



Aeropolitical Affairs Meeting Minutes

9 November 2021

On 9 November, IATA and ALTA hosted a virtual Americas Aeropolitical Affairs meeting. In attendance were 32 participants representing airlines and airline associations. Below are the key highlights and takeaways from the discussion.

Agenda Item 1: Industry Restart and Recovery

Alejandro Restrepo - IATA's Security and Facilitation manager, informed of a virtual workshop that IATA will be hosting on 17 November on the subject of restoring global connectivity with key markets. The workshop will address the implementation of the fourteen (14) measures agreed upon during the ICAO High-Level Conference on Covid intended to facilitate the next phase of recovery of international travel. Other topics will include risk-based frameworks, vaccination strategies, testing protocols, exemptions, health certification and verification, communication of health-related entry requirements, and contact tracing and resilience. The webinar is intended for government authorities, but registration is open for airlines. Should you wish to participate, fill out the following form [here](#).

Agenda Item 2: Regulatory Burdens

▪ Industry Taxation

Alejandro Restrepo provided a summary of two taxation items:

- **Mexico:** The Government's economic reform is awaiting presidential sanction. The reform establishes a limitation of VAT input credits of 25% on services applicable to all industries, including foreign entities with branches in Mexico. IATA is seeking a meeting with the SAT (Tax Authority) to evaluate the potential implications for international carriers in light of the applicable bilateral agreements and is exploring alternatives for a possible exemption for national air carriers Jose Lozano – Director of Corporate Affairs in Volaris, reiterated the importance of holding a meeting with the tax authority,
- **Suriname:** The government announced a sales tax applicable to air tickets would be increased from 8 to 12%, effective 01 January 2022. IATA sent a letter urging for an exemption for international air travel. A response is currently pending.

▪ Consumer Protection

Alejandro Munoz - IATA's Assistant Director for External Affairs, provided a summary of developments on consumer protection issues in the region

- **Brazil:** ANAC- the Civil Aviation Authority issued an extension on its flexibility of rules affecting passenger rights for international flights until 31 March 2021. This measure exonerates carriers of any obligations to provide assistance to passengers in the case of any flight cancellation beyond the airlines' control, such as border or airport closures by government decision.
- **Chile:** Despite industry efforts to challenge the bill, Congress approved the law that grants passengers the right to transfer tickets at no cost up to 24 hours before departure and the right to retract up to 48 hours from the time of purchase. The new law only applies to domestic tickets in Chile. It was clarified that the law does not apply to a domestic segment of connecting passengers from an international flight on the same ticket.
Colombia: An initial draft of a consumer protection bill is currently under evaluation in Congress, which would be applicable to domestic flights. The draft contains some concerning articles, including a plan to impose additional fines in the case of flight delays and cancellations. While the

bill does not contemplate a bankruptcy guarantee requirement, we are closely monitoring developments as the Travel Agency Association is placing considerable pressure to include an insurance clause in case of an airline's bankruptcy.

- Humberto Lopez - Delta Airlines, informed the group about a meeting the airline had with the Minister of Transport and the head of the Superintendence of Transport during his recent visit to Colombia. he explained that during his meeting, he raised the industry's concerns over investigations launched by the superintendence earlier this year questioning certain elements in airlines' contracts of carriage. Humberto informed the group that the Ministry and the Superintendence were receptive to participating in roundtables /working group discussions with the industry to review some of the fundamental or standardized clauses in airlines' carriage contracts.

▪ **Environment Policy Update**

Pedro de la Fuente - IATA's Manager for External Affairs, covered two items: the environment license at Eldorado airport and the other regarding a phytosanitary fee being imposed in El Salvador.

- **Colombia:** ANLA- the environment authority has issued a new resolution (01728/2021) that modifies the existing environment license at Eldorado airport (BOG.) The resolution proposes staggered implementation over three phases to replace the current Resolution 1034 in place since 2015. The Civil Aviation Authority (CAA) of Colombia has filed a legal recourse against ANLA, as the new environmental license will impose significant operational restrictions limiting the airport's capacity during the hours of 2200-0000 and 0500-0600. If ANLA rejects the modifications proposed by the CAA in its legal recourse, then CAA will contemplate withdrawing its request to modify the environmental license, and the airport would revert to operating under the scope of the 2015 environmental license until a review takes place under a new government administration following next year's general election.
- **El Salvador:** Earlier this year, the Ministry of Agriculture revoked its initial proposal to charge a US\$3.50 phytosanitary fee per passenger destined to El Salvador. The ministry reformulated the project proposing a revised rate of US\$1.50 per passenger to cover for non-intrusive canine baggage inspection and international waste management. In response to pressure from the industry, the ministry has agreed to the phased implementation of the new fee starting with a US\$1.00 fee per passenger effective as of 01 January 2022, for all tickets sold between 1 January 2022 and 31 May 2022. The fee increases to US\$1.50 for all tickets sold on or after 1 June 2022. In a letter to the ministry, IATA urged the reevaluation of the current fee structure at the airport to avoid any possible duplication as there is already a charge for waste management.

▪ **Slots**

Alejandro Munoz provided a recap of current slot developments in the region, which includes:

- **Brazil:** ANAC - the Civil Aviation Authority has proposed changes to the existing slot regulation and opened the process up for comments from interested parties. Comments are due 9 December 2021. The proposed resolution seeks to modify standards applicable to Level 3 slot coordinated airports, which prompted concerns from IATA and the Slots Policy Working Group as it significantly departs from global standards under the WASG.
- **Colombia:** IATA commended the Civil Aviation Authority for its published modifications to RAC 3 (slot regulation) issued on 26 October as they were fully aligned with the WASG.
- **Peru:** After years of discussions, the Civil Aviation Authority is expected to publish its slot regulation, which is expected to be aligned with IATA's WASG.

Agenda Item 3: General Developments

Any other business

- **Argentina: Immigrations:** Airlines were encouraged to seek non-jurisdictional means (i.e., diplomatic pressure) to address how local immigration law is applied in the treatment of deportees specifically. IATA also brought to the attention of participants a potentially precedent-setting first judicial decision revoking a fine for deportees as it did not conform with ICAO Annex 9 requirements, stipulating that the Chicago Convention dispositions cannot be ignored when applying local law.
- **Chile: Fines for non-compliance of Covid-19 entry requirements:** IATA will meet SEREMI on 11 November to request flexibility when applying fines considering how quickly and regularly conditions change while emphasizing airlines' commitments to safeguard the health of passengers and crew.
- **Brazil - Judicialization Initiatives:** Marcelo Pedroso- IATA's Assistant Director for External Affairs in Brazil, provided an update regarding IATA's judicial liability initiative intended to help reduce the number of legal claims in Brazil. The effort is managed by the IATA Legal Advisory Council's LitCom Group and coordinated in Brazil by Ricardo Bernardi of Bernardi & Schnapp. Marcelo made reference to a series of events that will take place before the end of this year and extended an invitation to all airlines to participate. More details can be found in the presentation accompanying the meeting notes.

Oracio Marquez - IATA's Regional Director for External Affairs and Gonzalo Yelpo - Legal Counsel for ALTA, concluded the meeting and informed that the next meeting will take place in February after the holiday break date is TBD but intended to be an in-person event at IATA's Regional Office in Miami. More details will be provided via email.

With no other matters raised by participants, the meeting was adjourned.