

## COMMITTEE ON AERONAUTICS NEWSLETTER

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The views and opinions expressed in these articles are those of the authors and do not necessarily reflect the views of the New York City Bar Association.

### From the Committee Chair and Committee Secretary:



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Committee Secretary

Welcome to the eighth issue of the Committee on Aeronautics Newsletter. All of the prior issues are posted (by year) on the Committee's section of the New York City Bar Association's public website (click on the "News" button): <a href="http://www.nycbar.org/member-and-career-services/committees/aeronautics-committee">http://www.nycbar.org/member-and-career-services/committees/aeronautics-committee</a>. We hope that our Committee Members and alumni (and, of course, other readers accessing this Newsletter on the City Bar's website) find each issue very interesting.

Our Committee focuses on a wide variety of aviation-related issues, including dispute resolution (casualty and contract), business, engineering, finance, intellectual property, and regulatory matters. The Committee holds monthly meetings from September to June, usually featuring presentations by guest speakers. It is a vibrant committee, and membership has grown by more than 60% since the start of the September 2017/August 2018 term. Our members include, for example, lawyers working in transportation-related government and private entities and in law firms that regularly represent either the interests of airline passengers/cargo shippers or airline/aircraft manufacturer defense interests. We have 18 subcommittees covering various aviation-related topics.

Please stay tuned for more information about upcoming Committee activities.

<sup>&</sup>lt;sup>1</sup> Before retiring in April, Alan Reitzfeld was a senior partner in Holland & Knight LLP's Litigation Practice Group, where he played a leading role for many years defending airlines in multi-district litigation arising out of numerous major domestic and foreign commercial jet airline crashes and other incidents. In addition to chairing this Committee, Alan is the Vice Chair (2019 incoming Chair) of the International Bar Association's Aviation Law

<sup>&</sup>lt;sup>2</sup> Sarah Passeri is a partner in Holland & Knight LLP's Litigation Practice Group. Ms. Passeri's practice focuses on aviation and complex litigation matters, as well as asset-based financing, leasing, acquisitions, sales and securitizations, with a particular emphasis on aviation and equipment finance. She has experience flying single-engine aircraft.

# SUBCOMMITTEE LIST

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Reports Subcommittee	Daniel G. Agius
Subcommittee on ICAO Developments	Maria C. Iannini
Technical Advances in Aviation Subcommittee	Jenny A. Urban

## **COMMITTEE NEWS**

#### Congratulations to Committee Members:

- Michael G. Davies, formerly the principal of the Law Offices of Michael G. Davies LLC, has formed a new law firm, Dunning Rievman & Davies LLP, based in New York, New York (www.drdllplaw.com).
- Gene Kaskiw has been invited to be a panelist at an Aviation Law Committee session at the International Bar Association's Annual Meeting in Seoul, South Korea.
- Christopher Kende attended the annual Legal Symposium organized by the International Air Transport Association in Rome, March 6-8. His law firm Cozen O'Connor was a sponsor.
- Alan D. Reitzfeld has been appointed as the 2019-2020 Chair of the International Bar Association's Aviation Law Committee. In addition, he has been invited to chair a panel at the McGill Institute of Air and Space Law's 12th Annual Conference on International Aviation Liability, Insurance, & Finance, in Montreal, Canada.
- Racquel Reinstein has been invited to be a panelist at the McGill Institute of Air and Space Law's 12th Annual Conference on International Aviation Liability, Insurance, & Finance, in Montreal, Canada.
- Jennifer Urban has been invited to be a panelist at an Aviation Law Committee session at the International Bar Association's Annual Meeting in Seoul, South Korea. She has also been invited to be a panelist at the McGill Institute of Air and Space Law's 12th Annual Conference on International Aviation Liability, Insurance & Finance, in Montreal, Canada.

## FAA Seeks to Ease Drone Regulations to Allow Night Flying and Flights Over People

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Chair, Subcommittee on UAS/Drone Operations and Regulation



The FAA is proposing far reaching changes to current small commercial drone regulations that will allow commercial operators to fly at night and over people. Currently, such flights generally are prohibited; they may only be conducted if the operator obtains a waiver from the FAA.

On January 14, 2019, the FAA announced significant proposed amendments to the current rules (14 CFR Part 107).<sup>2</sup> The FAA cited wide-ranging benefits that liberalizing the rules would bring, such as enhancing law enforcement's ability to respond to emergencies, making it easier for media outlets to cover news stories, and affording the public a better viewer experience of sporting and cultural events.

#### Flights over people

The new rules would allow routine operations over people under conditions that vary depending on the level of risk to people on the ground.

The proposed rules divide drones into three categories. Category 1 small drones (weighing 0.55 pounds or less) are considered to be of such low risk to people in the event of a collision that they would be allowed to freely operate over people without any additional safety requirements. The FAA anticipates that drones of this size would be used almost exclusively for aerial photography.

Category 2 drones are those weighing over 0.55 pounds. To allow flights over people, the manufacturer would need to design the drone (and demonstrate to the FAA) that if the drone crashed into a person, the resulting injury would be under a defined severity threshold. The drone could not have any exposed rotating parts that could lacerate human skin and could not be operated if it had any other safety defects (such as hot surfaces or sharp edges) identified by the FAA.

<sup>&</sup>lt;sup>1</sup> Michael G. Davies, formerly a principal of the Law Offices of Michael G. Davies LLC, is now a partner in the newly-formed law firm Dunning Rievman & Davies LLP, based in New York, New York. Mr. Davies specializes in aviation law and dispute resolution, representing aircraft owners, lessors, operators and other industry professionals in the U.S. and abroad in a range of commercial matters and disputes, including the emerging field of unmanned aerial systems. Mr. Davies also specializes in U.S. commercial litigation and international litigation and arbitration.

<sup>&</sup>lt;sup>2</sup> See <a href="https://www.faa.gov/uas/programs">https://www.faa.gov/uas/programs</a> partnerships/DOT initiatives/.

Category 3 drones would also weigh more than 0.55 pounds, but would be permitted a higher injury severity threshold than Category 2 drones in the event of a crash. In other words, a crash of a Category 3 drone (which might be heavier or faster than a Category 2 drone) would be more dangerous to people on the ground. The greater risk of injury to people would be mitigated by operational limitations: Category 3 drones would be prohibited from operating over open-air assemblies of people. They could operate over closed or restricted access sites (such as agricultural fields or movie set locations) if all persons within the site were notified of the flight; for operations not within closed or restricted sites, the drone could transit over but not hover over people.

The FAA is also considering beefing up training and experience requirements for remote pilots operating drones over crowds and has requested comments on appropriate requirements.

#### Night flight

Current FAA regulations do not allow small drone operations at night. Operators may fly at night if they obtain an FAA waiver, and requests to operate at night are the most common type of waiver request.

Under the proposed rules, drones would be allowed to fly at night under two conditions: the remote pilot would be required to complete additional testing or training in night operations, and the drone would require an anti-collision light visible for at least three statute miles.

The proposed new regulations do not affect non-commercial recreational drones, which are not subject to Part 107. Recreational drones may be operated under community-based safety guidelines that generally prohibit flight over people but allow night flying.

## **2019 Haneda Slot Application**

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Chair, Airline Business Subcommittee



In the Spring 2018 issue of this Newsletter, in this space, a brief overview was presented of the U.S.-China aviation bilateral agreement, prompted by the announcement of American Airlines' intention to terminate its Chicago-Beijing service. Shortly thereafter, American also announced the cessation of its Chicago-Shanghai flight, which was followed by an application for a dormancy waiver with the Department of Transportation for both the Chicago-Beijing and Shanghai routes.<sup>2</sup> This waiver request led to competitors Delta Air Lines and United Airlines submitting bids to take over one slot each, with Delta proposing Minneapolis-Shanghai and United a second daily Newark-Shanghai frequency.<sup>3</sup> As a postscript to that article, the DOT recently granted American's dormancy requests for both frequencies until June 28, 2019, at which time another dormancy request will likely follow.<sup>4</sup> The applications of United and Delta were likewise deferred.<sup>5</sup>

A different bilateral agreement currently exists for the U.S.-Japan market, which is technically "Open Skies" in nature, but with one notable exception, pertaining to access to Tokyo's preferred Haneda Airport. Haneda, located along the Tokyo Bay, had long been the key airport in the region, but during the 1960s, as in other major cities, calls grew for a new airport situated outside of the metropolitan area. These plans were the result of increasing congestion at Haneda, concerns about jet noise over densely populated areas, projected air traffic growth and the prospect of supersonic travel by the mid-1970s. Plans to expropriate privately-owned land in the small farming town of Narita were met with fierce resistance, and an airport, officially titled, The

<sup>5</sup> *Id*.

<sup>&</sup>lt;sup>1</sup> Gene Kaskiw is an aviation attorney with Lewis Brisbois Bisgaard & Smith, LLP with a litigation-oriented practice defending commercial airlines, operators, and component part manufacturers. He is licensed to practice in New York and New Jersey and is based in the firm's Newark, New Jersey office.

<sup>&</sup>lt;sup>2</sup> "American Airlines Scrapping Direct Chicago-Shanghai Flight." Crain's Chicago Business, August 21, 2018. <a href="https://www.chicagobusiness.com/transportation/american-airlines-scrapping-direct-chicago-shanghai-flight">https://www.chicagobusiness.com/transportation/american-airlines-scrapping-direct-chicago-shanghai-flight</a> (accessed February 25, 2019).

<sup>&</sup>lt;sup>3</sup> Hoopfer, Evan. "American, United and Delta go after each other for China routes." Dallas Business Journal, December 12, 2018. <a href="https://www.bizjournals.com/dallas/news/2018/12/12/american-united-delta-china.html">https://www.bizjournals.com/dallas/news/2018/12/12/american-united-delta-china.html</a> (accessed February 25, 2019).

<sup>&</sup>lt;sup>4</sup> Notice of Action Taken re: American Airlines, Inc., United States Department of Transportation, February 6, 2019. https://www.regulations.gov/contentStreamer?documentId=DOT-OST-2004-19077-0436&attachmentNumber=1&contentType=pdf (accessed February 25, 2019).

New Tokyo International Airport, finally opened under tight security in 1978 after violent protests and legal battles.<sup>6</sup>

Narita Airport, as it became commonly known, immediately received all of Haneda's long-haul flights, and was the *de facto* international gateway to Tokyo despite being over one hour (without traffic) from the city's urban core. Haneda was relegated to domestic service for the next 30+ years, but the massive Japanese internal air market, growing explosively with its economy, still demanded significant expansion to the airport facility during that time. Conversely, the powerful opposition to Narita on environmental and anti-government grounds hamstrung development of that airport, leaving only a single runway initially available out of more than five that were envisioned.

At the same time, a restrictive bilateral agreement, dating to 1952, limited air service between the United States and Japan. Post-World War II incumbent carriers Pan American Airways and Northwest Airlines established transfer hubs in Tokyo (first at Haneda, then Narita) and inherited significant air service rights, including extensive frequencies both to the United States and local traffic rights to third countries beyond Tokyo. United acquired Pan Am's Pacific operation in 1986, with the Narita hub as its centerpiece, and Northwest kept its connecting complex through its acquisition by Delta in 2010.

As for Japanese carriers, incumbents All Nippon Airways (ANA) and Japan Airlines (JAL) were reciprocally granted traffic rights to the United States, with some permissible service to points beyond (such as the former JAL flight from New York-JFK to Sao Paulo, Brazil). During the 1980s and early 1990s, growth to Japan by other carriers was incremental in nature, as a consequence of this bilateral agreement, with limited service launched by American, Delta and Continental.

Starting in 1997, the United States and Japan began long-term discussions to implement a true "Open Skies" regime, and this goal was mostly realized by late 2009. However, both Japanese and American carriers expressed strong interest in operating long-haul services from Haneda, as its close proximity to Tokyo makes it much more desirable for business travelers. A fourth runway and international terminal were developed at Haneda to facilitate this objective, both of which opened in 2010.<sup>10</sup> What followed is a rather complicated path to the current state of affairs.

<sup>&</sup>lt;sup>6</sup> Brasor, Philip. "Fight or Flight: Narita's History of Conflict." The Japan Times, December 12, 2013. https://www.japantimes.co.jp/news/2014/12/13/national/media-national/fight-flight-naritas-history-conflict (accessed February 25, 2019).

<sup>&</sup>lt;sup>7</sup> "Memorandum of Understanding between the Ministry of Transport of Japan and the Department of Transportation of the United States." March 14, 1998. https://www.state.gov/documents/organization/114281.pdf at 1-2 (accessed February 25, 2019).

<sup>&</sup>lt;sup>8</sup> *Id.* at 3.

<sup>&</sup>lt;sup>9</sup> Ranson, Lori. "Japan and the U.S. Reach an Open Skies Agreement." FlightGlobal, December 12, 2009. https://www.flightglobal.com/news/articles/japan-and-the-us-reach-an-open-skies-agreement-336107/ (accessed February 25, 2019).

<sup>&</sup>lt;sup>10</sup> "Haneda New Terminal, Runway Open." The Japan Times, October 21, 2010. https://www.japantimes.co.jp/news/2010/10/21/business/haneda-airports-new-runway-terminal-open/ (accessed February 25, 2019).

The additional capacity, enabled by the new terminal and runway, led to the 2010 Haneda slot application proceedings, for the first international flights between that airport and the United States in over 30 years. The initial offering was limited to arrivals and departures during the overnight hours, and authorities were awarded to Delta (Los Angeles and Detroit to Haneda), American (New York-JFK to Haneda) and Hawaiian (Honolulu to Haneda). United (San Francisco) and Continental (Newark and Guam) were denied access. The apparently poorly-timed flights either arrived too late or departed too early for connecting traffic at either end, and proved unpopular with business travelers. In 2013, Delta successfully petitioned the DOT for permission to move its Detroit service to Seattle, while American simply terminated its unprofitable New York-JFK route, ceding its hard-fought authority. Both Delta and American permanently modified their respective services after several suspensions and dormancy waivers, as noted in the DOT docket.

Following American's departure from the market, in 2014, United applied for and won a slot for a San Francisco flight, which was first denied in 2010.<sup>14</sup> In 2015, Delta attempted to suspend its redeye Seattle-Haneda service due to poor loads and unprofitability, but the DOT rejected its application for a dormancy waiver, and instead awarded American rights to re-enter the Haneda market, this time from Los Angeles.<sup>15</sup> Slot times remained limited to the overnight hours, which hampered demand for flights to all but the United States West Coast and Hawaii.

In 2016, another proceeding was introduced jointly by the DOT and Japanese Ministry of Transportation to increase the U.S.-Haneda slot portfolio from four to six daily flights, five of which were permitted daytime service at Haneda. After another administrative proceeding, Delta (Los Angeles), American (Los Angeles) and United (San Francisco) were allowed to convert their existing nighttime slots to daytime, creating a more desirable schedule for business travelers. Delta also received a daytime slot for a new service to Minneapolis/St. Paul, and Hawaiian a daytime slot for a second daily flight, to be used jointly for service to Honolulu and Kailua-Kona on alternating days of the week. Hawaiian retained its overnight Honolulu service, rounding out the six total slots allocated in 2016.

<sup>&</sup>lt;sup>11</sup> Coyle, Kenny. "Delta, American and Hawaiian tipped for Haneda Tokyo Slots." Business Traveller, May 10, 2010. <a href="https://www.businesstraveller.com/airlines/2010/05/10/delta-american-and-hawaiian-tipped-for-haneda-tokyo-slots/">https://www.businesstraveller.com/airlines/2010/05/10/delta-american-and-hawaiian-tipped-for-haneda-tokyo-slots/</a> (accessed February 25, 2019).

<sup>&</sup>lt;sup>12</sup> "Delta Starts New Nonstop Service between Seattle and Tokyo-Haneda." Delta Newsroom, June 1, 2013. <u>https://news.delta.com/delta-start-new-nonstop-service-between-seattle-and-tokyo-haneda</u> (accessed February 25, 2019).

<sup>&</sup>lt;sup>13</sup> Maxon, Terry. "American Airlines to cancel New York-Tokyo Haneda Service." The Dallas Morning News, October 16, 2013. <a href="https://www.dallasnews.com/business/airlines/2013/10/16/american-airlines-to-cancel-new-york-tokyo-haneda-service">https://www.dallasnews.com/business/airlines/2013/10/16/american-airlines-to-cancel-new-york-tokyo-haneda-service</a> (accessed February 25, 2019).

<sup>&</sup>lt;sup>14</sup> "DOT Proposes to Award San Francisco to Haneda Rights to United." DOT Briefing Room, February 28, 2014. https://www.transportation.gov/briefing-room/dot-proposes-award-san-francisco-haneda-rights-united (accessed February 26, 2019).

<sup>&</sup>lt;sup>15</sup> Ahles, Andrea. "Delta gives up Seattle-Haneda route; American to start flying LAX-Haneda." Fort Worth Star-Telegram, June 18, 2015. <a href="https://www.star-telegram.com/news/business/aviation/sky-talk-blog/article24870541.html">https://www.star-telegram.com/news/business/aviation/sky-talk-blog/article24870541.html</a> (accessed February 26, 2015).

<sup>&</sup>lt;sup>16</sup> "U.S. Carriers Receive Tokyo Haneda Slot Allocations." Airways Magazine, July 21, 2016. https://airwaysmag.com/industry/us-carriers-receive-haneda-slot-allocations/ (accessed February 26, 2019).

In preparation for the upcoming 2020 Summer Olympic Games in Tokyo, a wave of twelve allnew daytime slot pairs for U.S. carriers is coming available, with a reciprocal twelve pairs for ANA (six) and JAL (six). The 2019 DOT proceedings are available at Regulations.gov under docket #DOT-OST-2019-0014.<sup>17</sup> The following services have been proposed (all routes/equipment sourced from DOT docket):

#### United Airlines, Inc. (six pairs)

Newark (EWR) – Haneda; 777-200ER (new service, first priority)
Washington (IAD) – Haneda; 777-200ER (replacing existing NRT service, first priority)
Chicago (ORD) – Haneda; 777-200ER (replacing existing NRT service, first priority)
Los Angeles (LAX) – Haneda; 787-10 (new service, second priority)
Houston (IAH) – Haneda; 777-200ER (replacing existing NRT service, third priority)
Guam (GUM) – Haneda; 737-800 (new service, third priority)

#### Delta Air Lines, Inc. (six pairs)

Seattle (SEA) – Haneda; A330-900neo (relaunch of previously-suspended service) Detroit (DTW) – Haneda; A350-900 (relaunch of previously-suspended service) Atlanta (ATL) – Haneda; 777-200 (replacing existing NRT service) Portland (PDX) – Haneda; A330-200 (replacing existing NRT service) Honolulu (HNL) – Haneda #1; 767-300ER (new service) Honolulu (HNL) – Haneda #2; 767-300ER (new service)

#### American Airlines, Inc. (four pairs)

Dallas (DFW) – Haneda #1; 777-200ER (new service)
Dallas (DFW) – Haneda #2; 777-200ER (new service)
Las Vegas (LAS) – Haneda; 787-8 (new service)
Los Angeles (LAX) – Haneda; 787-8 (additional frequency on existing route)

#### Hawaiian Airlines, Inc. (three pairs)

Honolulu (HNL) – Haneda #1; A330-200 (3rd frequency on existing route) Honolulu (HNL) – Haneda #2; A330-200 (4th frequency on existing route) Honolulu (HNL) – Haneda #3; A330-200 (5th frequency on existing route)

The DOT set forth a schedule for the notice-and-comment period as follows: (1) Petitions for Reconsideration, February 14; (2) Answers to Petitions, February 19; (3) Applications, February 21; (4) Answers, February 28; (5) Replies March 7. Several weeks thereafter, with no specific timetable, the DOT will issue its route awards.<sup>18</sup>

<sup>&</sup>lt;sup>17</sup> "2019 Haneda Combination Services Allocation Proceeding." Department of Transportation, Docket No. DOT-OST-2019-0014. <a href="https://www.regulations.gov/docket?D=DOT-OST-2019-0014">https://www.regulations.gov/docket?D=DOT-OST-2019-0014</a> (accessed February 26, 2019). <sup>18</sup> *Id*.

This large-scale allocation is unique in that it provides U.S. carriers the opportunity, for the first time, to completely move long-haul operations from Narita to Haneda, if sufficient slots are acquired. Delta has led the charge in this respect, openly voicing its desire to exit Narita flying entirely, which has reportedly swung into unprofitability since the merger with Northwest. Indeed, Delta's Tokyo operation has contracted dramatically in the past five years, as it developed a transpacific hub at Seattle and strengthened relationships with partner carriers, including antitrust immunity for a joint business agreement with Korean Air. Delta now uses its Seattle hub to overfly Tokyo, reaching Beijing, Shanghai, Seoul and, soon, Osaka, where it previously would have funneled inbound passengers into Narita and onward to those destinations. It also has a profit-sharing arrangement with Korean Air at Seoul-Incheon, allowing connections to destinations throughout Asia which Delta could never reasonably serve on its own.

American and United have similar joint ventures with JAL and ANA, respectively, both of which have significant connecting hub operations at Narita and Haneda. For that reason, Narita will remain strategically important for all of the foregoing carriers, but only United's application makes clear its commitment to maintain Narita service on an ongoing basis with its own equipment. American, on the other hand, proposes three out of four flights which almost exactly duplicate existing Narita service: once daily from Los Angeles and twice daily from Dallas/Fort Worth, and is silent as to whether Narita flights will remain if its application is granted in its entirety. American's Chicago-O'Hare flight to Narita has been seasonally suspended and operated only three times per week during peak season last year. This, along with the termination of its two Chicago-China routes discussed previously, and the fact that Chicago is not mentioned in American's Haneda application, does not bode well for the long-term viability of that route.

If it were to leave Narita, American would be relying on the so-called "metal neutrality" of its joint venture with JAL to continue to benefit from the latter's Narita hub. Under the terms of its agreement, American and JAL pool transpacific revenues, and allocate the same based on a proprietary formula tied to capacity. The antitrust immunity also allows the airlines to coordinate schedules and capacity decisions. As a result, the carriers can jointly determine whether it makes sense, from a cost and revenue perspective, for American to proceed with split operations in Tokyo, considering its small presence at both Narita and Haneda, or to consolidate at Haneda. American's limited capacity at Narita could also be absorbed by JAL, if necessary, under the terms of the agreement. Speculation in the industry is that American and JAL are likely to agree that American's consolidation at Haneda, if possible, will accrue greater economic benefits to the alliance.

United, on the other hand, has a more robust operation at Narita that cannot be duplicated in the context of what would be a reasonable award under the current slot allocation proceeding. Additionally, the DOT has evaluated past United applications through the lens of its joint business agreement with ANA, which is the larger of the two major Japanese carriers, and has a bigger overall Haneda slot portfolio than JAL (although most slots are domestic). United, in its application, cited the network importance of international connections at Narita, many of which

<sup>&</sup>lt;sup>19</sup> Martin, Timothy W. "AMR and JAL Forge a Partnership." The Wall Street Journal, April 1, 2011. https://www.wsj.com/articles/SB10001424052748704530204576235060492562894 (accessed February 26, 2019).

are not duplicated at Haneda, as reason for retaining most of its Narita service even if its entire Haneda proposal is awarded. From the perspective of metal neutrality, ANA does not have sufficient resources to fully duplicate United's long-haul operations from Narita, and so United's continued presence at Narita likely becomes a business necessity.

Now, this is the part where your author will engage in a bit of rank speculation as to the ultimate slot awards, and the reasoning therefore:

#### United Airlines, Inc. (three pairs)

Newark (EWR) – Haneda; 777-200ER Washington (IAD) – Haneda; 777-200ER Chicago (ORD) – Haneda; 777-200ER

United's proposal contains several of the largest U.S.-Tokyo markets and results in a net gain of one flight to Tokyo, as United's existing Newark – Narita 777-300ER will remain indefinitely. United's O'Hare and Dulles flights will shift from Narita to Haneda, in view of the strong local markets at both airports, and it should be noted that joint venture partner ANA will continue to operate codeshare, revenue-sharing flights to Narita from ORD and IAD.

As in prior allocation proceedings, the DOT will place importance on the fact that ANA will also be awarded six daytime international Haneda – U.S. slots, which will be metal-neutral, revenue-sharing flights with United. This will function to limit United's award to its self-identified "first priority" routes, and additional flights will have to wait for later route cases.

#### Delta Air Lines, Inc. (five pairs)

Seattle (SEA) – Haneda; A330-900neo (relaunch of previously-suspended service) Detroit (DTW) – Haneda; A350-900 (relaunch of previously-suspended service) Atlanta (ATL) – Haneda; 777-200 (replacing existing NRT service) Portland (PDX) – Haneda; A330-200 (replacing existing NRT service) Honolulu (HNL) – Haneda #1; 767-300ER (new service)

The DOT has been receptive in past cases to Delta's argument that it should receive a higher proportion of Haneda slots than its competitors due to its lack of an immunized joint venture partner in Tokyo. However, Delta's track record with its Haneda slots, outside of Los Angeles, apparently is not very good. Part of this is likely attributable to the fragmentation of Delta's Tokyo operation between Narita and Haneda, and there is no doubt a cost benefit to consolidation at one airport.

An award of five of six slots to Delta will allow it to exit Narita flying, as the only remaining fifth-freedom routes of Manila and Singapore would lose inbound Delta feed and most certainly would be dropped. This award would also be consistent with the DOT's rationale in considering alliance and joint venture membership in recent route cases.

#### American Airlines, Inc. (three pairs)

Dallas (DFW) – Haneda #1; 777-200ER (new service) Las Vegas (LAS) – Haneda; 787-8 (new service) Los Angeles (LAX) – Haneda; 787-8 (additional frequency on existing route)

American occupies a space between United and Delta here. As to the former, it has an immunized joint venture partner in Tokyo at JAL, but unlike United, it does not have the same level of service at Narita, such that consolidating its operation would be impossible. Though American is essentially silent as to whether it would cannibalize Narita in favor of Haneda, industry observers believe American's Tokyo presence is likely better situated at Haneda. This notion is supported by the fact that all but the Las Vegas flights are duplicative of current Narita service.

American's request for Las Vegas service is a bit of a wild card ... please excuse the pun! Las Vegas is not an American hub, so traffic on the route would be mostly inbound tourism, a significant cohort of passengers, and outbound local traffic, which is a smaller, but unserved market. It is notable that JAL operated a nonstop 747-400 flight between Narita and Las Vegas between 1998-2001, terminated in the wake of 9/11.<sup>20</sup> The DOT has, in the past, favored applications involving unserved markets; but, as competitors have pointed out, Las Vegas can already be served via Narita, and primarily stands to more directly benefit gamblers from Asia than American nationals.

Hawaiian Airlines, Inc. (one pair)

Honolulu (HNL) – Haneda #1; A330-200 (3rd frequency on existing route)

Like American's Las Vegas proposal, Hawaiian's Honolulu frequencies consist primarily of Japanese point-of-sale travelers, rather than passengers originating in Hawaii. Of course, tourism is Hawaii's lifeblood, and Hawaiian notes that its other two Haneda flights are strong performers. For that reason, Hawaiian is unlikely to be left out in the cold, but more than doubling service on an existing route would not appear to benefit the American public as much as granting some of the other, more compelling proposed route authorities.

In conclusion, the Haneda route cases have been hotly-contested over the past decade, for good reason. The opening of Haneda to international traffic has fundamentally altered the way major airlines serve Japan and contributed to significant changes in traffic flows from North America to Asia. In time, Haneda's importance as a full-service international hub will continue to grow, while Narita has seen impressive growth from low-cost carriers. This trend shows no signs of abating, and U.S. airlines have been forced to adapt their transpacific strategies to this new paradigm in order to compete profitably and effectively.

20 "JAL Moving to Suspend Vegas-Tokyo Flights." Las Vegas Sun, October 23, 2001.

https://lasvegassun.com/news/2001/oct/23/jal-moving-to-suspend-vegas-tokyo-flights/ (accessed February 26, 2019).

# Federal Court in Massachusetts Upholds \$2.2 Million Verdict for Claim for PTSD Against Boeing

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On February 6, 2019, the United States District Court for the District of Massachusetts, per Hon. Judith G. Dein, US Magistrate Judge, upheld a jury award of \$2.2 million in favor of plaintiff Adriana Guzman, who was a passenger on an American Airlines flight from Miami to Boston and claimed to have suffered from post-traumatic stress disorder (PTSD), major depressive disorder and decompression sickness as a result of a decompression incident onboard the aircraft manufactured by Boeing<sup>2</sup>. According to the claim, the aircraft was subject to a major decompression incident while in mid-air, which caused the aircraft to drop suddenly and the oxygen masks to be deployed. Notwithstanding, the plane was brought under control by the pilot and was landed safely in Miami approximately 30 minutes later, and Ms. Guzman and other passengers onboard continued to Boston on another flight. All claims save that of Ms. Guzman were settled prior to trial. Interestingly, Boeing did not contest liability but merely the damage claim, which was the subject of a lengthy trial at which numerous of Ms. Guzman's relatives and a number of experts testified.

Following the close of the evidence, the jury awarded Ms. Guzman \$2.2 million in damages but also found that she failed to mitigate \$726,000 of those damages by failing to seek prompt and appropriate medical treatment for her depression and PTSD.

Obviously dissatisfied with the result, Boeing moved to amend the judgment or for a new trial under Rule 59(a) of the Federal Rules of Civil Procedure. In a 55 page detailed opinion, the Magistrate Judge denied the motion in all respects, finding as a general matter that the verdict was fully supported by the evidence and overruling numerous objections with regard to the weight of the evidence, admissibility issues, claimed non-production of documents and objected-to statements during the plaintiff's opening and closing.

Of particular interest was the fact that the jury apparently was not convinced by Boeing's argument that Ms. Guzman's prior problems while studying at MIT somehow impacted her claim for PTSD as a result of the decompression incident. The evidence had established that Ms. Guzman was studying for her Ph.D. at MIT but was unable to complete the program and ended up being sued by MIT for student loans in excess of \$100,000. Ultimately, the MIT suit

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<sup>&</sup>lt;sup>2</sup> Carnevale v. The Boeing Company, Civil Action No. 1:13-cv-12615-JGD (U.S.D.C., D. MA., memo dec. dated 2/6/19), notice of appeal filed 2/14/19.

against Ms. Guzman went to trial and resulted in a verdict against her in the amount of \$177,000. Much of Boeing's defense related to the fact that it was contended that Ms. Guzman's PTSD and major depressive disorder were caused by the problems at MIT and pre-existed the decompression incident on the aircraft. Ms. Guzman, on the other hand, attempted to show that, notwithstanding her problems at MIT, she was functioning well between the time of her aborted Ph.D. program and the incident onboard the aircraft. Apparently, the jury rejected Boeing's theory and found that there was ample support for her claim.

A detailed discussion of the extremely thorough and well-written opinion would probably require the length of this newsletter. Suffice it to say, PTSD claims against airlines and manufacturers in cases such as these continue to result in significant awards. My sense from reading this ruling is that Boeing may have overreached in its aggressive defense of the case and, given what appears to have been a very sympathetic plaintiff, may have misjudged the exposure in using what appears to have been a scorched earth policy in connection with the defense of the claim.

Thus, despite what is clearly a very subjective mental state, the Court and the jury were convinced of the legitimacy of Ms. Guzman's deteriorated mental capacity and emotional distress.

Although this is not a Montreal Convention case, it clearly could affect Montreal cases where physical injury is also present, in the case of a major trauma-causing "accident" occurring onboard an aircraft on an international flight, and the claim is brought against the carrier. In the present case however, the Montreal Convention would not apply in any case since the suit was against the manufacturer. Query whether the plaintiffs opted not to sue the carrier since the flight had originated in Costa Rica (presumably with a stopover in Miami), since it appears that Ms. Guzman's claim was limited to emotional distress in the absence of any physical injury, recovery for which would not be allowed under the Montreal Convention.

## **New Jersey Considers Stringent Drone Trespass Bill**

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New Jersey S 3318,<sup>2</sup> a bipartisan bill which was introduced on January 15, 2019 and is currently pending in the New Jersey State Senate, would amend the state's fourth-degree criminal trespass statute to prohibit causing a drone "to enter or surreptitiously remain over" any structure. The bill does not specify how close the drone must be to the structure in order to constitute trespass and it is unclear if an operator whose drone flies or hovers hundreds or thousands of feet above a structure would be liable for criminal trespass. The bill would also amend New Jersey's criminal invasion of privacy statute to encompass drone voyeurism.

The bill would exempt individuals using drones "for legitimate commercial or educational purposes" in a manner consistent with FAA regulations.

The bill is sponsored by 10 Democrats and 3 Republicans including State Sen. Linda Greenstein (D), the Chairwoman of the Law and Public Safety Committee to which the bill has been assigned, and Judiciary Committee Chairman Nicholas Scutari (D).

If enacted, it is possible that the law could be challenged on preemption grounds. In 2017, the U.S. District Court for District of Massachusetts held that a municipal ordinance prohibiting drone operation outside the operator's line of sight was preempted and invalid.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Bradford P. Meisel earned his J.D. from Georgetown University Law Center in May of 2018 and will be joining the New York City office of McElroy, Deutsch, Mulvaney & Carpenter, LLP after completing a clerkship with New Jersey Superior Court Judge Diane Pincus in September of 2019. Mr. Meisel analyzed drone, autonomous vehicle, and cybersecurity law and policy during his time as a law clerk for U.S. Senators Sheldon Whitehouse (D-RI) and

Gary Peters (D-MI) and the U.S. Department of Justice and has logged numerous hours as a student pilot. 
<sup>2</sup> See https://legiscan.com/NJ/bill/S3318/2018.

<sup>&</sup>lt;sup>3</sup> Singer v. City of Newton, 284 F.Supp.3d 125 (D. Mass. 2017).

## IATA's Attempt to Address Gender Inequality

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and (with respect to ICAO matters)

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They say a picture is worth 1,000 words.<sup>3</sup> That has certainly proved to be true in the case of one startling photo that recently surfaced. No, this is not another ambush-journalism article purporting to reveal a morally compromising photograph from some notable's intemperate youth. The photo I have in mind was taken at the June 2018 Annual General Meeting (AGM) of the International Air Transport Association (IATA) in Sydney. Unremarkable in most respects, the picture showing 26 of the 29 senior airline executives composing IATA's Board of

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<sup>&</sup>lt;sup>2</sup> Maria Iannini is a new member of the New York City Bar Association. She is a licensed attorney in Colombia and holds an LLM from the Institute of Air and Space Law at McGill University. She has previously practiced corporate law for Dentons and interned at the Legal Bureau of the International Civil Aviation Organization. She is passionate about all things related to air and space

<sup>&</sup>lt;sup>3</sup> It is not clear who "they" are. Some people believe, probably incorrectly, that this is a Chinese proverb. Others put a finer point on the matter by attributing it to Confucius. However a quick Wikipedia search reveals that the phrase, in various forms, was first used in US advertising copy in the early 20th century. See <a href="https://en.wikipedia.org/wiki/A">https://en.wikipedia.org/wiki/A</a> picture is worth a thousand words.

Governors<sup>4</sup> which was taken at that meeting contains only one woman<sup>5</sup> -- Christine Ourmières-Widener, the Chief Executive Officer (CEO) of <u>Flybe Group Plc</u>,<sup>6</sup> who had just been appointed to the Board of Governors the previous day.<sup>7</sup>

IATA is an international trade organization which, among other undertakings, helps formulate industry policy.<sup>8</sup> It represents 290 airlines which together carry 82% of the world's air travelers.<sup>9</sup> Accordingly, IATA is uniquely situated to influence the social policy of its members and foster a best-practices approach to gender equality.

It should be expected that the hiring and promotion policies of airlines reflect, to a greater or lesser degree, the social norms of the nation that regulates them<sup>10</sup> and the life experiences of their existing management. That can sometimes result in a level of social consciousness that seems at odds with current global trends. A very unfortunate example of apparent social insensitivity occurred at the Sydney AGM when the CEO of Qatar Airways and incoming chairman of IATA, Akbar Al-Baker, was asked by a reporter about the possibility of a woman performing his CEO role.<sup>11</sup> The regrettable response (which, in fairness, he later explained was meant as a joke<sup>12</sup>) was "Of course it has to be led by a man because it is a very challenging position".<sup>13</sup> Jaws dropped.<sup>14</sup> But Mr. Al-Baker shouldn't feel like the Lone Ranger. Others appeared to have publicly stumbled at the AGM when issues of gender equality arose.<sup>15</sup> The CEO of Air Canada,

<sup>9</sup> *Id*.

<sup>&</sup>lt;sup>4</sup> IATA's Board of Governors is composed exclusively of airline chief executives. Silk, R. (2018, June 10). *IATA meeting points to dearth of women in airline C-suites*. Retrieved from <a href="https://www.travelweekly.com/Travel-News/Airline-News/IATA-meeting-points-to-dearth-of-women-in-airline-C-suites">https://www.travelweekly.com/Travel-News/IATA-meeting-points-to-dearth-of-women-in-airline-C-suites</a>.

<sup>&</sup>lt;sup>5</sup> It should be noted that Maria Jose Hidalgo Gutierrez, the CEO of Air Europa, was also newly appointed to the Board of Governors but was apparently not available for the group picture. AFP. (2018, June 6). 'Of course' top job at Qatar Airways is held by a man: CEO. Retrieved from <a href="https://today.rtl.lu/news/business-and-tech/1190134.html">https://today.rtl.lu/news/business-and-tech/1190134.html</a>. <sup>6</sup> Flybe Group Plc, a troubled Exeter based UK airline, is the largest independent regional airline in Europe. Bloomberg L.P. (2019). Company Overview of Flybe Group PLC. Retrieved Feb. 10, 2019 from Bloomberg database.

<sup>&</sup>lt;sup>7</sup>Flybe CEO Christine Ourmieres-Widener joins IATA Board. (2018, June 6). Retrieved from <a href="http://www.aerobernie.com/2018/06/flybe-ceo-christine-ourmieres-widener-joins-iata-board.html">http://www.aerobernie.com/2018/06/flybe-ceo-christine-ourmieres-widener-joins-iata-board.html</a>. <sup>8</sup> *About Us.* (n.d.). Retrieved from <a href="https://www.iata.org/about/Pages/index.aspx">https://www.iata.org/about/Pages/index.aspx</a>.

<sup>&</sup>lt;sup>10</sup> The vast majority of airline-regulating nations have rules prohibiting a controlling level of foreign ownership (the so called "nationality rule"), and the airline industry does not expect those restrictions on foreign ownership to go away any time soon. See *Foreign Ownership & Control and Cabotage*. (n.d.). Retrieved from <a href="http://www.alpa.org/advocacy/foreign-ownership">http://www.alpa.org/advocacy/foreign-ownership</a>. See also *Airline ownership and control rules: at once both irrelevant and enduring*. (2018, June 4). Retrieved from <a href="https://centreforaviation.com/analysis/reports/airline-ownership-and-control-rules-at-once-both-irrelevant-and-enduring-345816">https://centreforaviation.com/analysis/reports/airline-ownership-and-control-rules-at-once-both-irrelevant-and-enduring-345816</a>.

<sup>&</sup>lt;sup>11</sup> Bryan, V. (2018, June 5). Airline boss stirs gender debate with provocative comment. Retrieved from <a href="https://www.reuters.com/article/us-airlines-iata-women/airline-boss-stirs-gender-debate-with-provocative-comment-idUSKCN1J1164">https://www.reuters.com/article/us-airlines-iata-women/airline-boss-stirs-gender-debate-with-provocative-comment-idUSKCN1J1164</a>.

<sup>&</sup>lt;sup>12</sup> I, for one, am willing to take Mr. Al-Baker at his word. I acknowledge, however, the potential for adverse social consequences from disparagement humor. See, e.g., Ford, T. *Psychology behind the unfunny consequences of jokes that denigrate.* (2016, September 6). Retrieved from <a href="https://theconversation.com/psychology-behind-the-unfunny-consequences-of-jokes-that-denigrate-63855">https://theconversation.com/psychology-behind-the-unfunny-consequences-of-jokes-that-denigrate-63855</a>.

<sup>&</sup>lt;sup>13</sup> *Qatar Airways chief says only a man could do his job.* (2018, June 6). Retrieved from https://theaviationtimes.com/2018/06/06/qatar-airways-chief-says-man-job/.

<sup>&</sup>lt;sup>14</sup> Reuters reported that Mr. Al-Baker later said that Qatar Airways was first among all carriers in that region to hire female pilots and that women occupied senior executive roles at the company. Bryan, *supra*.

<sup>&</sup>lt;sup>15</sup> In the interest of full disclosure, however, this was not the first time that Mr. Al-Baker made an apparently regrettable comment. He issued an apology in 2017 for calling U.S. flight attendants "grandmothers" when

Calin Rovinescu, made an apparently tactless remark while participating as a panelist at the AGM's diversity session when he suggested that women needed to be pushed out of their comfort zone in order to become leaders in the aviation industry.<sup>16</sup>

One would not have to be too much of a detective to figure out that the aviation industry, in virtually all of its permutations, has been and continues to be male dominated.<sup>17</sup> The reasons for that phenomena can be debated, <sup>18</sup> but the facts supporting the conclusion are pretty clear. IATA has reported that just 3% of airline CEO's are women (as compared to more than 12% in non-aviation industries) while the percentages of Chief Financial Officers (CFO's) and Chief Operating Officers (COO's) are approximately 8% and 3%, respectively.<sup>19</sup> The percentages, of course, differ among various geographic areas, <sup>20</sup> but no region stands out as a pinnacle of gender equality.<sup>21</sup> It should be noted, however, that some airlines have made vast strides toward gender balance in management positions. At Qantas Airways Limited approximately 40% of managers are women.<sup>22</sup> And in 2017 the United Arab Emirates established an action plan to make it and its airlines top performers in gender balance by 2021.<sup>23</sup>

Airlines run on money – no doubt about it. So, looking beyond the equities for a moment, can a business case be made for gender equality in the aviation field? Well, in an industry experiencing critical labor shortages in almost all of its key occupations (pilots,<sup>24</sup> mechanics,<sup>25</sup> etc.), it seems counterintuitive to avoid reaching out to approximately 50% of the world's

comparing them to Qatar's female cabin crew (whose average age he said was 26). Silk, *supra*. The flight attendants from American Airlines were not amused. Reed, T. (2018, July 11). *American Airlines Calls Grandmother Remark by Qatar Airlines CEO 'Incredibly Offensive'*. Retrieved from <a href="https://www.thestreet.com/story/14221687/1/qatar-airways-ceo-seeking-stake-in-american-airlines-calls-u-s-flight-attendants-grandmothers.html">https://www.thestreet.com/story/14221687/1/qatar-airways-ceo-seeking-stake-in-american-airlines-calls-u-s-flight-attendants-grandmothers.html</a>.

<sup>&</sup>lt;sup>16</sup> Miller, S. (2018, June 5). *Everyday sexism, Aviation edition*. Retrieved from <a href="https://paxex.aero/2018/06/everyday-sexism-aviation-edition/">https://paxex.aero/2018/06/everyday-sexism-aviation-edition/</a>.

<sup>&</sup>lt;sup>17</sup> Abdalla, N. (2018, July 30). *Promoting gender equality in aviation*. Retrieved from https://www.city.ac.uk/news/2018/july/promoting-gender-equality-in-aviation.

<sup>&</sup>lt;sup>18</sup> Societal stereotypes, individual biases, cultural norms, etc. Chua, K. (2018, October 27). *A Business Case for Gender Equality, Diversity and Inclusion in Aviation*. Retrieved from <a href="https://www.linkedin.com/pulse/business-case-gender-equality-diversity-inclusion-aviation-kim-chua">https://www.linkedin.com/pulse/business-case-gender-equality-diversity-inclusion-aviation-kim-chua</a>.

<sup>&</sup>lt;sup>19</sup> Silk, supra.

<sup>&</sup>lt;sup>20</sup> Joanna Geraghty was appointed President and Chief Operating Officer at JetBlue Airways Corp. in May of 2018, making her the highest ranking female in any major U.S. airline corporation. Schlangenstein, M. (2018, May 18). *JetBlue Names New President as CEO Shifts to Long-Term Strategy*. Retrieved from <a href="https://www.bloomberg.com/news/articles/2018-05-18/jetblue-new-president-is-top-ranking-woman-at-major-u-sairline">https://www.bloomberg.com/news/articles/2018-05-18/jetblue-new-president-is-top-ranking-woman-at-major-u-sairline</a>.

 $<sup>\</sup>overline{^{21}}$  Women occupy 16% of the senior positions in airlines in North America and 7% of such posts in the Asia Pacific region. Silk, *supra*.

<sup>&</sup>lt;sup>22</sup> Australian Government, Workplace Gender Equality Agency. (2017-2018). *Public Report on Qantas Airways Limited*. Retrieved from <a href="https://www.qantas.com/infodetail/about/corporateGovernance/2018-wgea-report-qantas.pdf">https://www.qantas.com/infodetail/about/corporateGovernance/2018-wgea-report-qantas.pdf</a>.

<sup>&</sup>lt;sup>23</sup> UAE unveils plan to be among world elite for gender equality. (2017, September 19). Retrieved from <a href="https://www.arabianbusiness.com/politics-economics/378998-uae-unveils-plan-to-be-among-world-elite-for-gender-balance?utm\_source=Jarvis&utm\_medium=arabianbusiness.com&utm\_campaign=recommended.">https://www.arabianbusiness.com&utm\_campaign=recommended.</a>
<sup>24</sup> Garcia, M. (2018, July 27). A 'Perfect Storm' Pilot Shortage Threatens Global Aviation. Retrieved from <a href="https://www.forbes.com/sites/marisagarcia/2018/07/27/a-perfect-storm-pilot-shortage-threatens-global-aviation-even-private-jets/#64908f5b1549">https://www.forbes.com/sites/marisagarcia/2018/07/27/a-perfect-storm-pilot-shortage-threatens-global-aviation-even-private-jets/#64908f5b1549</a>.

<sup>&</sup>lt;sup>25</sup> Wyman, O. (2017, April 24). *Aging Baby Boomers Cause Aircraft Mechanics Shortage as Global Fleet Expands, Modernizes*. Retrieved from <a href="https://www.forbes.com/sites/oliverwyman/2017/04/24/looming-aircraft-mechanic-shortage-may-threaten-the-growth-of-the-global-fleet-and-raise-costs/#117357c64984">https://www.forbes.com/sites/oliverwyman/2017/04/24/looming-aircraft-mechanic-shortage-may-threaten-the-growth-of-the-global-fleet-and-raise-costs/#117357c64984</a>.

population<sup>26</sup> in an effort to solve the staffing problem. Some airlines, such as EasyJet and Virgin Australia, recognized early on that recruiting women might go a long way to ameliorating their pilot shortage problem.<sup>27</sup> United Airlines seems to have gotten the message concerning recruitment of female mechanics.<sup>28</sup> Of course, the jobs of pilot and mechanic are not the same as rarified C-suite positions -- CEO, CFO and COO.

What keeps more women out of these key positions?

A central question to be asked is whether there is a specific pipeline for senior airline executives. That is to say, is the airline industry so unique that its leadership must have all gone through the same career progression? In the case of airline pilots there are clearly required steps for career development and it can take some time to have one's ticket punched at all the right stops. But is the same true for upper-level management, or are there transferrable corporate skills that enable a senior executive to move from one industry to another (thereby eliminating any training-pipeline delay)? The experts empaneled by the Center for Aviation (CAPA), a highly regarded aviation research firm, to discuss the attributes of a good airline CEO at its World Aviation Summit in 2013 did not seem to think any industry experience was required.<sup>29</sup> And that certainly seems to be the case with respect to Oscar Munoz, CEO of United Airlines, who, prior to assuming his current position, had been President of CSX Corporation, CFO and vice president of consumer services at AT&T and held executive positions at the Coca-Cola Company and PepsiCo Inc.<sup>30</sup> And it's also true of Air India's CEO, Pradeep Singh Kharola, whose background was exclusively in rail transport and tourism.<sup>31</sup> Finally, easyJet ple's Andrew Findley had no aviation connections prior to assuming his role as CFO.<sup>32</sup>

IATA, to its credit, has decided to provide a measure of leadership for its members in the area of gender equality.<sup>33</sup> It is attempting to address the paucity of female senior management head-on

<sup>&</sup>lt;sup>26</sup> The World Bank, Data. (2017). *Population, female (% of total)*. Retrieved from https://data.worldbank.org/indicator/sp.pop.totl.fe.zs.

<sup>&</sup>lt;sup>27</sup> Josephs, J. (2019, January 24). *Could women solve the global pilot shortage?* Retrieved from <a href="https://www.bbc.com/news/business-46876007">https://www.bbc.com/news/business-46876007</a>.

<sup>&</sup>lt;sup>28</sup> Lekach, S. (2018, November 20). *All-female aircraft repair team is set on changing the industry*. Retrieved from https://mashable.com/article/chix-fix-women-stem-airplane-repair-technicians/#PUqLeORqjOqu.

<sup>&</sup>lt;sup>29</sup> CAPA. (2014, January 10). What makes the ideal airline CEO? Do CAPA's World Aviation Summit delegates agree with the experts? Retrieved from <a href="https://centreforaviation.com/analysis/reports/what-makes-the-ideal-airline-ceo-do-capas-world-aviation-summit-delegates-agree-with-the-experts-146745">https://centreforaviation.com/analysis/reports/what-makes-the-ideal-airline-ceo-do-capas-world-aviation-summit-delegates-agree-with-the-experts-146745</a>.

<sup>&</sup>lt;sup>30</sup> United Airlines. *Company Leadership*. Retrieved from <a href="http://ir.united.com/corporate-governance/company-leadership#oscar-munoz">http://ir.united.com/corporate-governance/company-leadership#oscar-munoz</a>. It should be noted, however, that Mr. Munoz served on the Board of Directors for Continental Airlines and then United Airlines since 2004. *Id*.

<sup>&</sup>lt;sup>31</sup> Bloomberg. *Company Overview of Air India Limited*. Retrieved from <a href="https://www.bloomberg.com/research/stocks/private/people.asp?privapId=8032555">https://www.bloomberg.com/research/stocks/private/people.asp?privapId=8032555</a>.

<sup>&</sup>lt;sup>32</sup> easyJet plc. (n.d.). *Airline Management Board*. Retrieved from <a href="http://corporate.easyjet.com/about/management/airline-management-board">http://corporate.easyjet.com/about/management/airline-management-board</a>.

<sup>&</sup>lt;sup>33</sup> The International Civil Aviation Organization (ICAO) has also made efforts in this area. In 2016 the 39th Session of the Assembly adopted *Resolution A39-30 "ICAO Gender Equality Programme Promoting the Participation of Women in the Global Aviation Sector."* See ICAO. (2016, September 27-October 6). *Resolutions Adopted by the Assembly – 39th Session*. Retrieved from

https://www.icao.int/Meetings/a39/Documents/Resolutions/a39\_res\_prov\_en.pdf. In support of that resolution, the Republic of South Africa partnered with ICAO (in collaboration with others) to sponsor the first Global Aviation Gender Summit in August 2018. See ICAO. (2018, August 10). Global Aviation Gender Summit

by sponsoring a global study designed to bring women into airline leadership roles.<sup>34</sup> The report, with the inspiring title of "Soaring Through the Glass Ceiling," should be released in the second quarter of 2019.<sup>35</sup> Working with other aviation special interest groups,<sup>36</sup> IATA will attempt to identify why there is such a dearth of female senior leadership in aviation as compared to other industries. IATA's approach – interviews with women in leadership roles around the world, case studies on successes in this area within the airline industry, and a review of prior studies touching on the topic<sup>37</sup> – seems promising. It is certainly appropriate to use other professional fields as a benchmark and I hope they succeed in producing meaningful results.

We'll see.38

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Cape Town, South Africa, 8 to 10 August 2018 Communique. Retrieved from <a href="https://www.icao.int/Meetings/AviationGenderSummit/Documents/Communique\_Global%20Aviation%20Gender%20Summit\_FINAL.10%20Aug.pdf#search=A39-30">https://www.icao.int/Meetings/AviationGenderSummit/Documents/Communique\_Global%20Aviation%20Gender%20Summit\_FINAL.10%20Aug.pdf#search=A39-30</a>.

<sup>&</sup>lt;sup>34</sup> IATA. (2018, September 26). *Report to address issues facing women in aviation*. Retrieved from <a href="https://www.airlines.iata.org/news/report-to-address-issues-facing-women-in-aviation">https://www.airlines.iata.org/news/report-to-address-issues-facing-women-in-aviation</a>.

<sup>35</sup> *Id* 

<sup>&</sup>lt;sup>36</sup> The other groups involved in the study are Aerospace Industries Association (AIA), Airports Council International-World (ACI), International Aviation Womens Association (IAWA), and Korn Ferry – Civil Aviation Practice. *Id*.

<sup>&</sup>lt;sup>37</sup> Id.

<sup>&</sup>lt;sup>38</sup> I am reminded of a quip by the famous American inventor, Charles Kettering: "If you want to kill an idea in the world, get a committee working on it." See *Inspirational Words of Wisdom*. Retrieved from <a href="https://www.wow4u.com/kettering2/">https://www.wow4u.com/kettering2/</a>. Let's hope that doesn't prove to be the case in this instance.

#### **Cyberattacks on Airports are a Growing Concern**

Rebecca Tingev<sup>1</sup> Rebecca.Tingey@leclairryan.com Chair, Cybersecurity and Aviation Subcommittee



As airports become more connected and technologically advanced, cybersecurity risks have increased and spending on cybersecurity is on the rise. Researchers predict that global information security spending will exceed \$124 billion in 2019.<sup>2</sup> The response to these increased risks have varied.

Four years ago, Israel's Airports Authority established a Cybersecurity Division and a Security Operations Center at Ben Gurion, Israel's main airport, to handle cybersecurity threats 24 hours a day, 7 days a week, 365 days a year. They have been busy. The Head of Cyber and Information Security at the Authority recently reported that it has to block approximately *three million* attempts per day to breach the Authority's systems.<sup>3</sup>

Last September, Bristol Airport suffered a ransomware-like cyberattack which impacted its flight display screens for two days. Airport officials had to resort to listing departure times and gate information on whiteboards.<sup>4</sup> And, last March, Atlanta's Hartsfield-Jackson Airport had to shut down its internal wi-fi network for over four days when Atlanta's government network was hit with a ransomware attack. Atlanta reportedly spent \$2.7 million to recover from the attack.<sup>5</sup>

Going forward, cybersecurity will continue to be a concern for the airport industry.

<sup>&</sup>lt;sup>1</sup> Rebecca Tingey is a partner at LeClairRyan. She focuses her practice on complex commercial litigation and arbitration and represents domestic and international clients from various industries including aviation, insurance, and banking and finance.

<sup>&</sup>lt;sup>2</sup> https://www.forbes.com/sites/rogeraitken/2018/08/19/global-information-security-spending-to-exceed-124b-in-2019-privacy-concerns-driving-demand/#54cbbfdc7112

<sup>&</sup>lt;sup>3</sup> https://www.timesofisrael.com/israeli-airports-fend-off-3-million-attempted-attacks-a-day-cyber-head-says/

<sup>4</sup> https://www.bbc.com/news/uk-england-bristol-45539841

<sup>&</sup>lt;sup>5</sup> https://www.ajc.com/news/cost-city-atlanta-cyber-attack-million-and-rising/nABZ3K1AXQYvY0vxqfO1FI/

## **FUN PAGES**<sup>1</sup>

## Advisory<sup>2</sup>

## A Christmas Crime Advisory

From @CrimeADay



**NOTE:** Unauthorized entry into private residences through chimneys may constitute criminal trespass or violate other state laws.

\*In a hastily drafted press release issued earlier today, the FAA claimed that Santa Claus was granted a "one-time exception" to fly tonight.

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<sup>&</sup>lt;sup>1</sup> Please submit original aviation-related drawings, puzzles, pix, etc. for the Fun Pages to <u>areitzfeld@gmail.com</u>.

<sup>&</sup>lt;sup>2</sup> Thanks go to International Aviation Treaties Subcommittee Chair Christopher B. Kende for submitting this graphic, which is used with the kind permission of Mike Chase.

## February 21, 2019 Monthly Committee Meeting



Committee Officers Alan Reitzfeld and Sarah Passeri with guest speakers Jennifer Urban, Director of Compliance of CLEAR, and Dani Shemesh, Sr. Director, Airport Affairs, of CLEAR. Jennifer and Dani spoke on working with airports in general, checkpoint operations, managing stakeholder relations, and how companies collaborate with government stakeholders, such as TSA, to work in airports.

# **December 20, 2018 Committee Holiday Gathering**

