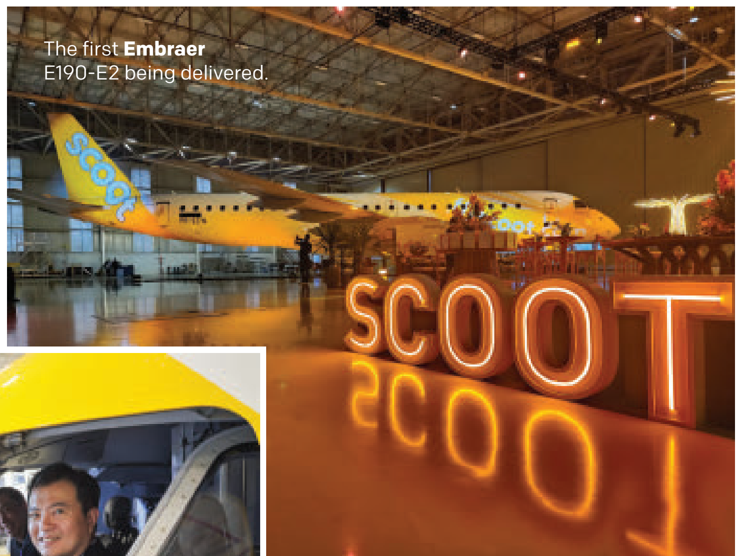
"People are really where we continue to invest. We invest in training, in building up the domain knowledge of colleagues. The culture and the working environment here is very informal. Also, we facilitate a lot of collaboration among the different teams. It's good to continue to look for ideas, to continue to push the boundaries. To continue to see how we, besides connecting people and moving people from Point A to Point B, can enhance their experience when they travel with Scoot."

Thng talked about the importance of being part of the SIA Group and of being based at one of the world's most efficient and innovative global hubs, Singapore Changi Airport (SIN).

"It's not just the Singapore market that is supporting the long haul, it's actually a lot of markets outside of Singapore, flown by Scoot as well as flown by SIA, that are supporting the long-haul routes that we are doing, as well as the medium-haul and the short-haul," he said.

"We also cultivate what we call Scootitude, where our cabin crew engage the customers. For a specific festive celebration, for example Valentine's Day, there will be some activities onboard to celebrate that. Taylor Swift was in Singapore for her concert, so we had some activities onboard to sing Taylor Swift songs for the Swifties."

On priorities for the next 12 months, Thng noted three key areas. "We continue to look at the network connectivity, especially with the E2 joining us. We want to make sure that the network that we're building will be a network that is effective in allowing Scoot to continue to tap into the growing demand," he said.



The first **Embraer** E190-E2 being delivered.

CHEN CHAUNREN


SCOOT

Scoot CEO **Leslie Thng** (front) and COO **Ng Chee Keong** (rear) sit in the cockpit of the airline's newest acquisition—the Embraer E190-E2.

"Because of the record financial performance that we have achieved, it's key for us to maintain many of the gains that we have secured in the past 12 months. I think it's important to look at how we can maintain that competitive advantage going forward.

"The other aspect goes back to the people at Scoot. We have recruited many new colleagues who have joined us in the past 12 months. I think it's important for us to reinforce the culture that we are building and to empower them to do the job." ATW

The 2024 *ATW* Value Airline of the Year is Scoot.

Hear more from Scoot CEO Leslie Thng on the ATW Window Seat podcast: ***https://bit.ly/3UuaF7k***

LIFETIME ACHIEVEMENT AWARD

DOUG PARKER

Doug Parker's long and influential career in airline management began in 1986 when he joined American Airlines as a financial analyst at a time when Bob Crandall was CEO. Parker then moved to Northwest Airlines before joining Phoenix-based America West as CFO, and eventually CEO. Parker oversaw the merger of America West with US Airways, and then the merger of US Airways and American, creating the world's biggest airline.

Parker retired as CEO at American in March 2022 and as chairman in April 2023 after more than 35 years in the airline industry, during which time he was the only CEO to lead a US airline through both the 9/11 attacks and the COVID pandemic. During the latter crisis, he was instrumental in the industry-wide campaign to persuade politicians to help support the US airline industry via the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

A transforming leader who is also a former IATA board of governors' chair, Parker now runs a nonprofit with his wife, Gwen, called Breaking Down Barriers, which aims to open pilot career paths to a more diverse candidate base.

In a Window Seat podcast with *ATW* editor-in-chief Karen Walker, Parker talked about his career and thoughts on the industry. Here are extracts from that interview:

What kept you motivated through all of the industry crises you worked through? The motivation was easy—it was the team. I learned shortly after 9/11 how important it was that we keep the company running, or else we were going to have these hardworking people that work for us looking for work. And so it was incumbent upon management to make sure that we had a viable going concern for them.

The motivation was always: How do we get people to safe harbor? And that's what we were trying to do. That's why we did those mergers. We had airlines that were going to be strategically impaired versus what else was going on in the industry in each case. And so we looked for ways to get our team to safe harbor. I'm happy we did it. There were a lot of speed bumps on the way, but that was the fun part. When the last one came, COVID, the most severe of them all, we were prepared.

SCOTT OLSON/GETTY IMAGES

Who were the biggest influences on you in those early days? You pick up things along the way from all sorts of people. The biggest influence, though, for me in the industry was somebody I never worked for or with, [Southwest Airlines founder] Herb Kelleher. I got to know Herb really well, thankfully, through things like A4A and other industry initiatives. I'd just follow him around and try and soak up everything I could. He was everything everybody said he was and more. I think he's by far the most influential and best leader our industry's had. He transformed a business—he built a culture that is like none other.

What I found most fascinating about Herb was what an amazing listener he was. Whenever you were with Herb, it was your conversation. It wasn't fake. This is what I learned. He was really learning from people.

Talk about some of the broader roles that you had across the industry, and particularly on the gov-

ernors' board of IATA at A4A. How important do you see those sorts of association roles? They're incredibly important. The fact of the matter is, in our business, we could work really hard at American to try and figure out ways to improve our profit margins, for example, one half of 1%. That's a huge move in a $40 billion company. But if we could get the industry well and lift all ships, that had much more value for our team and our shareholders.

I was the only one that was on A4A board for both 9/11 and for COVID. There were people who had been in the industry like [Southwest Airlines'] Gary Kelly, of course, but I was the only one who had been in that room in both cases. Making sure the industry is healthy generally is a lot better for all airlines than each of us trying to figure out how to drive another half percent of margin out of our own.

Do you think lawmakers, particularly in the US, understand how hard it is to run an airline and that you want to serve your customers? That's a good question. The answer is yes, I think they do. When you talk to them one on one, they understand. We're not in the business of trying to do anything but make our customers happy, and it's complicated. But they also have jobs to do. They represent their constituents. And in some sense, it's sometimes populist to go beat on airlines . . . It's not easy to make sure you're moving millions of passengers every day and getting there on time, flying through weather, and making sure everyone's safe. There are going to be some things that go wrong.

Nonetheless, there's still huge pressure all the time for legislation. [Former US Sen.] John McCain told me a long time ago, "Look, if you guys don't fix this, we will, and we're not very good at it."

You and your wife Gwen have started a nonprofit called Breaking Down Barriers. Why is that important to you? The barrier we're trying to break down is the barrier that makes it hard for some of the best people in the United States to become airline pilots. What I noticed was that everyone didn't have the same opportunity, primarily because of the expense. With the [US flight hours] 1,500-hr. rule, or any rule, but certainly with that many hours, it can be up to $100,000 for an individual to get that much training. It's well worth it because you're paid much more than that pretty quickly, but you have to have it. The other large barrier is awareness. There are individuals that just have no idea that the opportunity exists.

So, we've put together this nonprofit to provide both those things. We're trying to build awareness within lower-income communities starting in Dallas. And as we find individuals who think they might want to do this, we're going to provide the funding for them, the entire amount of the funding, to get them to where they become airline pilots. We're starting in Dallas, but I expect it'll get bigger over time.

What part of your work have you most enjoyed? It really is the people. Every interaction I can think about that I enjoyed was working with the people in the industry. The best way I can sum up my career is this. I'd gotten to be CEO of America West at a relatively young age, and right after 9/11, we were fighting for a government loan that if we didn't get it, we were going to liquidate. I'm flying back from D.C. I've been told that we're not going to get the loan by the US government. I'm sitting there thinking, "Woe is me. What am I going to do? I'm 39 years old. Woe, woe, woe." Anyway, I get up and talk to the flight attendant, and she asked me how it's going. I said, "It's not going that well; if they don't give us a loan, we're going to liquidate." And she looks at me and says, "You can't do that. I'm a single mom. I'm good at this job. This is what I do. My lifestyle's around it. I've been doing it for 15 years. No other airline's hiring." And that's when it hit me. This is my responsibility.

That was a Friday night. I called the team that night. We got together Saturday morning. We went back to the government. They sent us a note that said, "We're not going to approve your loan at this time." But we showed up with a new application on Monday morning. I said, "Now it's Monday. Here's a new application. We're not going home."

And from that point on, all these mergers, all the work that I did was honestly to get people to safe harbor. We did what we set out to do. Through some real crises, we got some people that started with America West around 9/11 and got them to where if they want a job, the company's going to be there for them. And they're still there. That's what makes me happy. ATW

Doug Parker is the 2024 *ATW* Lifetime Achievement recipient.

Listen to ATW's full podcast recording with Doug Parker here: ***https://bit.ly/4dnN9BO.***

Thank you,

to our 600+ operators for the trust you place in CFM – in our people and in our products – every single day. We have an amazing history together; a lot has happened in the past 50 years. Our promise to you for the next 50 is that CFM will always deliver the level of support and innovation that has earned that trust.

Gäel Méheust
CEO – CFM International

cfm

50 YEARS

AIRLINE MARKET LEADER OF THE YEAR

AZUL

Airbus A321neo in special livery

AZUL

Throughout its 15 years of operation, Azul has become a leader in the Brazilian and South American region and is now Brazil's largest airline, serving over 160 destinations domestically and in the US and Europe.

The carrier grew rapidly by launching services to Brazilian markets previously underserved in the road infrastructure-challenged nation.

With CEO John Rodgerson at the helm and Abhi Manoj Shah as chief revenue officer, Azul has made air travel affordable for millions of Brazilians to places where there was no air service before this entrepreneurial carrier came along. And in the process, it has maintained strong customer service with onboard Wi-Fi, snacks and television.

Forecasting robust demand for the year ahead, Azul says it has secured strategic partnerships with its OEMs to ensure fleet reliability and availability.

Its orderbook is comprised largely of aircraft from Brazilian OEM Embraer, which the airline believes is "better positioned than others to deliver aircraft on time," as Rodgerson said during a recent earnings call. Azul has 83 aircraft on order according to *Aviation Week Network's* Fleet Discovery Database: 52 Embraer E195-E2s, 23 aircraft in the Airbus A320neo family, seven A330s, and an ATR 72.

"We feel good about where we are with Embraer," Abhi Manoj Shah told investors. "We had three aircraft enter service in January of this year, and you will start to see a steady stream between June 2024 and January 2025—so far we're on track."

In addition to its confidence in deliveries, investments in maintenance capabilities and staffing over the last year have bolstered what Azul sees as a resilience to industry constraints.

"We realized late last year that we needed to invest in our operational capabilities to prepare for growth," said Rodgerson. "We invested in operational staffing, allowing us to reduce aircraft ground time and increase aircraft utilization. We invested in fleet and engine availability, ensuring we have adequate spare engines. We invested in our maintenance facilities, bringing forward by three years additional heavy maintenance capabilities for which we are not dependent on external MRO capacity. Finally, we invested in pilots and flight attendants hiring … we are ahead of the curve and more in control in terms of our fleet availability and capacity."

Azul ended 2023 with a passenger operating fleet of 183 aircraft, expecting its capacity to grow 11% by the end of 2024.

"If I look ahead right now at April, May and June—which is seasonally the weakest quarter—all of the three months are actually running ahead of March right now, in the domestic market," Shah said, with international demand holding steady. "I think we're going to be pretty happy with second-quarter seasonality this year."

Overall, Azul expects positive unit revenue growth in the first two quarters, before getting into strong second half seasonality. It anticipates strong summer demand in Europe, particularly in Lisbon as well as in Paris, the site of this year's Summer Olympic Games.

On the encouraging demand environment, as well as fuel price improvement and projected capacity growth, the carrier has updated its forward-looking guidance. It now expects 2024 EBITDA of approximately BRL6.5 billion ($1.3 billion), while its EBITDA in Q4 2023 increased 33.7% year-over-year to BRL1.5 billion ($295.5 million), and for the full year rose 61.4% to BRL5.2 billion ($1,025 billion).

In Q4, Azul reported operating revenue of BRL5 billion ($985 million), up 13% year-over-year, on a 5.6% uptick in operating expenses to BRL4.1 billion ($808 million). Operating income for the quarter was BRL883.2 million ($174 million), up by 68.3% over Q4 2022. For the full year 2023, operating revenues jumped 17.2% to BRL18.7 billion ($3.7 billion), on 6.6% higher expenses. Its 2023 operating income reached BRL2.9 billion ($571 million), an increase of BRL1.8 billion ($355 million) over 2022.

"Gross bookings are increasing 50% year-over-year as we take advantage of strong leisure demand and opportunities to increase aircraft utilization with unique nonstop flights," noted Rodgerson. Demand for Azul, he said, "has never been stronger."

Azul's world-class customer service and operational excellence connects Brazil like never before and sets it apart from its peers in a fast-growing, important market. ATW

PHOTOS: AZUL

The 2024 *ATW* Airline Market Leader is Azul.

CARGO OPERATOR OF THE YEAR

AIR CANADA CARGO

Air Canada Boeing 767-300F

AIR CANADA

Air Canada Cargo has become Canada's largest air cargo provider as measured by cargo capacity, with a presence in over 50 countries and self-handled hubs in Montreal, Toronto, Vancouver, Chicago, London, and Frankfurt. As the dedicated air freight division of Air Canada, Air Canada Cargo offers air freight lift and connectivity across six continents using Air Canada's domestic and international passenger and freighter flights and trucking services. It has also become a major committed partner and provider of humanitarian, environmental and conservation services that are benefiting people worldwide.

Air Canada Cargo has invested in technology to make digital transformation a key pillar of its commercial strategy, building a customer-centric digital environment that provides valuable self-serve scheduling and booking tools to better support customers. This digital environment also moves Air Canada Cargo's accounts to a cloud-based system, reducing the need for paper airway bills.

Air Canada Cargo was the first North American carrier to join the CargoWise platform, giving customers real-time access to schedules, pricing and booking.

A state-of-the-art cold chain facility located at its global hub in Toronto, which boasts 30,000-sq-ft of dedicated, temperature-controlled storage, enables the support of end-to-end cold shipping needs for a wide variety of goods.

The company also offers two solutions for its pharma shipments: AC Absolute for high-value and sensitive healthcare products, and AC Pharmacair for products transported in insulated boxes, for which there are two options: Pharmacair Simple for products that require extended room temperature or ambient conditions, and Pharmacair Plus for products requiring a cold or controlled room temperature.

Other new initiatives include the creation of a specialized team that monitors cargo connections and proactively rebooks shipments if there's a risk of delay. Another dedicated team oversees all medical and live animal shipments, while a new system unifies the sales and customer service teams into one optimized solution. The company has also built a dedicated interline department that oversees booking with other carriers so that all freight moves seamlessly, regardless of which carrier is managing the shipment.

With its fleet of Boeing 767 freighters, Air Canada Cargo has become an internationally recognized company that is also giving back to communities

PHOTOS: AIR CANADA

around the world. The company has transported personal protection equipment to where it is needed and participated in the global response to the war in Ukraine by transporting humanitarian aid and water purification and sanitation kits on behalf of Airlink, Flexport and FlobalMedic. It also shipped 1,800 aid kits to families affected by the earthquake that devastated the western region of Morocco in September 2023.

In addition, Air Canada Cargo partnered with Drone Delivery Canada in 2023 to deliver medical goods and food to remote communities in Canada.

Air Canada Cargo also transported Indigenous art from Toronto to Calgary for the Simon House Recovery Centre and last year shipped an endangered 130 kg green sea turtle across the country.

This year, Air Canada Cargo announced the addition of Chicago to its freighter network, with a 767F service that will operate three times per week beginning June 2, connecting the Toronto hub with a self-handled warehouse operation in Chicago.

"As a true global combination carrier, we have been able to provide consistent capacity worldwide through the flexibility our freighter fleet and expansive passenger widebody network provides," Air Canada EVP of revenue and network planning Mark Galardo said.

Air Canada Cargo is not only investing in improvements for its customers worldwide but is also showing a big heart with all the work it does every day to improve people's lives. ATW

The 2024 *ATW* Air Cargo Operator of the Year is Air Canada Cargo.

HUMANITARIAN FORCE FOR GOOD

UNITED AIRLINES

PHOTOS: AIRLINK

It has never been more important to raise awareness of the essential good that the world's airlines do for people and the planet far beyond the critical roles of connecting people, trade and economies.

United Airlines' many long-standing humanitarian and charitable endeavors include being the founding airline sponsor of the Orbis Flying Eye Hospital, the world's only fully accredited ophthalmic teaching hospital located onboard an aircraft. United has also been a pioneering and innovative leader in addressing aviation sustainability.

United is a founding sponsor of Airlink, a global humanitarian organization that delivers critical aid to communities during natural and man-made disasters worldwide by providing free airlift and logistical solutions to nonprofit partners.

Since its inception in 2010, Airlink's airline partners have flown some 12,000 relief workers and transported almost 13 million pounds of humanitarian cargo, helping over 60 million people in dire need because of crises ranging from tornadoes

and wildfires in the US to hurricanes in Latin America and the Caribbean, and typhoons and earthquakes in Asia to epidemic outbreaks in Africa. Airlink has also assisted with humanitarian crises in the Middle East, the conflict in Ukraine and the COVID-19 pandemic.

AIRLINK

Over the last 10 years, United has enabled the deployment of some 4,000 relief workers from within Airlink's NGO partners. United has donated air freight capacity to mobilize more than 60 shipments of humanitarian supplies to Ukraine since March 2022. United has also provided resources to deploy 273 relief workers and volunteers, including doctors, nurses, and other surgery-support personnel. Airlink has therefore been able to support 47 NGOs and their programs in Ukraine, Poland and Romania.

In total, United's contribution to Airlink has resulted in savings of $6.6 million for Airlink's nonprofit partners. Consequently, organizations have been able to use their limited funds to procure more aid and help more people. As a result of those interventions, more than 47 million people have been helped in 53 countries.

United's Global Community Engagement team also maintains more than 100 charitable partnerships supporting communities around the world, including the American Red Cross, Global Glimpse, Make-A-Wish America, Rise Against Hunger, and World Central Kitchen.

Through its Miles for a Mission program, United provides opportunities for customers who are MileagePlus members to support causes they care about, raising more than 500 million miles since 2019.

On the cargo side, Airlink has been working with United Cargo to identify space available to support free transportation of lifesaving and life-sustaining supplies. United Cargo has supported more than 100 shipments for 15 unique responses totaling 650 metric tons of donated capacity. Some notable programs include:

- 4,064,594 individuals gaining access to clean water
- 29,447,998 individuals gaining healthcare services
- 463,820 individuals provided with shelter
- 10,720,668 individuals provided with food aid

United also provides a financial contribution to sustain general operations. In 2023 alone, United donated more than $750,000 to Airlink, and the company's lifetime contribution exceeds $5 million. ATW

The inaugural recipient of the *ATW* Humanitarian Force for Good Award is United Airlines.

The Easy Life

How a Swedish CEO is making the difference at easyJet

By Victoria Moores

UK-based LCC easyJet started life in 1995 with 70 staff and two wet-leased Boeing 737-200s flying domestic routes between London Luton (LTN) and Scotland. Almost 30 years on, easyJet has grown to operate over 300 Airbus aircraft on nearly 1,000 routes. What happens next?

"We have a crystal-clear strategy: making low-cost travel easy," easyJet CEO Johan Lundgren told *ATW*. "Beyond that, we've got four strategic pillars that are working for us—expansion at primary airports; transformation of our revenue capabilities (including easyJet Holidays); delivering ease and reliability; and continuing to drive the low-cost model, which ultimately gives attractive fares for our customers, attracting more people, so we can deliver a strong, top-performing return to the shareholder. That is the strategy. That is what we are doing."

EasyJet has built up a portfolio of slots at Europe's primary airports, making its business model hard to replicate. However, this summer easyJet will return around 3,000 London Gatwick (LGW) slots to British Airways (BA), equating to roughly three aircraft's worth of capacity. EasyJet leased those slots when BA downgraded its LGW presence, but BA wants them back to support the growth of short-haul leisure carrier BA Euroflyer, which launched in March 2022. EasyJet will need to return further slots to BA over the next couple of years.

In turn, easyJet is about to shift more of its fleet in favor of larger narrowbodies, which can carry more passengers from slot-constrained airports, while also reducing the cost-per-seat.

EasyJet was originally a Boeing 737 operator, but switched to Airbus in 2002. In late 2023, easyJet finalized an order for 157 aircraft: 56 A320neos and 101 A321neos, plus 100 purchase rights. The airline also converted orders for 35 A320neos to the larger A321neo, locking in a pipeline of highly sought-after narrowbodies. The order, which will deliver between 2029 and 2034, means easyJet can phase out its 78 remaining A319s and replace "approximately half" of its A320ceos.

At the end of FY2022-2023, easyJet had a fleet of 336 aircraft, including 69 A320neos, with a further 158 (90 A320s and 68 A321s) scheduled to arrive by 2029. This year, easyJet is planning to take 16 aircraft, comprising one A321neo and 15 A320neos. This places the airline on the strongest of three potential fleet growth trajectories under its Airbus contract. In FY2025, easyJet will receive a further 19 aircraft, with a pickup in A321neo deliveries. This will take the fleet total to 371 aircraft, potentially rising as high as 395 in FY2026, but the Airbus deal also allows the fleet to drop to 313 aircraft if needed.

SUPPLIER ADVANTAGE

In the shorter term, easyJet has a fleet advantage this summer. The airline's all CFM-powered fleet means it is unaffected by Pratt & Whitney engine issues that are set to impact PW1100G-powered A320neo operators over the coming months. "If you take that, coupled with the early strong de-

AIRBUS

EasyJet is investing in A320neo family aircraft that can carry more passengers and reduce seat costs.

mands that we're seeing, that puts us in a pretty good position for the summer," Lundgren said.

Moreover, while rival operators like Ryanair are facing delivery delays, easyJet's A320neos are arriving about a month early. "They ironically couldn't fit them [A320neos] with Pratt & Whitney engines, because they weren't there on time. So, they've got CFM engines on them, and we're CFM customers. I think we're probably the only airline who's getting aircraft a little bit earlier than expected," Lundgren said.

Lundgren estimates that supply chain constraints are likely to impact "all the OEMs" for two to three years. "Airbus is not without challenges going forward. Clearly Boeing has them—that's well documented—and then you have the Pratt & Whitney issues, which are exclusive to them. We are not a Pratt customer, and we're not a Boeing customer, so at this point in time, we're in a good place."

However, Lundgren revealed that Pratt was in contention for the recent 314-engine order that was ultimately awarded to CFM. "We were negotiating with both Airbus and Boeing, and with CFM and Pratt & Whitney. Everybody came to the table," Lundgren said, revealing that Boeing was in the running to regain easyJet as a customer. "It was a very competitive process, and we got price tension in there as well."

Another strategic focus has been modelling potential disruption and right-sizing aircraft planning for this summer using artificial intelligence (AI). "We have something called gauge optimization," Lundgren said. "We're looking at simulating the demand that we're seeing—for instance now for the summer—so we can optimize what aircraft type we will have on each and every route."

Ancillaries make up 29% of easyJet's full-year revenue, and the carrier is planning to use AI to maintain this proportion in line with overall revenue growth. For example, easyJet plans to expand its price optimization between cabin and hold baggage, so they "speak to each other." "There's plenty of things still here to go within this area," Lundgren said.

One of easyJet's most significant revenue and profit gains in recent years has been the expansion of easyJet Holidays. To put this in context, easyJet Holidays generated over a quarter of the group's full-year pre-tax profit.

In 2022-2023, the package-holiday division more than doubled its pre-tax profit contribution, while its customer numbers rose 77% year-over-year to 1.9 million.

EasyJet Holidays is asset-light, with a fixed cost base of just 4% compared with rival tour operators, which tend to own hotels. This is an advantage when demand drops suddenly, as seen during the Gaza conflict, when Egyptian holidays were affected. EasyJet contracts directly with hotels, rather than going through consolidators, and is rolling out dynamic pricing, giving easyJet access to the entire live inventory for over 1,000

CEO INTERVIEW: **JOHAN LUNDGREN**

Johan Lundgren joined easyJet as CEO in December 2017 after being group deputy CEO at German travel leisure company TUI

Interview by Victoria Moores


EASYJET

Is it true that you requested a pay cut when you joined easyJet? Yes, I did. There was a debate that was quite high on the agenda in the UK and other jurisdictions at that point in time, about gender pay. And I was given a base salary that was higher than my predecessor, Carolyn McCall. I was very keen on making sure that we don't pay differently for the same job. It was a small, symbolic gesture to say that I'm serious about this. I really mean this. Hence, why I requested that pay cut from the board. I thought it would help us to put the debate on the agenda.

EasyJet Holidays has grown to where it represents a quarter of your pre-tax profit. Did your background with TUI influence your decision to grow the easyJet Holidays business? Funnily enough, it didn't. The idea of easyJet Holidays, which is a separate standalone business, actually came after I'd been with the company two or three months, when I was sitting down and learning more about the route network. I saw that we had the largest network to leisure and beach destinations of any airline in Europe. And then, when I dug further into this, the team told me that, "Look, we also have a huge number, millions of people, who book hotels with us." Then my reflection was, "Well, why are we giving that business away?" We already had the network and the brand, so the traffic for a potential holiday business was going to come, more or less, for free. That is one of the biggest expenses for any holiday company: how do you acquire the customers? It seemed to me like we were just leaving lots of money on the table, but it was definitely not an idea that I had before I joined easyJet.

One of your personal passions is sustainability. At what point do you see your fleet cutting over to a completely next-technology aircraft? Airbus has stated that they're looking to have a hydrogen aircraft available to the market by 2035. And, obviously, we would like to be at the forefront, and be one of the first customers to take that and put that into our fleet and network. But getting one aircraft, and then replacing all the aircraft we would have at that point in time, will take some time. Current technology is still developing and becoming more and more efficient as well. But, coming back to your question about sustainability being close to me, yes, I feel strongly about this. I've been passionate about this for quite a long time. This is a topic that has been quite high up on the Nordic countries' agenda, and I'm from Sweden, so that was something that was already in my mind. In all fairness, the company had been onto this before I joined, but it is true that I wanted to accelerate our roadmap. ATW

participating hotels, priced according to demand. Dynamic pricing meant easyJet's Egyptian hoteliers could change their prices immediately, with some offering 50% reductions. The hotels carried the price impact, while easyJet Holidays was relatively unaffected.

Building on its launch in Switzerland, easyJet Holidays is also entering the French- and German-originating markets, establishing a presence as "a pan-European holiday company." These new source markets can be launched by translating prices into local currency using easyJet Holidays' website technology, making the business very scalable. However, the UK will continue to be the "engine" driving the easyJet Holidays business, Lundgren said.

In the 2024 financial year, easyJet Holidays expects to grow by more than 35%, taking its UK market share from 5% to 7%. During the first quarter, easyJet Holidays Q1 customer numbers rose by 48%, putting it on track for 35% growth over the full year.

EasyJet's Holidays division is tipped to contribute over £250 million ($310 million) towards the group's £1 billion mid-term pre-tax profit target. Lundgren said easyJet Holidays is "probably the biggest change" for the company since 2019, and he expects it to "go way over the £250 million mark." He added that easyJet Holidays is also "almost impossible to replicate," because easyJet has the largest network of leisure and beach destinations from European primary airports.

EasyJet has built up a sizable portfolio of slots at Europe's primary airports.

EASYJET

NETWORK GROWTH

In terms of airline network development, Lundgren said he is seeking additional traffic rights, after securing rights between Germany and Turkey, which were under negotiation for "quite some time." EasyJet is also targeting traffic rights in markets where the airline is "underrepresented," particularly in North Africa. "That's something we are speaking to the relevant authorities about on an ongoing basis," Lundgren said.

In the meantime, easyJet will continue on its growth trajectory as it enters its 30th year, undeterred by the rising tension in the Middle East, which caused the airline on April 17 to cancel all flights to and from Tel Aviv through Oct. 27. For Lundgren, that growth path must be sustainable. He described how easyJet was the first LCC to offset its whole network, and the first to deliver a roadmap to net zero that was verified by the Science-Based Targets initiative (SBTi). "It's not so much a thing you do to attract passengers, to have them say, 'Oh, that's a great airline to fly with.' We do it because the people who work here believe it's the right thing to do. It's the credible thing to do," he said.

Lundgren believes aviation was "late" to act on sustainability, but there is growing pressure on all stakeholders to contribute. He said there was "no defense" for political inaction on the Single European Sky, which would deliver an immediate 10% reduction in CO_2 emissions and make the whole air traffic system much more efficient.

Reflecting on his role as easyJet CEO, it is clear that Lundgren is emotionally connected to his work. "When you go out and you overhear people speak about your airline, when you hear people talking about how much it means in people's lives, that you're a force for good—you're connecting people. I always get tears in my eyes when I think about that," he said.

Ryanair CEO Michael O'Leary has tipped easyJet as a potential target for European consolidation, but Lundgren disagrees. "I think that is, quite frankly, mostly academic speculation driven by one or two competitors who love to talk about this, and they continue to be wrong," he said.

However, he acknowledged that easyJet's slot portfolio at constrained airports would be a "goldmine" to other operators. "It would create a feeder network that is nowhere to be found," he said.

Instead, easyJet is "very confident" in its own organic growth strategy.

"Quite frankly, I don't think that there's many airlines who could even afford to acquire us. I mean, their balance sheets are in a dire state," he noted. ATW

OCEAN DRIVEN MEDIA

US Battleground

US budget carriers scramble to compete with the majors.

By Aaron Karp

The dissolution of the proposed JetBlue Airways-Spirit Airlines merger is front and center of US airline executive thinking and network planning as the low-cost competitive advantage appears to have shifted in favor of the legacy majors and their premium offerings.

The so-called "big four" majors—American Airlines, Delta Air Lines, Southwest Airlines and United Airlines—control more than 80% of the US domestic market.

"You have the large legacy carriers in a different spot than they were 10-15 years ago," Las Vegas-based ULCC Allegiant Air president Greg Anderson said. "They're much stronger. They have terrific balance sheets. They have these robust loyalty programs that they're earning quite a bit off. And they have this differentiated product, a premium product that they're able to price a little bit more towards price-sensitive customers and gain some market share in that regard."

Spirit EVP and CCO Matt Klein sees carrier consolidation as necessary for industry stability.

Because of this dominance, Spirit EVP and CCO Matt Klein told the Routes Americas 2024 conference in Bogotá, Colombia, that further consolidation in the US market was likely, despite the US Justice Department's antitrust challenge that killed the Spirit-JetBlue merger. He said airline mergers had been successful in the past and future consolidation would be needed to create a market in which there was real competition on fares and service.

"Consolidation through acquisition and merger is part of the history of the US airline industry," Klein said. "I would tell you that consumers have benefited from consolidation. It's created a more stable environment. It's created a more stable industry."

He added: “In fact, what we were attempting to do [by merging with JetBlue] was to create another competitor, a large competitor that could compete with the [big four] airlines that have been permitted to consolidate … I believe consolidation will happen again. In my opinion, it almost has to happen again at some point in the future.”

NON-COMPETITIVE ROUTES

One way that smaller US carriers can avoid competing with the majors is to not go head-to-head and instead focus on markets the large network carriers do not serve. Avelo Air, which launched in 2021, learned this lesson after starting service from Raleigh/Durham International Airport (RDU) in February 2023. The airline’s initial routes from RDU included flights to Florida destinations Fort Lauderdale, Orlando and Tampa, services on which Avelo competed with the majors.

“Those three routes specifically were very heavily competed,” Avelo commercial head Trevor Yealy told *ATW* in an interview ahead of Routes Americas. “There was plenty of service.”

Avelo thought that “maybe we’ll find that we can actually compete on these routes,” he explained. “What we found was, yeah, we could compete—our load factors were just fine. But with so many airlines flying the same routes, including other ultra-low-cost carriers, the fare that we could achieve—there was always a ceiling because there was always a very low price in the market. So, then it became a question of, ‘Is this really worth our time and the very precious finite aircraft time that we have?’ So, we canceled those routes … You’ve got to do more than just fill the airplanes. You’ve got to get the fares.”

Avelo, which has a base at RDU with 90 employees, operates its Boeing 737NGs from the airport to underserved, smaller markets that are largely non-competitive. For example, in May the carrier is launching flights from RDU to Albany and Rochester in New York state, as well as to Manchester, New Hampshire.

Avelo operates exclusive service on 90% of its routes. The smaller markets have become more attractive with majors pulling out their regional flights in recent years.

Growth going forward will continue along those lines, Yealy said. The RDU experience “just reaffirmed for us that, hey, in some of these markets, competition is very much alive and well, and that’s putting a very real ceiling on fares,” he explained. “So, we can go find more of these unserved opportunities like Albany, like Rochester, like Manchester, that fit our mold a little better.”

Like Avelo, about 90% of Allegiant’s 500 routes are non-competitive, with cities such as Allentown, Pennsylvania, and Knoxville, Tennessee, serving as examples of the kind of markets where the ULCC has had success connecting passengers to leisure destinations. “When we think about growth and opportunity for Allegiant, our network team has identified 1,400 incremental routes in the US alone that, today, 90% of those routes have no nonstop flying and they fit the Allegiant model beautifully,” Anderson said.

HIGH-VOLUME ULCCS

But ULCCs Frontier Airlines and Spirit, which have long competed against majors on numerous routes, are volume airlines that probably

Breeze Airways will add 10 Airbus A220-300s by the end of 2024 to focus on routes connecting larger airports to smaller markets.

ROB FINLAYSON

AVELO AIR

Avelo Air operates its Boeing 737NGs out of Raleigh/Durham International Airport.

cannot switch to a small-market strategy, Anderson explained.

"You have your high-utilization ULCC carriers, your Spirits and your Frontiers, and then you have more measured-utilization carriers—Allegiant, Sun Country and the Avelos and the Breezes coming up," he said. "For those high-utilization ULCC carriers, I think growth has been key as part of their model.

"You see Frontier and their growth plans, and they're growing quite a bit into these larger O&D markets where there's competition and where these larger network carriers are much stronger than they've been in the past. So, over the past few years, I think that has been a bit of a headwind for [the high-volume] ULCCs. I know there's a lot of conviction on the Frontier side that they can grow right through this and return to profitability," Anderson said.

OCEAN DRIVEN MEDIA

Allegiant Air president Greg Anderson discussed how incremental routes "fit the Allegiant model beautifully."

Denver-based Frontier's competitive action includes tweaking its onboard product and offering "BizFares" that include bundled perks such as premium seating and no fee for carry-on bags. In March, the carrier started offering a new "UpFront Plus" product by rebranding the cabin's first two rows on its Airbus A320 family aircraft, guaranteeing a window or aisle seat with an empty middle seat between. That means Frontier's cabins are divided into four sections, making them look more like the majors' cabins.

TRANSCONTINENTAL BREEZE

Meanwhile, Breeze Airways, founded by CEO David Neeleman in 2021, believes it can eventually operate as many as 2,000 routes versus the 200 it flies now. Neeleman cited the figure in February when discussing Breeze's decision to exercise options for 10 Airbus A220-300s. The airline operates 22 A220-300s and expects to have 32 in its fleet by the end of 2024 and 90 by the end of 2028.

Neeleman pointed to the A220-300's range, noting it can fly nonstop routes of up to 3,400 nm and describing it as the ideal aircraft for long, thin routes. "We can easily go transcon," he said.

Breeze's focus is on routes connecting larger airports to smaller markets, including transcontinental services. Route announcements have included service between Denver and Providence, Rhode Island; between Los Angeles and Greenville-Spartanburg, South Carolina; and between San Diego and RDU.

"Breeze's business model is to bring air service to underserved markets across the US, so the vast majority of our routes have no nonstop competition," Neeleman said, adding that the "economics of the A220 are integral to that success, which enables thin routes to be profitable."

Southwest, one of the majors, is also looking to adapt and is exploring red-eye transcontinental flights for the first time. "I think there's probably an early opportunity of 50 flights a day, maybe, that are red-eye flying, so it's definitely on the radar," CCO Ryan Green said at Routes Americas, adding it will likely be a "couple of years" before overnight flights begin.

Spirit is considering creating more connections for passengers in its network. "I'm not going to tell you that we're suddenly going to become a connecting carrier, because that's not who we are," Klein said. "But in some specific situations it can make sense, and we should be doing more of that."

Allegiant's Anderson sees one defining aspect of the post-pandemic US airline market being the growth of premium leisure flying, while traditional business traffic lags—a factor that may be creating overcapacity in the market.

"Generally, in the US market, I think there's a little bit too much capacity," he explained. "Coming out of the pandemic, corporate travel has never recovered fully, so there's a lot of capacity."

Frontier CEO Barry Biffle, however, pushed back against the notion that US ULCCs will continue to struggle against the four US majors. As capacity normalizes, "I think everybody can make money," he said in March. "I think this whole paradigm that legacies, if they do well, that low-cost [carriers] can't [compete]—I think that's just wrong." ATW

To hear ATW *editors discuss this topic, listen to our Window Seat podcast at:* ***https://bit.ly/3QtkWiO***

Premium or Low-Cost?

LCCs are well established in global aviation, but they are not hurting the legacies.

The arrival of LCCs came hand-in-hand with market liberalization and the world's budget airlines have played a major role in the growth of air travel over the past quarter century. There is every expectation they will continue to do so.

LCCs were the drivers of the recovery from the COVID-19 pandemic, and they continue to demonstrate strong market performance in many regions, thanks to a business model centered on competitive cost reductions, high utilization, and an offer to customers that meets mass market demand.

As domestic aviation markets have progressively deregulated in many countries, and as market-oriented air services agreements have increasingly become the new international norm, LCCs have seized the opportunity to offer innovative air services that have spawned new passenger demand, especially across Europe, in Latin America and parts of Asia.

In the run-up to the pandemic, LCCs were on an upward trajectory. Their share dropped in 2020 and 2021, but rose again in 2022 and 2023, and now account for around one in three aviation seats worldwide.

The higher utilization that is a key factor in the LCC strategy means that each aircraft is worked longer and more frequently than in the established full-service model, where long-haul flying also influences the numbers.

Data from the CAPA–Centre for Aviation Fleet Database show that when you look at aircraft numbers, the LCC share of aircraft in service has followed a similar growth trajectory but with a lower penetration.

A study of aircraft fleets as of April 1 on any given year shows that at the turn of the 21st century, the LCC model was well recognized but accounted for just 3.4% of the global aircraft fleet. By 2005, this almost doubled to 6.6% and hit double digits—10.4%—just five years later.

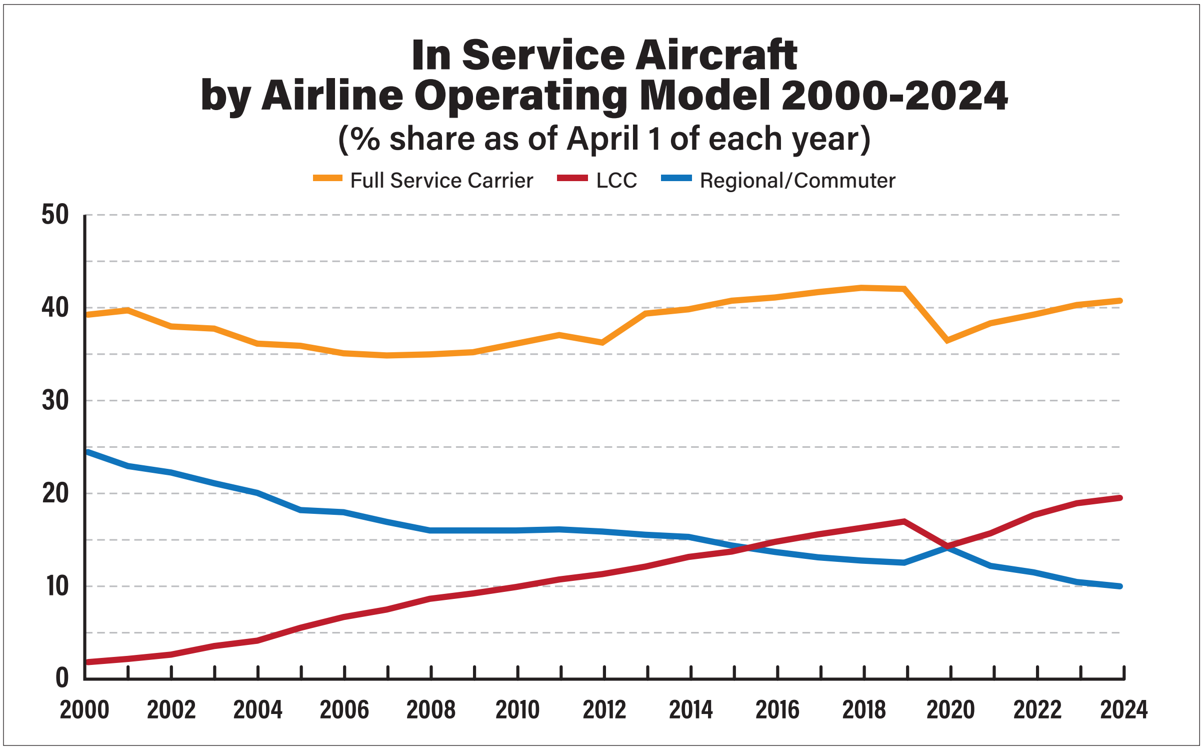
With annual growth of between 0.4 and 1.2 percentage points through the century's second decade, the LCC fleet share rose to 16.5% in 2019. Then came the pandemic. With aircraft grounded around the world, the LCC fleet share initially fell in early 2020 to 14.2%, before beginning its reset and rising to 15.4% in 2021 and 17.1% in 2022. In 2023 it rose to an 18.2% share, and by April 1 of this year, it grew a further 0.5 percentage points, to reach 18.7%. With significant orders booked and bumper new orders from many of the world's LCCs, that figure will continue to rise; it is on track to surpass 20% in the coming years.

The growing number of LCCs across the world and the success of the business model has not come at the expense of the full-service carriers, however. These are the network airlines, often referred to as legacy airlines, that historically have offered passengers inflight entertainment, checked baggage, meals and beverages within the ticket price, although that this is not always the case today, with full-service carriers having adopted many of the principles of the LCC model.

An April 1 snapshot from the CAPA–Centre for Aviation Fleet Database shows that, far from being damaged, full-service carriers have boosted their share of the global aircraft fleet (see chart). From the early 1990s through the mid-2010s, as the LCC model boomed, the full-service carrier share of global aircraft hardly fluctuated from the 38.2% level recorded in 1990, although it declined during the early 2000s before growing again later that decade and into the 2010s. In 2013 and 2014 it rose above 39% for the first time since late 2001, and in 2015 it rose above 40%, hitting a 21st-century high of 41.4% in 2018.

The full-service carrier share slipped slightly in 2019 but remained above 40%. In 2020 it fell to 36.5% as the impacts of COVID-19 were felt, but it subsequently increased again, reaching 38.1% in 2021, 38.9% in 2022, 39.8% in 2023 and hitting 40.2% in early 2024.

These data show that both the full-service and the LCC models



Source: CAPA—Centre for Aviation Fleet Database

are increasingly dominating the global aviation market, and it has been largely at the expense of the regional/commuter segment.

The regional aircraft fleet has always been a small part of the industry, but one that has played a vital role supporting air access, most notably serving low-demand, point-to-point routes, feeding hubs and ensuring that remote and inaccessible locations, including island communities, are connected.

Through the 1980s and 1990s the regional aircraft share of the global fleet rose, but it was not until the arrival of the regional jet that this sector increased its penetration. By the mid-1990s, the sector had a double-digit share of the global aircraft fleet, almost double the level just 10 years earlier, and that grew to a 24.0% share at the start of the 2000s.

However, this segment has since seen its share decline, not simply in terms of aircraft numbers, but rather against the growth of both the full service and LCC sectors. By the end of the 2010s, the regional fleet share had fallen below 14% and it has since fallen to 11.5% in early 2024, its lowest level since the late 1990s.

HYBRIDIZATION

A question that has started to be asked is: Are the full-service and LCC definitions still relevant? The increasing commoditization and segmentation of air travel has meant that the once sharp differentiation between full-service airlines and LCCs has become increasingly blurred.

As the industry grapples with growing costs, slowing business travel and new premium leisure demand, it is seemingly inevitable that all airlines and their models are going to converge around the hybrid offer. But that is not a given because there are question marks over whether airlines can truly embrace low-cost thinking while still offering a distinct premium product and experience. And in the US, it is the four majors—American Airlines, Delta Air Lines, Southwest Airlines and United Airlines—that are flourishing while some of the big-name LCCs, like Spirit Airlines, are struggling (see pg. 44).

In an industry where people like to categorize and classify everything to help simplify their understanding of trends, these definitions may become more blurred, but they will remain part of our language for a while yet.

International Expansions

BY DAVID CASEY

Juneyao Air, Philippine Airlines and Air Transat are entering new international markets this summer, expanding their long-haul networks.

SHANGHAI-MANCHESTER

Chinese carrier Juneyao Air has selected Manchester, England, as its first UK destination, with flights from Shanghai scheduled to open this summer.

Service between Shanghai Pudong International Airport (PVG) and Manchester Airport (MAN) will start on July 1, operating a Boeing 787-9 3X-weekly. The move comes more than four years after the airline was forced to suspend plans for the same route due to the COVID-19 pandemic.

The 5,705 mi. (4,958 nm) sector will become MAN's second nonstop route to mainland China alongside Hainan Airlines' flights from Beijing Capital International Airport (PEK). Additionally, Cathay Pacific Airways offers flights from Hong Kong International (HKG).

Juneyao's entry into the UK market comes as Chinese inbound and outbound travel continues to recover, with O&D traffic between Manchester and China rising to almost 140,000 two-way passengers in 2023, compared with 28,000 during the previous 12 months. Traffic amounted to around 301,000 passengers in 2019, Sabre Market Intelligence data show.

Manchester already has strong ties to China, with one of the largest Chinese communities in the UK outside of London at more than 13,500 Chinese residents, according to the 2011 Census. The city has seen significant growth since then; more than 9,000 Chinese students reside in Manchester, comprising around one in nine of the student population and marking a 43% increase since 2018. Other cities in the north of England, such as Liverpool, Sheffield and Leeds, also have sizable Chinese populations.


Beginning July 1, **Juneyao Air** will offer 3X-weekly service from Shanghai to Manchester, England, the carrier's first UK destination.

MAN expects the regional impact of the new route to be significant. When service from Manchester to Beijing was first launched in 2016, export values to China grew 41% to £1.29 billion ($1.6 billion) and inquiries about investment in the area from China doubled in the two years that followed.

Manchester is one of two new European routes being launched by Juneyao this summer alongside flights between PVG and Brussels starting on July 3. This expansion brings the airline's European network to five destinations.

MANILA-SEATTLE

Philippine Airlines (PAL) is set to become the first carrier to link the Philippines and the US Pacific Northwest when it launches nonstop flights between Manila and Seattle.

Service connecting Manila International Airport (MNL) and Seattle-Tacoma International Airport (SEA) will start on Oct. 2, operating 3X-weekly on Wednesdays, Fridays and Sundays. The airline will deploy Boeing 777-300ERs on the 6,650 mi. (5,779 nm) route.

Seattle marks the sixth US destination in PAL's network, joining Guam, Honolulu, Los Angeles, New York John F. Kennedy (JFK) and San Francisco. The carrier also serves Toronto Pearson (YYZ) and Vancouver International (YVR) in Canada.

PAL has been seeking to launch a route to Seattle for several years—initially announcing plans to open flights to the city in January 2020—but the proposed launch scheduled for May 2020 was cancelled indefinitely because of


DONGFANG ZHAO/GETTY IMAGES

the pandemic. However, with more than 900,000 Americans visiting the Philippines in 2023, making the US the country's second largest source of tourism, the airline believes there is sufficient travel demand to resurrect the network plans.

In addition to attracting leisure traffic, PAL will be targeting the growing number of Filipinos visiting family and friends in Oregon and Washington state, together home to more than 240,000 Filipino Americans.

According to Sabre data, Manila-Seattle was the fourth-largest Philippines-US city pair during 2023, with O&D traffic totalling 82,500 two-way passengers. Only Manila-Los Angeles, Manila-San Francisco and Manila-New York, each of which are sectors served by direct flights, saw more traffic.

PAL plans to offer connections via Manila to its extensive domestic and regional international network, including cities such as Cebu and Davao in the Philippines, alongside Bangkok, Singapore, Hong Kong and Kuala Lumpur. Additionally, the MNL-SEA route will offer 60 tons of weekly cargo capacity between the cities.

ROUTE PERFORMANCE

PVG-MAN
Carrier: Juneyao Air
Aircraft: Boeing 787-9
Frequency: 3X-weekly
Start date: July 1, 2024
Distance: 5,705 mi. (4,958 nm)
O&D traffic demand (2023): 38,274
O&D change vs 2019: -53.7%
Average base fare (2023): $698

MNL-SEA
Carrier: Philippine Airlines
Aircraft: Boeing 777-300ER
Frequency: 3X-weekly
Start date: Oct. 2, 2024
Distance: 6,650 mi. (5,779 nm)
O&D traffic demand (2023): 89,410
O&D change vs 2019: +4.2%
Average base fare (2023): $727

YUL-RAK
Carrier: Air Transat
Aircraft: Airbus A321LR
Frequency: 2X-weekly
Start date: June 14, 2024
Distance: 3,572 mi. (3,104 nm)
O&D traffic demand (2023): 15,462
O&D change vs 2019: +31.4%
Average base fare (2023): $326

Data provided by Sabre Market Intelligence

MONTRÉAL-MARRAKESH

Air Transat is set to launch year-round flights to Morocco this summer, marking its first route to Africa.

The Canadian airline will initiate a nonstop route connecting Montréal with Marrakesh, targeting both inbound VFR traffic and outbound leisure passengers. According to Canada's 2021 census, about 81,000 Canadians who claimed full or partial Moroccan ancestry live in Quebec—and nearly half of that population is in Montréal.

Flights between Montréal-Trudeau International Airport (YUL) and Marrakesh Menara Airport (RAK) will run from June 14, operating 2X-weekly on Wednesdays and Saturdays using Airbus A321LRs. The route, spanning 3,574 mi. (3,106 nm) will continue through the winter months with a 1X-weekly roundtrip on Saturdays until April 20, 2025.

O&D traffic between Canada and Morocco totalled nearly 200,000 passengers in 2022, Sabre figures show, with Montréal-Casablanca being the largest city pair, accounting for about 68% of total traffic between the two countries.

Air Transat will become the sole North American carrier to fly to Marrakesh once the route begins and the third airline to provide scheduled service between North America and Morocco. Data provided by OAG Schedules Analyser show that Air Canada flies from YUL to Casablanca's Mohammed V International Airport (CMN), while Royal Air Maroc offers service from CMN to Miami, Montréal, New York JFK and Washington Dulles (IAD).

Additionally, United Airlines is set to launch a Newark-Marrakesh service on Oct. 24, becoming the second route between the New York area and Morocco and the only nonstop service between the US and Marrakesh. ATW

Key Routes A selection of 50 new routes starting in May/June 2024.

Airline	Departing airport	Code	Country	Arrival airport	Code	Country	Aircraft	Weekly frequency	Start date
Aer Lingus	Dublin	DUB	Ireland	Denver	DEN	US	A330-200	4	May 17
Air Arabia	Sharjah	SHJ	UAE	Basrah	BSR	Iraq	A320/A321	3	June 3
Air Canada	Montreal Trudeau	YUL	Canada	Seoul Incheon	ICN	South Korea	787-9	4	June 18
Air China	Beijing Capital	PEK	China	Riyadh King Khalid	RUH	Saudi Arabia	A330-300	3	May 6
Air France	Paris Charles de Gaulle	CDG	France	Phoenix Sky Harbor	PHX	US	787-9	3	May 23
Air Premia	Seoul Incheon	ICN	South Korea	San Francisco	SFO	US	787-9	4	May 17
AirAsia	Kuala Lumpur	KUL	Malaysia	Ahmedabad	AMD	India	A320neo	4	May 1
airBaltic	Klaipeda/Palanga	PLQ	Lithuania	Amsterdam	AMS	Netherlands	A220-300	2	May 29
Alaska Airlines	Seattle-Tacoma	SEA	US	Toronto Pearson	YYZ	Canada	737-900	7	May 16
American Airlines	Philadelphia	PHL	US	Copenhagen	CPH	Denmark	787-9	7	June 6
American Airlines	New York John F Kennedy	JFK	US	Tokyo Haneda	HND	Japan	777-200/200ER	7	June 28
Avianca	Medellin	MDE	Colombia	Buenos Aires Ministro Pistarini	EZE	Argentina	A320neo	7	June 15
Azores Airlines	Porto	OPO	Portugal	New York John F Kennedy	JFK	US	767	1	June 6
Batik Air	Denpasar-Bali	DPS	Indonesia	Canberra	CBR	Australia	737-800	3	June 13
Brussels Airlines	Brussels	BRU	Belgium	Nairobi	NBO	Kenya	A330-300	4	June 3
China Express Airlines	Chongqing	CKG	China	Osaka Kansai	KIX	Japan	A320	4	May 13
China Southern Airlines	Shenzhen	SZX	China	Riyadh King Khalid	RUH	Saudi Arabia	A330	2	June 3
Copa Airlines	Panama City	PTY	Panama	Raleigh/Durham	RDU	US	737-800	4	June 21
Delta Air Lines	Minneapolis/St Paul	MSP	US	Dublin	DUB	Ireland	767-300	7	May 9
Delta Air Lines	Seattle-Tacoma	SEA	US	Taipei Taiwan Taoyuan	TPE	Taiwan	A330-900neo	7	June 6
Emirates	Miami	MIA	US	Bogota	BOG	Colombia	777-300ER	7	June 03
Etihad Airways	Zayed	AUH	UAE	Jaipur	JAI	India	A320	4	June 16
Flair Airlines	Vancouver	YVR	Canada	Guadalajara	GDL	Mexico	737 MAX 8	2	May 31
Frontier Airlines	Charlotte	CLT	US	San Juan Luis Munoz Marin	SJU	Puerto Rico	A321	7	June 1
Hainan Airlines	Chongqing	CKG	China	Seattle-Tacoma	SEA	US	787-9	1	May 16
Hong Kong Airlines	Hong Kong	HKG	Hong Kong	Urumqi	URC	China	A330-300	4	June 22
Icelandair	Reykjavik Keflavik	KEF	Iceland	Pittsburgh	PIT	US	737 MAX 8	4	May 16
ITA Airways	Rome Fiumicino	FCO	Italy	Kuwait	KWI	Kuwait	A321neo	3	June 7
JetBlue Airways	New York John F Kennedy	JFK	US	Edinburgh	EDI	UK	A320-family	7	May 22
Jetsmart	Buenos Aires Aeroparque	AEP	Argentina	Montevideo	MVD	Uruguay	A320	14	May 29
Jetstar Asia	Singapore Changi	SIN	Singapore	Krabi	KBV	Thailand	A320	6	June 7
Juneyao Airlines	Shanghai Pudong	PVG	China	Penang	PEN	Malaysia	A320	4	May 31
LATAM Airlines Group	Santiago	SCL	Chile	Orlando	MCO	US	787-8	2	June 16
LOT Polish Airlines	Warsaw Frederic Chopin	WAW	Poland	Riyadh King Khalid	RUH	Saudi Arabia	737 MAX 8	3	June 4
Lufthansa	Frankfurt	FRA	Germany	Raleigh/Durham	RDU	US	A330-300	5	June 6
Norse Atlantic Airways	Paris Charles de Gaulle	CDG	France	Los Angeles	LAX	US	787-9	6	May 1
Qatar Airways	Doha	DOH	Qatar	Tashkent	TAS	Uzbekistan	A320	4	June 2
Royal Air Maroc	Casablanca	CMN	Morocco	Abuja	ABV	Nigeria	737-800	3	June 23
SalamAir	Muscat	MCT	Oman	Tirana	TIA	Albania	A320neo	2	June 17
SAS Scandinavian Airlines	Copenhagen	CPH	Denmark	Atlanta Hartsfield-Jackson	ATL	US	A330-300	7	June 17
Scoot	Singapore Changi	SIN	Singapore	Sibu	SBW	Malaysia	E190 E2	3	June 5
Singapore Airlines	Singapore Changi	SIN	Singapore	London Gatwick	LGW	UK	A350-900	5	June 21
Sky Airline	Santiago	SCL	Chile	Brasilia	BSB	Brazil	A320neo	3	June 16
Thai AirAsia	Taipei Taiwan Taoyuan	TPE	Taiwan	Okinawa Naha	OKA	Japan	A320	7	June 15
Turkish Airlines	Istanbul	IST	Turkiye	Denver	DEN	US	A350-900	4	June 11
United Airlines	Guam	GUM	Guam	Tokyo Haneda	HND	Japan	737-800	7	May 1
United Airlines	Chicago O'Hare	ORD	US	Athens	ATH	Greece	787-8	7	May 23
Vietjet	Hanoi	HAN	Vietnam	Melbourne	MEL	Australia	A330	2	June 3
Viva Aerobus	Torreon	TRC	Mexico	San Antonio	SAT	US	A320	2	June 1
WestJet	Calgary	YYC	Canada	Seoul Incheon	ICN	South Korea	787-9	3	May 17

Data provided by OAG Schedules Analyser (correct as of April 9, 2024, and subject to change)

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CONTACT US

Air Transport World (ATW)
2121 K St. NW, Suite 210
Washington, DC 20037, USA
www.aviationweek.com/air-transport

President: Gregory D. Hamilton
hamilton@aviationweek.com

Publisher /Managing Director, Media & Marketing Services: Iain Blackhall (UK)
iain.blackhall@aviationweek.co.uk

ADVERTISING

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paul.burton@aviationweek.com

Marketing Services
Director, Digital Customer Solutions: Jason Washburn
jason.washburn@informa.com

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betheddy@aviationexhibits.com

Business and Finance Operation Sr. Director, Business Operations: Gabriel Balmes
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Media/Marketing Communications
Director, Marketing Communications: Elizabeth Sisk
elizabeth.sisk@aviationweek.com

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INTELLIGENCE, FLEET & DATA SERVICES

SVP, Intelligence and Data Services: Anne McMahon
anne.mcmahon@aviationweek.com

Senior Director, Intelligence and Data: Matt Holdreith
matt.holdreith@aviationweek.com
Marketing Director, Intelligence and Data Services: Melissa Crum
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ATW Looks Back of Award Recipients and Key

By Jack Wittman

ATW concludes its decade-by-decade retrospective of past winners of the *ATW* Airline Industry Achievement Awards, which marks its 50th anniversary on May 31 with a gala celebration in Dubai, and key events in the aviation industry.

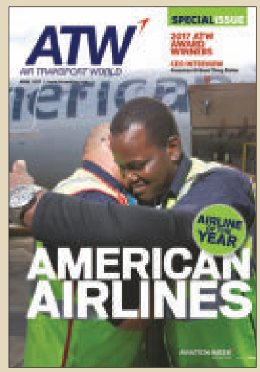
In the fifth decade of the award—2014-2023—the COVID-19 pandemic disrupted global air travel for several years and had a devastating financial impact on the world's airlines, followed by a massive industry effort to deliver vaccines and a quicker-than-anticipated return of air travel demand in many regions.

The decade also saw the program announcement, rollout

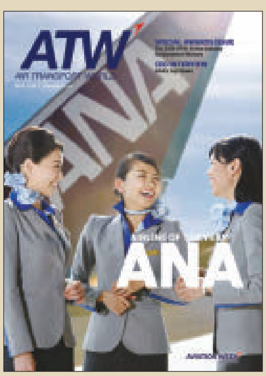
2014 AIRLINE OF THE YEAR: DELTA AIR LINES, for a strong record of innovation, partnerships and customer service, as well as forward-thinking cost-saving strategies.

2015 AIRLINE OF THE YEAR: SOUTHWEST AIRLINES, for maintaining extraordinary standards of service, financial performance, safety, and environmental and corporate responsibility.

2016 AIRLINE OF THE YEAR: ETIHAD AIRWAYS, for demonstrating exceptional achievements and capabilities across operations, financial performance, customer service, safety and labor relations.



2017 AIRLINE OF THE YEAR: AMERICAN AIRLINES, for the practically flawless integration of US Airways—the largest airline merger in history—followed by two years of record profits.



2018 AIRLINE OF THE YEAR: ALL NIPPON AIRWAYS, for consistently delivering on the tenets of the "ANA Way": safety, customer service, social responsibility, team spirit and endeavor.

2019 AIRLINE OF THE YEAR: LUFTHANSA, for standing out among its peers to achieve record passenger growth, deliver strong financials and take its customer service standards to new heights.

On 50 Years
Industry Events

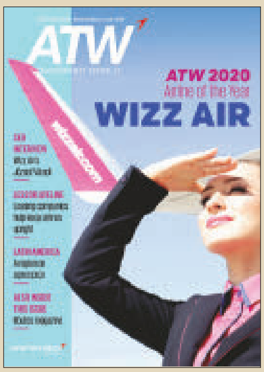
CELEBRATING 50 YEARS • 1974 - 2024
50 ATW Airline Awards

or first flight of new aircraft types: the Airbus A319neo, A320neo, A321XLR and A350-1000; the Boeing 737 MAX 8, 737 MAX 9 and 787-10; the Bombardier CSeries CS300; the Embraer E195-E2; the Mitsubishi Regional Jet (MRJ); and the Boom XB-1 supersonic demonstrator.

Governments and industry also continued their efforts to make aviation more environmentally sustainable, including with the implementation of the Carbon Offset and Reduction Scheme for International Aviation (CORSIA) and the first commercial flight using 100% sustainable aviation fuel (SAF). ATW

ATW Airline of the Year—The Fifth Decade

2023 – Singapore Airlines (49th Airline of the Year)
2022 – Alaska Airlines (48th Airline of the Year)
2021 – Korean Air (47th Airline of the Year)
2020 – Wizz Air (46th Airline of the Year)
2019 – Lufthansa (45th Airline of the Year)
2018 – All Nippon Airways (44th Airline of the Year)
2017 – American Airlines (43rd Airline of the Year)
2016 – Etihad Airways (42nd Airline of the Year)
2015 – Southwest Airlines (41st Airline of the Year)
2014 – Delta Air Lines (40th Airline of the Year)



2020 AIRLINE OF THE YEAR: WIZZ AIR, for robust financial performance, innovative revenue generation, customer-focused operations, a diverse team of top talent and significant growth potential.

2021 AIRLINE OF THE YEAR: KOREAN AIR, for consistent profitability amid the COVID-19 crisis by pivoting to mainly cargo operations with the support of a dedicated team of employees.

2022 AIRLINE OF THE YEAR: ALASKA AIRLINES, for its outstanding care, employee values, innovation, sustainability and financial strength.

2023 AIRLINE OF THE YEAR: SINGAPORE AIRLINES, for demonstrating resilience, innovation and an indomitable spirit that enabled it to reenter the international market rapidly when borders reopened.

2024 AIRLINE OF THE YEAR: DELTA AIR LINES, for its industry-leading financial and operational performance, customer-experience innovations and social responsibility.

March 2014: The disappearance of **Malaysia Airlines flight MH370** turned into a massive multinational search operation and led to calls for global flight tracking of aircraft. The Boeing 777 still has not been recovered.

July 2014: Airbus rolled out the first **A320neo.**

October 2014: Mitsubishi Aircraft rolled out the **MRJ flight-test aircraft.** Later renamed the SpaceJet, the regional aircraft program was scrapped in 2023.

February 2015: The Bombardier **CSeries CS300,** later to be renamed the Airbus A220, made its first flight.

September 2015: Airbus opened an **A320 final** assembly and delivery facility in Mobile, Alabama.

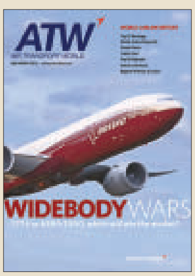
December 2015: Boeing rolled out the first **737 MAX 8** at its Renton, Washington, final assembly facility.

January 2016: Airlines for Europe (A4E) was formed with founding members Air France-KLM, easyJet, International Airlines Group (IAG), Lufthansa Group and Ryanair.

February 2016: Embraer rolled out its next-generation E-Jet, the **E190-E2,** in São José dos Campos.

October 2016: ICAO's 191 member states agreed to the Carbon Offset and Reduction Scheme for International Aviation (CORSIA), with 65 states—including the US, China and all European Union (EU) countries—signing up for the voluntarily stage between 2021 and 2026.

December 2016: Seattle-based **Alaska Air Group** closed its $4 billion acquisition of San Francisco-based **Virgin America,** creating the fifth-largest airline in the US.

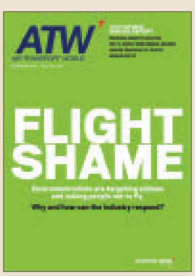


March-April 2017: Four new aircraft types made their maiden flights: The **Embraer E195-E2,** the **Airbus A319neo,** the **Boeing 787-10** and the **737 MAX 9.**

July 2017: The widebody war heated up as Boeing prepared for **777X** production and Airbus planned to begin flight testing of the **A350-1000.**

October 2017: Airbus and **CSeries** developer Bombardier formed a partnership to jointly manufacture and market the narrowbody, rebranded as the **A220.**

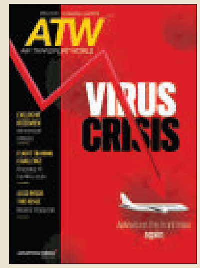
October 2018: Istanbul Airport (IST), the world's newest mega-airport, began operations, with an initial capacity of 90 million passengers a year and plans to grow to 200 million by 2030.



March 2019: The second deadly crash of a **Boeing 737 MAX 8** in five months led to the worldwide grounding of the type for 20 months—and even longer in some countries.

July 2019: The flygskam, or **"flight shame,"** movement, sparked by a Swedish teenage blogger, gained traction, especially in Europe, where people were ncouraged to stop flying or to take fewer flights to reduce emissions.

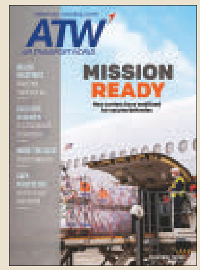
June 2019: Airbus launched the **A321XLR** program at the 2019 Paris Air Show.



March 2020: The rapid spread of the **COVID-19 virus** led to international travel bans and a plummeting demand for air travel that would not begin to recover in some parts of the world until 2021.

January 2021: The **post-Brexit** European Union-UK Trade and Cooperation Agreement came into force provisionally, allowing airlines to maintain ICAO third and fourth freedoms so they could continue to operate direct flights between the EU and UK.

October 2021: IATA member airlines committed to a target of becoming carbon net zero by 2050.



February 2021: IATA called the **COVID-19 vaccine** air transport effort the "largest and most complex global logistics operation ever undertaken."

December 2021: United Airlines operated a Boeing 737 MAX 8 using **100% SAF** in one engine while the other used conventional fuel to demonstrate there were no operational differences.

December 2021: The last **Airbus A380** was delivered to Emirates Airline, marking the end of production of the type after a run of 14 years and 251 aircraft.

February 2022: Russia invaded Ukraine, forcing most airlines to avoid the airspace over those countries.

April 2022: A surge in **air travel demand** as governments lifted travel restrictions created chaos for understaffed airports and airlines.

July 2022: FAA released a plan to equip aircraft with filters to avoid **5G cellular service** from interfering with radio altimeters, sparking objections from airline associations and carriers concerned about short deadlines and a lack of guidance.

July 2023: IATA forecast the world's airlines were expected to post a **$9.8 billion net profit** for the year, more than double what had been anticipated just six months earlier as economic and other conditions improved.

March 2024: An FAA audit triggered by the Jan. 5 **door plug blowout** on an Alaska Airlines 737 MAX 9 found multiple instances where Boeing and its major supplier Spirit AeroSystems allegedly failed to comply with manufacturing quality control requirements.

March 2024: Boom's **XB-1 supersonic demonstrator** made its first flight, paving the way toward development of the company's planned Mach 1.7 Overture airliner.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JetBlue sets out new network ambitions as Geraghty takes the helm

In a significant change of air transport industry leadership in the US, Joanna Geraghty has begun her tenure as CEO at JetBlue Airways, while her predecessor, Robin Hayes, has been named the incoming chairman and CEO at Airbus Americas Inc.

Hayes retired in mid-February after nine years as JetBlue's CEO, during which time he took the New York-based carrier into transatlantic operations and launched the ultimately failed attempt to merge with US LCC Spirit Airlines.

JETBLUE

Geraghty

Geraghty, who worked beside Hayes as JetBlue president and COO, will lead the airline alongside Marty St. George as president and Ursula Hurley as CFO on what the airline describes as a "refocused standalone plan" with the $3.8 billion Spirit merger proposal behind them.

A US judge ruled against that deal after the Department of Justice challenged it in court as "anti-competitive," a move supported by the US Department of Transportation.

While costs of more than $500 million associated with the deal have been addressed, Geraghty said JetBlue will not approach breakeven adjusted operating margin for 2024.

However, JetBlue's new executive leadership team says it is on track to deliver $300 million of revenue initiatives in 2024—two-thirds of which will be ancillary-based—with roughly $40 million achieved during Q1.

Among network adjustments being made are a scaling back of flying at Los Angeles International Airport (LAX), reducing departures by roughly one-third effective from June 13, while boosting transatlantic flying with new services to Dublin and Paris and exiting seven markets: Washington-Baltimore (BWI), Bogotá El Dorado (BOG), Patrick Leahy Burlington (BTV) in Vermont, Kansas City (MCI), Lima (LIM), New York Stewart Newburgh (SWF) and Quito (UIA) in Ecuador.

Other leadership changes announced since Geraghty took the helm are Daniel Shurz as head of revenue, network and enterprise planning; Dave Clark as head of finance and strategy; Shelly Griessel as VP customer support; Melinda Maher as VP treasurer and infrastructure; and Katherine Celli as VP culture, talent management and organizational effectiveness.

IATA says German tax will hurt, not help aviation sustainability efforts

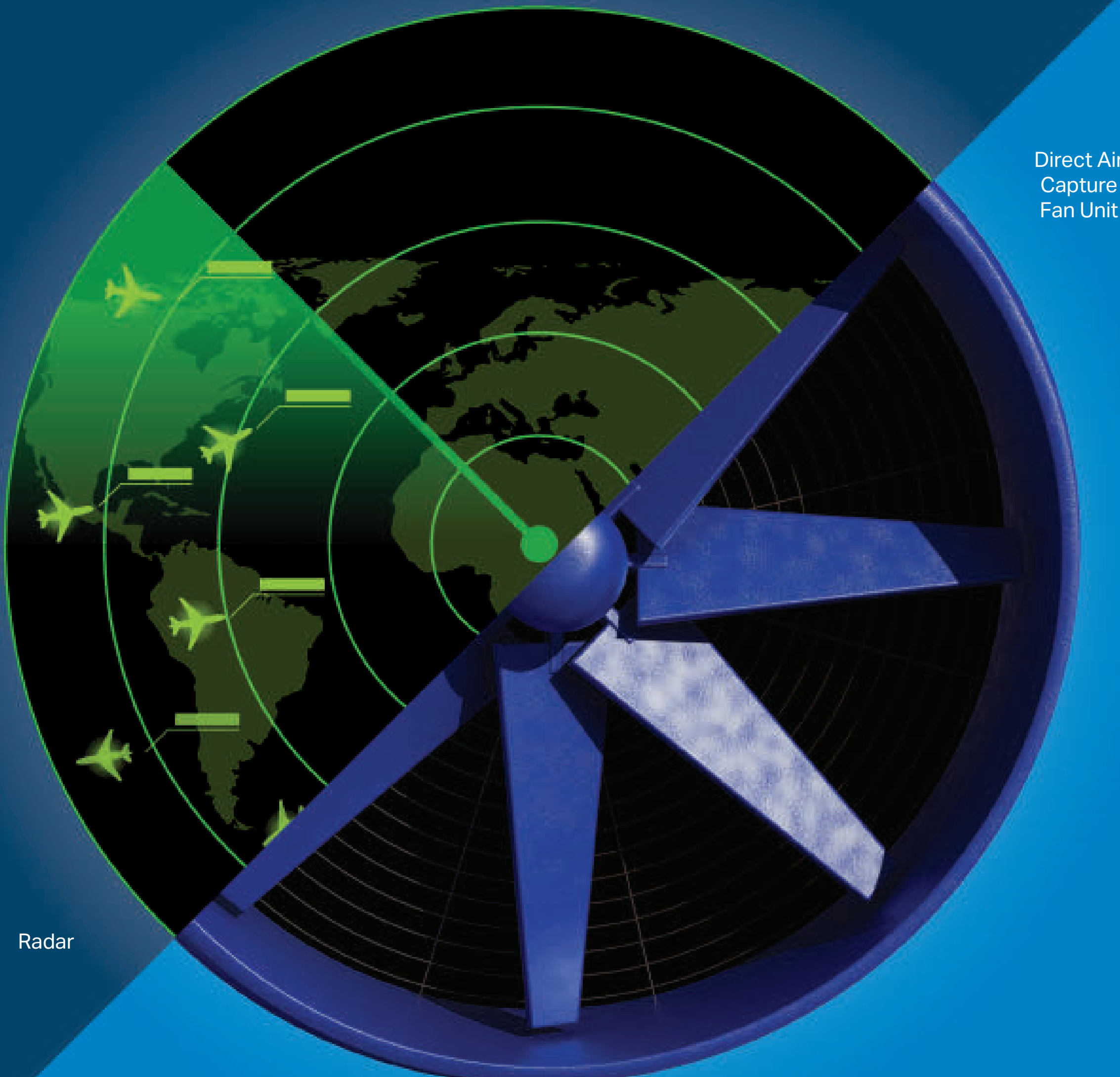
IATA has sharply criticized an increase in German aviation taxes that comes into force May 1, saying the hike will weaken the German economy and damage aviation's ability to decarbonize.

From the beginning of May, German taxes on flying increased by 19% to between €15.5 ($17) and €70.8 ($76.25) per passenger, depending on the route. IATA, which has taken a strong leadership stance on aviation sustainability and introduced the 2025 carbon net-zero commitment, says the tax will make Germany less competitive in key economic areas.

IATA warned that the tax increase will hamper the industry's efforts to decarbonize. "The German government coalition agreement originally stated that revenues from aviation taxes would directly fund production of sustainable aviation fuel (SAF), but this commitment has been broken. In addition, weakening the German air transport industry with this tax makes it harder for airlines to invest in SAF, in a more fuel-efficient fleet and other decarbonization efforts," IATA said.

IATA director general Willie Walsh also said the German government had "an unhealthy obsession with aviation taxes. On top of increasing the passenger tax, it is also in favor of a European jet fuel tax which will make it even more expensive to do business in Germany or for families to go on holiday. Our survey of air travelers in Germany shows deep skepticism about government claims for 'green taxes'."

RADAR CREATED SAFE ROUTES FOR AIR TRAVEL.



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