

EPISODE 168

[EPISODE]

[00:00:07] IP: Hello and welcome to Episode 168 of AvTalk. I am Ian Petchenik in Stockholm, here, as always with –

[00:00:16] JR: Jason Rabinowitz in Hamburg, Germany. We are also joined with Seth Miller of paxex.aero, also in, where are you, Seth?

[00:00:25] SM: Hamburg, Germany. Three floors away from you in the hotel.

[00:00:28] JR: Hey, how's it going down there?

[00:00:30] SM: Oh, it's lovely. The air-conditioning is nice.

[00:00:32] JR: Oh, that's nice.

[00:00:34] SM: Cheap shot. Station's air-conditioning didn't work when we got here, and we suffered, so I'm just throwing it in.

[00:00:38] JR: Suffered greatly.

[00:00:39] IP: Now, he's been given a block of ice and a small wooden paddle.

[00:00:42] JR: It's just the coldest room in the hotel now. It's fantastic.

[00:00:47] IP: Well, at least they were responsive and fixed it.

[00:00:49] SM: Three days later.

[00:00:50] JR: On the third day.

[00:00:52] IP: Oh, well. You know, it's on the third day.

[00:00:54] JR: Things happen.

[00:00:55] IP: On the third day, things happen.

[00:00:57] JR: Speaking of things that don't go exactly to plan, let's start off with how we got here, because we all took different routes, we all took different – We did not all take different airlines, actually. Let's go down the line of how our experience was. As we've talked about before, the European aviation system and airport infrastructure has melted down over the last couple of weeks. But how was our experience? Let's start with Ian. What did you do? How did you get there? How was it?

[00:01:27] IP: Yeah. I flew to Stockholm non-stop, because the SAS non-stop flight from Chicago is back in action. That restarted last month. The non-stop flight is once again an option. Very thankful for that, given all that is going on that I didn't have to make a connection. Leaving Chicago was fine. No problems there. We had a perfectly agreeable time departing. The lounge was busy, but the SAS lounge, sir, in Chicago is not large and serves most of the Star Alliance flights that leave throughout the day. It gets busy, and then unfills, I guess, is a polite way of saying it, as other Star Alliance flights leave.

We had a fine time. Got toward us as one is obligated to do. Then had a lovely flight. Standard concerns about SAS onboard. The cabin crew was wonderfully friendly. The hard product is fine. The service was very good. The service items, the food was fine. I guess, it was worse than normal, but it was fine. Standard disclaimer that they have one episode of 14 different TV shows that no one wants to watch, but that's nothing new and you've heard us complain about that one before.

The new part was getting into Stockholm and getting off the airplane. Normally when that happens, I make my way up the stairs, over the little bridge that separates the departure area for the next flight and then down the escalator into the passport arrival queue. That usually takes all of 5 minutes. This time, it took close to 50 minutes. I timed it 40 minutes and 20 seconds to get from the top of the stairs. This wasn't even the total walk. It took the better part of

almost an hour to get from the plane through passport control. It took 48 minutes from the top of the stairs where we stopped, because the line had backed up all the way up the stairs and the escalator to get through passport control.

That just seemed like a function of not having enough people to clear passport control. Just not having enough customs agents to stamp people through. Once they solved that problem and opened up more lanes, things started moving very quickly. The bright side, I guess, of that was that the baggage was on the belt and ready for pick up. Then we walk right out of the airport and onto the train and into the city and everything was normal from there.

[00:04:10] SM: I guess, the real story there in my mind is you're lucky they had extra agents available to show up and start working.

[00:04:16] JR: Yeah. Somebody actually went out and showed up.

[00:04:19] IP: Yeah, yeah. It was odd to me, given how easy it was to ramp up the number of open queues.

[00:04:28] JR: Maybe they were all on break at that moment.

[00:04:30] IP: Maybe. The worst part about the non-stop flight from Chicago to Stockholm, and we mentioned this maybe a few years ago now, is that it lands at 7 a.m.

[00:04:40] JR: It's a bit early.

[00:04:41] IP: It's not the only SAS flight that lands at 7 a.m., and it's certainly not the only flight landing – international flight landing at our land dot at 7 a.m. There's the flight from Newark. There's the flight from Toronto. There's the Finnair flight from New York, and there's another flight coming transatlantic. There's about five or six flights that land at the same time. It's not like any of this was a surprise to anyone. I'm not sure what that was, but they were able to – They got people out. They manipulated where the queue was to make people not wait on the stairs, which was very helpful. Then, they got things moving right along. It ended up being fine. It was just nobody checked the schedule to see if there were aircraft coming in.

[00:05:27] SM: The north inaugural had a two and a half hour wait for entering Schengen, so you did.

[00:05:31] IP: Yeah. I mean, all things considered, that was the only thing where we had to wait, so I was okay.

[00:05:36] JR: Overall, a very typical mediocre SAS experience with the curveball of an unexpectedly long wait time to enter the country.

[00:05:44] IP: Yeah. The things that the crew couldn't control, because the crew was absolutely fantastic. The things that the crew couldn't control were more mediocre than usual. The crew was just absolutely fantastic. Happy to be there. Super helpful. Engaging. Made the flight tolerable and in fact, pleasant.

[00:06:05] JR: Good.

[00:06:06] IP: I'll take my hat off to them.

[00:06:07] JR: Good, good.

[00:06:07] IP: Who's next? Jason, how did you get where you are and how are things?

[00:06:11] JR: How did I get where I am? Well, that's a long story. It starts in the 1980s. No, here in Hamburg, I flew Iberia from Madrid. I've actually never flown Iberia, so I was very much looking forward to that. I booked one thing. I think, I booked an A330-300 at first and ended up on a A330-200, or six-year-old aircraft with the special liveries. I actually think it was the Ola Madrid A330-200. JFK T7 on a good day is bad. Thankfully, it was a good day, so it was just the regular bad there. Check-in was a bit of a mess as usual. Security is a bit of a mess as usual.

The lounge was a bit of a mess as usual, but thankfully, that all goes away soon since BA is going to move in to Terminal 8, and at some point, sooner rather than later, they're going to knock that whole terminal down and we get to start over with something new at some point.

Iberia was actually quite good. I was up in business on this flight, mercifully. The seat's a bit dated. It's only a six-year-old aircraft, but it's at least a decade old product. I had a window-window seat. Not one of those window seats that's right up on the aisle with zero privacy. I had a true window seat. The entertainment was good. There was free Wi-Fi messaging.

The food even out of JFK was actually quite good. The crew was phenomenal. Just like you, Ian, my Iberia crew was very, very engaged, very happy to be there, very personal, actually. At the end of the flight, they came around every passenger and made eye contact and thank you for flying Iberia. It was quite nice. Then I got to Madrid and I didn't really know what to expect there, but it was a later in day flight. It was a 9 p.m. departure from JFK that ended up being something like almost 10:00, because of some paperwork delays. Then we were aircraft number 27 for takeoff, because, of course.

By the time we got to Madrid, it was a little later in the day. It was around 11:00, and it was deserted. It was very, very odd. I got through immigration in no time at all. I took the little train over to the main terminal floor. I went through security, there was nobody there and I had time to go to the lounge, which I didn't think I'd be able to do. Then my connecting aircraft to Hamburg was right outside the lounge, so I had time to take a shower, have a coffee, have some breakfast. Then the connecting flight had actually one of the better meals, I think I've ever had in business class, on the little two and a half hour connecting flight up to Hamburg.

All in all, Iberia was quite impressive. It definitely exceeded expectations. I arrived early. The only hitch, I don't even think you could call it that was in Hamburg. We didn't get a gate. We got a bus gate. Somehow against all odds, especially here at Hamburg, which isn't the smoothest operation at all times, a bus was waiting for us. The air stairs were pulled right up. We got on the bus, we went to the terminal and that was that. The curse of AIX did not strike me on inbound flight, and everything was exactly as it should have been. Quite good for me.

[00:09:07] IP: Excellent. Excellent.

[00:09:08] JR: Yeah. I have nothing negative to say.

[00:09:11] SM: How long did the dinner service take on your outbound?

[00:09:14] JR: It was pretty quick. I don't know exactly when we – I know we have the Nova Scotia test. If you still have a meal in front of you by the time you get Nova Scotia out of New York, the crew has been too slow. But this was pretty quick. They came through before we took off to order a meal and they showed me on the iPad the picture. I don't know if this is standard procedure, but they showed me what it would look like on their iPad. I ordered the beef, I think, which was – it was good. It wasn't amazing. It was good. It was a very quick service, I think.

[00:09:46] SM: Interesting. I've been on westbound only, and it was a three-hour ordeal.

[00:09:50] JR: Westbound is fine.

[00:09:52] SM: I wanted to go to sleep and I was also hungry, but yes, doing fine.

[00:09:57] JR: Yeah. All in all, I have no negative things to say about this experience. I am flying BA on the way home. That could be fun.

[00:10:05] IP: Yeah. We'll save that for next week's episode. Seth, how did you get where you are and how was it?

[00:10:11] SM: I flew across just over a week ago. I've actually been here for a while. I went to a couple other things in class. I flew SAS from Boston to Copenhagen and connected from there to Vienna in economy. It was the A321LR.

[00:10:26] JR: Oh, how was that?

[00:10:28] SM: I had gotten to my window seat. I was expecting the flight to be pretty empty and had actually switched my flights. I was on an award ticket and switched my booking three or four times since the original reservation, in hopes of having empty space and more comfortable. A Lufthansa flight canceled. The Boston-Frankfurt plane went mechanical. The 200 odd people that had to rebook. The 50 empty seats on my plane were suddenly very not empty.

[00:10:55] JR: Oops.

[00:10:55] SM: It was a crowded flight with unhappy people who are connecting differently. That was less good. Obviously, not SAS's fault. The IFP system seemed responsive enough. I did not eat dinner. I did not eat breakfast. I tried just to sleep. I was feeling a little ill, so I didn't sleep as much as I wanted to.

The seat is fine. For a long-haul, I would prefer a slightly more padded, better pitched environment, but for the prices of **[inaudible 00:11:19]**. I would say, comparing it to JetBlue, which is the other A321LR I have taken across the ocean in the past year. I thought the JetBlue operation was a little more comfortable, a little more space. Also, free Internet, versus \$16 for the flight, which for the same service, they're not terribly expensive. I wouldn't pay that for the overnight, except maybe if I was going westbound, I would.

Generally, quite okay. From there, it was Austrian. A bit of time in the lounge in Copenhagen, which is nice. It's nice on this trip to be going back to airports that are not new to me. The familiarity of learning to travel again places, where the muscle memory kicks in and you walk through immigration at Copenhagen, you're like, "Oh, yeah. The lounge is right here, isn't it?" Things like that felt nice. Then, I actually went and visited airBaltic. I got to fly airBaltic business class from Vienna to Riga, and then Riga to Vilnius to Dublin. Then Ryanair on a MAX 8200. Had a last minute fall with the 8200.

[00:12:14] JR: Exotic.

[00:12:18] SM: This is not entirely what I planned and expected, but I've had quite a bit of fun so far this trip flying.

[00:12:22] IP: When we all eventually go home, there will be no more pre-departure COVID test to go back to the US.

[00:12:31] JR: Hey, that's nice. That's good news. It came rather quickly, yet not quick enough. I think, they left enough time, rather than just saying, "As of now, you don't need it anymore. Forget it." They said it for, I think, two days out on last Sunday. There was some question as to the time zone and does that mean you have to have it before you depart, or when you arrive, or

for your connecting flight? Who cares? It's in the past. We don't need it anymore. Gone. Until such time where we do need it again and they did leave the door open to say that if things bounce back in a terrible way, we will not hesitate to reimpose this COVID testing requirement.

[00:13:10] SM: Well, let's be clear. They will hesitate, but they might still do it.

[00:13:13] JR: They say they won't hesitate, but yes, you are correct.

[00:13:16] SM: They reserve the right to do it. Yeah. I mean, the only thing I can think of for not changing it immediately is that as with most things, it wasn't fully just no test required. It's no test required, but still have to be vaccinated. It's different rules for citizens versus not, if I understand correctly. It makes a little sense to give the airlines time to actually update what are generally contract – for US airlines is contract stations in Europe. For European airlines it's mostly, whatever. You have to update all those ground agents who weren't necessarily checking documents anyway, but tell them what different documents not to check.

[00:13:50] IP: Seth and Jason, you are in Hamburg, Germany. Now, Seth, you finally made it. Jason, you're there. The AIX – I was about to say AIX expo, but that's not correct.

[00:14:03] SM: Last year, the social media team for the group said, one you said as a hashtag.

[00:14:07] JR: Aircraft Interior Expo Expo.

[00:14:09] IP: Expo Expo. MLB Baseball and ATM Machine. You've got the pre-eminent expo for everything, from seats to screens, to safety straps, to fasteners, to what's going to be next in on, in under an aircraft. You've had what, two days now?

[00:14:32] JR: Yeah. We just completed well, day two. The first day is more of an educational session, where Seth gets yelled at and yells at people on a panel. Yeah, this is day two of the show of us going around seeing what's new, seeing what is not new, seeing what did not happen the last time we were here in 2019. It's been a few years since we had a show. Seeing what has just become vaporware and just disappeared. Yeah, this is the show where we'll see

what we'll be flying in the hopefully not too distant future, but realistically, in this industry what we see that is new on the show here maybe flying first in 2025, maybe in 2027. We'll see.

We've seen some cool innovation, since a lot of these companies went underground during COVID, they put their engineers in the room, they said, or I guess, digital teams room and said, "Come up with something cool." A lot of them actually came out with some cool thing. Seth, what were some of your favorite things we've seen?

[00:15:30] SM: Yeah. I want to clarify a couple of things that you just said there. Some of that will come out faster than that. I think for the seats, some of the new stuff that we've seen that were announced during the past two years is actually going to be flying sooner. It wasn't necessarily the first time we've seen it, though, because there were press releases, but it's the first time we've seen it in the flesh, if you will, real physical stuff.

I would say, from a funky, interesting, weird thing, there's two I would talk about. One is the IGLU which is actually the acronym, I-G-L-U, not the double O that I would have expected. It was a product from Collins Aerospace, and it's part of their galley design for a rear galley on an A350. That's a huge, lot of cabinets and trolleys and whatnot, and it's got lavatories built into it as well. It's an entire unit that just gets loaded on and stuck in the tail cone before, I think before the plane gets altogether. If not, it's after, but it's still a giant piece that goes there.

The idea in this particular instance is that after the meal service, the crew retreats back into the galley to relax and do cleanup, or whatever else it is. Often, passengers go back there and schmooze, stretch, do yoga, whatever it is, and get in the way, quite frankly. They're trying to come up with ways to keep the passengers out, but also keeping it friendly. What this IGLU has as an option is basically, a slide-out snack bar. During taxi takeoff and landing, it's flush in the wall. You wouldn't even know it was there. At the right time, flight attendant pushes a little button and it releases and it slides like a quarter trolley, slides across and the top piece slides down to become a table, or a tray, and it covers 75% of the space.

A flight attendant can sneak by if they need to, but a passenger knows not to come through. It's at the right height that trolleys can still pass under it. The flight attendant on the outside, the flight attendant on the inside, they can send stuff back and forth for each other. It's got shelves

of snacks. It's got a little cooler in it for some sodas and things like that. It was one of those, you have to use every cubic inch of space on a plane as absolutely as efficiently as possible to get the right value.

I just thought this was a neat way of doing that. It's still very much in development. It's not certified. This is definitely a several years away, if ever kind of concept. It was funky, cool, and I enjoy those things.

[00:17:58] JR: Yeah. It was one of those things where they weren't showing us. We were in their booth. They were showing us around. They were showing us their seats and other things. There was this thing off to the side that they weren't showing us. We said, "Hey, what's this? Let's start playing with them." Often, ends up being a lot like that, where the company isn't showing us something specific, but we see something shiny and we want to go play with, and it actually turns out to be really cool, the thing we wish they had showed us.

[00:18:21] SM: Yeah. I will say two other things. One, it's easy enough to use that I was able to pull it out without breaking it for myself. Really designed to be a super smooth mechanism.

[00:18:32] IP: That's an important test.

[00:18:33] SM: Yeah. I did it twice and I'd like to test it, because I want to make a little video of it and I did it the first time. It was like, not bad, but you want to stay a little more upright. If you tweak it too much, you'll actually rip it off the hinges. I was like, "Right. Yeah, that'll be a terrible thing to do before your show opens. I'm very sorry." The second time I did it was much better.

The other thing about it, I mentioned it has a place for refrigerated drinks. The system that it uses to do that cooling is not a traditional refrigerator. I forgot the exact words now, but it's an electric plate that uses some special reaction, rather than compressing refrigerant and whatnot like a traditional refrigerator does. It's much quieter. It uses a lot less power, and it doesn't use the chemicals like Freon, or whatever the thing that we stopped using in the 80s or whatever. Freon replacements that are also still generally terrible. That was another interesting, neat thing about it. You can make it much smaller, quieter, in this little galley insert, or if you have a

premium cabin dedicated mini-cooler of drinks and whatnot, some first-class suites have had over recent times. That was another thing.

[00:19:42] IP: It reminds me of the opposite of the cookie maker that was shown off a few years ago.

[00:19:47] SM: The cookie warmer. It's the exact same thing. I think, you just switch the positive and negative on the circuit and it just cools, instead of heats. Not actually true, but basically.

[00:19:55] IP: Yeah. Ideas there.

[00:19:56] SM: Would be pretty cool if that was just you flipped the circuit, flip the polarity and all of a sudden it switches everything around.

[00:20:02] IP: Turn it around. It'll be fine. There's the idea for the galley system to welcome passengers, but also, tell them to go away.

[00:20:12] JR: It's equally important.

[00:20:13] IP: Yeah, it absolutely is. What else have you seen so far that you're thinking, okay, yeah, that's both cool and a good idea. Because I know AIX is famous –

[00:20:24] SM: Good idea. Yeah, the next thing we had was definitely not a good idea, so I'm not sure.

[00:20:28] IP: Oh, okay.

[00:20:29] JR: Well, it's a good idea if you want to offer as many seats onboard an aircraft as cheaply as engineering techniques of the modern age will let you do.

[00:20:38] IP: Okay. Coming to a Ryanair aircraft near you.

[00:20:41] JR: No. This is sub-Ryanair. I honestly don't know what airline would carry this particular seat.

[00:20:47] IP: Are we talking Cebu Pacific here?

[00:20:51] JR: Maybe. Cebu Pacific Express. I don't know if that even exists, but Gavin – It's not Gavin. I'm sorry. It's a –

[00:20:59] SM: Avioninteriors.

[00:21:00] JR: Avioninteriors. Thank you. They are famous for being the company that offered, or at least displayed the SkyRider seat, which is basically a rollercoaster type straddle seat, which was never a real thing that was ever going to come to market, but it always made headlines. They've pivoted towards more realistic, but still, I'm not going to say horrifying. But when you look at it, it's horrifying. Basically, it's the absolute bare minimum metal frame of a seat with what you could generously call a fabric tarp stretched over it. That's your row of seats.

[00:21:38] IP: It's a camping chair.

[00:21:39] JR: Basically, yeah. There's a metal pad and some very light foam where your headrest would be. If the passenger behind you wants to give you a kick in the back, they can actually do that. The scary thing is that they are actually going down the path of certification. They have already qualified the seat in several aspects. There are many hurdles and steps, years long process of getting these seats certified. They have told us today that they are actually going to try to do that and bring this product to market if a market actually exists for it. I don't know. Seth, what's your take on it?

[00:22:14] SM: It definitely was the seat that made us go into the booth to figure out, hey, what the heck is that?

[00:22:19] JR: Exactly. It drew us into the booth, because nothing else did. I'm not going to say, because nothing else did, but because that was just so bonkers.

[00:22:26] SM: It was bright orange. Everything was drawing us into that booth. That was the one that was like, “Whoa, whoa, whoa. We should go figure out if this is real or not.” I think we're both surprised that the answer is yes. But again, they had the SkyRider and claim that was real, so grain of salt. Yeah, it is definitely an interesting concept. I can't think of an airline that would want it in large part, because it's actually not the lightest seat, because of the structure that they have to build and they do it with metal instead of carbon, which a lot of the newer, lightest seats are coming around with.

[00:22:57] JR: They had a seat on display made out of carbon fiber, and they put it on a scale and it was quite a bit lighter. But this is a hell of a lot cheaper.

[00:23:05] SM: I would say, this would be much cheaper to develop. It's cheaper to buy versus cheaper to operate. There's all those, the calculus that goes into that. They also had a adjustable thing where the seat was a standard two or three across upright normal seat for one direction of flight, a daytime flight. Then the redeye, it could convert to a leg recipe's flipped up, like the news or anything, the sky couch. Also, the backrest pivoted and became – it basically became a reverse herringbone economy class bed. That was a super weird configuration.

[00:23:45] JR: Yeah. It seemed like there was a lot of components involved in that. It was quite bulky. It was visually quite ugly, but the thing itself was pretty innovative and cool. I would be certainly more comfortable in that than the –

[00:24:00] SM: The hammock.

[00:24:01] JR: The hammock thing, or a sky couch of the old days. I don't know if anyone still offers that. It's one of those things where it looks nice on the trade show floor, but I just cannot see any airline adopting it.

[00:24:12] IP: Well, yeah. I mean, isn't that one of the biggest concerns with all of these things, or I guess, is that you have for every one decent idea that will probably make it onto at least one airline at some point, you have all of these other ideas where they're like, “Well, let's just do this and see what happens.”

[00:24:33] JR: That's fine. That's how it's supposed to be. Throw things at the wall, not at us at the show, but throw things out there and see what sticks, because you never know.

[00:24:40] SM: Sometimes I think that there should be a little more talk to potential customers along the way, and is this even a thing anybody wants? Yeah. I mean, if you build it, they will come.

[00:24:50] IP: I hope they don't. For how you've described it, I certainly hope they don't come.

[00:24:55] JR: I'm sure the US military might be interested for its C-130s, but beyond that, I hope not.

[00:25:01] IP: Fair enough. Is there anything else from the show so far that we should talk about?

[00:25:05] JR: In my opinion, a lot of it is in the weeds. It's entertainment systems and Wi-Fi connectivity that we mainly focus on. Screens will get brighter and they'll get crisper and you'll still fly SAS and there will be four movies to pick anyway. I don't know. That's coming down the future. The technology behind it is very cool. It's still a couple of years away. Hopefully, they can deliver as they say they will, but it's not something that's going to make you say, "Wow, I want to book a flight." Because this was the newer, brighter screen. There are some other things like we got – This isn't new to the show, but Finnair's new couch-ish seat was actually on display in two different places on the show. I got to sit in that. I'll reserve judgment until I can actually maybe one day fly it on a long-haul flight. In the 2 minutes I was sitting in, it was quite comfy. Other than that, I think those were the few headlining items in my book.

[00:25:56] SM: Yeah. I mean, if you want to talk about weeds, I would say the IFE company that was talking about using artificial intelligence processing body compute power on the screens, because the head end didn't have enough. If you weren't actually watching something, they would steal the processing power from your screen to help calculate what other people should be watching.

[00:26:17] JR: Wow.

[00:26:17] IP: That sounds like a serious solution in search of a problem.

[00:26:22] JR: It's something that the general audience of this show will not be interested in. But there were other things.

[00:26:27] SM: Anyone will be. I was.

[00:26:30] JR: That too. Things like you wouldn't think about it, but this is the show where airlines go to pick out what coverings do I want on my seat? Do I want leather? Do I want e-leather? Do I want something from another company that's not e-leather? There's one company in particular says, you can help me recall the name. I think it's Tapis?

[00:26:48] SM: Tapis. T-I-P-I-S. Not A.

[00:26:50] JR: Tapis, not Tapas.

[00:26:52] SM: Like your Spanish dinner.

[00:26:53] JR: You can pick a small plate of seats. Basically, the company claims to have a seat that leads, to I'm just going to say, reduced slumpiness onboard the aircraft with their particular seats. I think, this is not something anyone wants to talk about, but we've all experienced on a hot aircraft with a broken APU in the dead of summer, where the fake leather onboard the aircraft seats is just a little – it doesn't breathe and you get sweaty and disgusting. They say, their new version reduces sweatiness by some degree.

[00:27:22] SM: Yeah. The old version even was better and then the new version is better-better. It's lighter, is the main difference.

[00:27:28] JR: These are the things we think about at this show.

[00:27:31] IP: Last question about the show. Has there been any conversation, how much are people talking about supply chain issues and actually getting these things built?

[00:27:40] JR: We've asked that question, actually, to multiple companies. At least on the electronics side, they all agreed that it was a real serious issue. A while back, they couldn't get anything. They were asking for a part and they wouldn't get a date. Then they'd say, "Oh, it'll come in 12 months." Then it was nine months and then 15 months. It seems to be, fingers crossed, getting better to the point where they can reliably get a quote on a date for when a thing will be delivered, so they can put it in their own thing and then they can deliver that thing to the airline.

[00:28:09] SM: Yeah. I think the answer we got is the lead times are at least now being provided as opposed to shrug, who knows, maybe. The suppliers are much more confident on the lead times. Many of those lead times are still long, and so it's not clear that they have actually hit them, but they're confident that they will, but they're still much longer than they were. 90-day things are closer to nine months now. At least, they think it's nine months, not 15, or 18, or who knows if we'll ever have those things again.

[00:28:41] IP: Estimates and not guesstimates anymore. Well, that's, I mean, moving in the right direction, I guess.

[00:28:46] SM: Yes. We are moving in the right direction, but we are by no means out of the woods yet. They're cautiously optimistic that Q3, Q4, the pace of improvement of the situation will pick up again. In many ways depends on if China has another COVID spike, among various other things.

[00:29:04] IP: Right, right. Let's move on from the show and talk about some of the things that have happened throughout the week since we last recorded. The big news today is as far as celebratory activities go, was this is Wednesday, June 15th. The Airbus A321XLR, the full leather suite had its first flight today.

[00:29:28] JR: Right here in Hamburg.

[00:29:30] IP: Yeah. Took off from Hamburg and spent about four and a half, nearly 5 hours in the air. Came back around and landed completing its first flight. This is the A321 variant that will

have, among other things, a 4,700-mile nautical range, so says Airbus. That will allow it to connect all manner of cities, including things like Sydney and Tokyo, to name one route that has been top of mind, at least as far as the marketing goes.

[00:30:01] SM: Yeah, Rome to New York City, or Rome to Delhi, or New York City to Rome, and Paris to Delhi, I think are the two city pairs painted on the sides of it. There's some examples.

[00:30:10] IP: Yes. A more range than the A321LR that's already in service. That range will come from an additional fuel tank in the fuselage. How that fuel tank actually gets into the fuselage and what ends up being certified by EASA and the FAA, among others, is still subject to some questions. Recently EASA said, "Well, you've got an issue here with the fire proofing, because you're going to have passengers sitting on top of a fuel tank. We want to make sure that if there's a fire, it doesn't spread, or at least spreads as slowly as possible into the cabin." They're still working that out. An important milestone today with the first flight taking place and a successful one at that.

[00:30:58] JR: That's good. That's good. Didn't fly over the conference center or anything. It went up the other way, of course. Nice to be at least in the city. I wish we would have had an invite from Airbus, since we would have only had to take the 67 ferry up, I think, in order to go see it. Congratulations to them, nonetheless.

[00:31:15] IP: Jason is not bitter, or jealous at all.

[00:31:18] JR: No. But, but I did take that same ferry out for a joyride earlier and I got to see in the distance a Beluga XL for the first time, and it is big.

[00:31:26] IP: It is big. It is absolutely a massive, weird-looking aircraft. Let's stick with Airbus aircraft. Nothing to do with Airbus itself, but an airline that exclusively flies Airbus aircraft, which is Wizz Air. This was the end of the week last week when a video came out of Wizz Air's CEO. This was a video recording of a, I guess, webinar, or a presentation that the CEO is giving to all Wizz Air staff, or a speech he was giving to all Wizz Air staff. The long and the short of it is that the CEO of Wizz Air said, "We are all tired. We are all fatigued. Sometimes you have to," he said, "Take the extra mile."

The Wizz Air staff, understandably, I think, and the pilots especially, had issue with the CEO saying that if they're fatigued, they should take the extra mile, meaning you shouldn't say you're fatigued, you should just keep working.

[00:32:27] JR: Not good.

[00:32:29] IP: Not good.

[00:32:30] SM: Very bad. Very bad.

[00:32:32] JR: If a pilot is fatigued, and they are actually fatigued and they are knowingly fatigued, they should not be flying, because that is not safe. I can't believe we have to reiterate that in 2022. Damn, is that an irresponsible statement.

[00:32:46] SM: Given the also, the slightly broken language on take the extra mile, I do wonder if part of that is a weird translation problem.

[00:32:55] IP: He was speaking in English, but in his mind. Yeah, yeah, yeah.

[00:33:00] SM: Yeah. But, that said, still a terrible message to send.

[00:33:04] IP: I read a quote first before I watched the actual video, thinking the same thing that Seth is thinking, that maybe what he meant was not bad in the sense, but it actually gets worse, or contextualizes into the worst possible meaning when you listen to his full – that whole section of what he was talking about. Because he basically says, look, we can't run an airline if you people keep saying you're tired and can't fly.

[00:33:34] JR: That's not good.

[00:33:35] SM: Yeah. I mean, the one response I got when I shared it online earlier last week was, it's one thing to say you're tired, fine. It's another thing when 20% of your pilots are

routinely reporting themselves as fatigued. That's a management and scheduling problem, not a staff problem.

[00:33:50] JR: I also don't like that he mentioned like, "Yeah, this is causing us financial hardship, because anytime we cancel the flight, we have to pay out EU261 comp." That's not their problem. That's your problem as the CEO of the airline to figure that out and make that not happen by scheduling crew and flights in a manner that can actually be conducted.

[00:34:10] SM: Staffing appropriately.

[00:34:11] IP: We've talked about staffing issues, and that's just one of many examples of staffing issues. To place the onus on fatigued pilots to keep working, or be less fatigued, like sleep better, I'm not even sure what you would ask of them, but that's exactly what he did. Asked them to sleep better, I guess.

[00:34:32] JR: Okay.

[00:34:33] IP: I don't know. Let's move on to, this is really something completely different. I did not hear about this, or see this coming. I am thoroughly surprised. This is one of those things where we talked about, or we talk about it. I really hope it happens, but I don't have a gauge, because it's so out of left field. I don't have a gauge to believe how true this could become in a few years' time.

Hybrid Air Vehicles, which is the maker of the Airlander. We talked about the Airlander a few years ago now, when they first doing – Yes, when we were doing flight tests and that thing happened. Air Nostrum Group has placed –

[00:35:18] JR: No.

[00:35:19] IP: No, no, no. They're placing an aircraft reservation agreement.

[00:35:24] JR: That's a new one.

[00:35:25] IP: Yes, I particularly enjoy that. They are placing an order, or a reservation agreement for 10 Airlander 10s, which are 100-seat Airlanders. Those will be used across Spain in their initial operations. Then, I guess, if things all work out, across a variety of regional locations. These aircraft will be delivered, or scheduled for delivery from 2026 onwards.

[00:35:56] SM: Did any money change hands?

[00:35:59] IP: Yes, to begin operations as the launch airline. The reservation agreement follows six months of rigorous studies and modeling carried out by the Air Nostrum Group and HAV, which is the maker of the Airlander to look at Spanish domestic aviation and the associated economics. The announcement put out by both sides, helpfully, or to Seth's question, unhelpfully, does not include a purchase price down payment, or anything of the sort. We're going to classify this as a boom lite order, I guess.

[00:36:40] JR: Why Air Nostrum? Why this airline? Don't they operate CRJ-1000s for Iberia, or at least they used to? Do they still do that?

[00:36:49] IP: Yup, but this is the largest Spanish regional airline. They have done a rigorous – Jason, I can read the press release to you again. They've done a rigorous analysis over the past six months.

[00:37:02] JR: I only learned about this as we were talking about the last segment. I tried not to laugh when I clicked on the thing. I said, what is this? I don't know what this is, and then a picture of a blimp showed up.

[00:37:12] IP: Sometimes I like to put things in the podcast just to see what happens.

[00:37:16] JR: I laughed that I was on mute, thankfully, so nobody heard that. I mean, on the one hand, this is ridiculous. I don't know if I'm connecting in Madrid on my flight to Hamburg, if a blimp is going to be waiting for me. How does this work in the air system?

[00:37:30] IP: Yeah, these are going to be domestic Spanish.

[00:37:33] JR: On the other hand, I don't want to laugh, because it's an electric aircraft. It helps reduce emissions. On the other hand, I want to laugh at it, because to look at this thing.

[00:37:43] IP: Well, setting aside the aesthetics of the aircraft.

[00:37:46] SM: Aren't they also much slower, which –

[00:37:48] JR: It has to be.

[00:37:49] SM: It's all relative. I guess, for regional relatively short hops around Spain, if you're subject to a separate air traffic control rules, because you're at lower altitude and not allow jet engine and blah, blah, blah, maybe you can be a little more efficient and shave some time off the operations that way. At some level, Spain's train network is actually not terrible.

[00:38:16] JR: That would say it's better than not terrible.

[00:38:17] SM: Yeah. Well, if not all the cities are necessary connected. But yeah, couldn't they actually get better value of like, as a – I'm going to say, Air Nostrum is not going to build trains, so why it's a big train Nostrum. It just seems like a weird place to be investing in this thing that I don't know, is it going to be an efficient thing for passengers to get from place to place?

[00:38:40] IP: That is not addressed.

[00:38:42] SM: Well, it is. They have done rigorous studies and modeling for six months. I understand. Those are the question that I would like to read.

[00:38:49] IP: Okay. Yes. Let me say that there is no description, or write-up of what came out of that rigorous modeling. They just did the rigorous modeling.

[00:38:57] SM: The outcome of it is they placed a not order thingy reservation for –

[00:39:03] IP: Yes, they have placed a reservation.

[00:39:05] SM: Are they going to get Seinfeld? Like, you took the reservation, you didn't keep the reservation.

[00:39:10] IP: Yeah, exactly.

[00:39:11] JR: Somehow, I don't think the company building the aircraft will be the ones to back out of this particular deal.

[00:39:16] IP: No.

[00:39:17] SM: I mean, unless they can't build them.

[00:39:19] JR: They can build them. We've seen it. Sometimes a tree gets in the way and it gets stuck like a kite.

[00:39:24] IP: Well, let's hope that doesn't happen again. Let's talk about something that's not funny at all and is pretty incredible. This is the agreement for Piedmont pilots, who are regional pilots operating aircraft. If you were buying a ticket, it would be an American Airlines ticket. Those first officers, so a starting first officer is now going to make \$90 an hour.

[00:39:50] SM: For two years.

[00:39:51] IP: For two years. This is a big jump in pay.

[00:39:55] JR: It's not just Piedmont. It's also envoy. I think, PSA as well, all the American subsidiaries.

[00:40:01] IP: The American holding on subsidiaries will be moving up to this. I mean, this is, of course, the pilot's reaction to this was, see, it's not a pilot shortage, it's a pay shortage. It'll be really interesting to see how well this particular contract does in attracting pilots and what incentives this brings along for other airlines.

[00:40:21] JR: Yeah, I talked about this a bit earlier with Seth, actually. I know you had a particular opinion on this, but what was your take?

[00:40:28] SM: I don't know. Actually, we talked about this a little bit on my podcast Dots, Lines and Destinations, last week. I mean, I'm very happy that they're getting paid. It was the news came out right as we were starting to record, so we didn't have all the details. I'm very happy that they're getting paid. It's only for a couple of years, and then when it drops back down, it's still going to be good pay when it drops back down. There's a couple of concerns I have. One is, it still takes a long time to get people through the pipeline and to get to become a pilot. At least, if you know that you can pay off the loans when you're done, or you're likely to be able to get the job done, that is a better position to be in.

The other thing that I get worried about is we have seen with regional carriers in the past, they raise their salaries and costs, essentially, to continue to meet their capacity purchase agreements with their mainline carriers, and then are too expensive to operate and lose the next round of contracts and are shut down. That happened with ExpressJet. They were a very senior-heavy pilot bases and things like that and were relatively well paid and then lost the United contract CommutAir, because CommutAir was able to undercut them on price.

Eventually, this Omaha running, but it's a much, much, much, much, much, much smaller operation. Obviously, this is American agreeing that its subsidiary should all have this pay scale and do it, which implies that American recognizes this is the cost of doing business, and maybe will support it going forward. I cannot help but be a tiny bit worried in that context.

[00:42:05] IP: That's interesting that you bring up ExpressJet, because that's exactly what's next on the list.

[00:42:12] SM: What?

[00:42:12] IP: Jason, this is one that you flagged. ExpressJet used to fly for United. Then, as Seth mentioned, lost that contract. But United still owned a big chunk of the company. It no longer does. Jason, tell me more about that.

[00:42:29] JR: That's about all we know, actually.

[00:42:32] SM: Ah.

[00:42:33] JR: Yeah. ExpressJet's been this unwanted stepchild for United that I think they told David Slotnick, I think, a couple of years ago, the CEO said, "If you know anyone that wants ExpressJet, tell them to give me a call."

[00:42:47] SM: It was just last fall. Yes.

[00:42:49] JR: Yes. Oh, God. It was that recent. Yes, somebody picked up the phone, and must have called Scott Kirby. He picked up the call and said, "Here, take it."

[00:42:58] SM: Yes. We don't have any money actually changed hands, right?

[00:43:00] JR: Exactly. We have no details other than that the, I guess, Manaair LCC company that held ExpressJets has been divested from United, but we don't know to who, or for how much. It's really strange.

[00:43:15] SM: You'd think that that's the thing that eventually will have to be reported as a material event in one of the FCC filings. I'd like to think that we'd get some more detail, or it'll certainly be asked about during the next earnings call, if it's not.

[00:43:27] IP: Hey, what happened to that 49.9% of an entire airline that you owned? What airline? Yeah, it'll be interesting to see who now controls that and what they do with it. Because like you said, they have AHA.

[00:43:42] JR: Yeah. They have AHA, so they do have a functioning airline I hear, out here in the West. I don't honestly know anyone that's flown it. Maybe Jeremy, maybe we can give him his punch card back and tell him how his AHA experience was. Let's see if he actually hears that and reaches out. A very strange saga for this. If you know where ExpressJet is currently owned, reach out. Let us know.

[00:44:07] IP: By all means, send us an email, podcast@fr24.com. Subject line, I now own ExpressJet.

[00:44:15] JR: Congratulations.

[00:44:15] IP: There you go. Today was the 15th of June, was a rocky morning. All three of us being in Europe this week, it was interesting to have newsbreak. We still managed to record after this happened, but we woke up this morning and Switzerland had shut down for a while. Their air traffic control system had a hardware failure and for a good few hours, no flights were able to operate to or from Zurich and Geneva, or through their airspace. There was a good bit of flying that normally passes through Switzerland that was going around Switzerland today. That resolved itself within a few hours.

Then, almost as soon as the Swiss situation had resolved itself, Prague suffered an outage as well. They managed to be able to still land aircraft, but they couldn't let any depart. Extremely unhelpful.

[00:45:13] JR: Interesting timing on that.

[00:45:16] IP: Truly unhelpful with everything that's been going on. Dealing with regular operations has been a difficult task. Dealing with an entire country's air traffic control system being shut down for even just a few hours, not great. They seem to be back up and running.

[00:45:32] JR: Yeah. Some lengthy meetings will be held tomorrow morning, I'm sure.

[00:45:36] IP: If they have not been already. Let's stay in Europe and then we'll close out with an update on the story that we've been following. Last week, we talked about the Swedish government's take on SAS. They said, "We will support shuffling the debt structure. We will deal with that and support SAS in their efforts with SAS forward. But, we are not going to give you any fresh cash."

This week, the Danish government said, "You know what? We will give you fresh cash." The Danish government said, "Yes, we support the SAS forward. Restructuring as far as the debt

load goes. We are also thinking about giving you guys more equity and we're going to up our stake in the airline, eventually.”

Not even an about-face, but just a completely different take on the situation from the Danish government, versus what the Swedish government has said. Interesting for a few reasons, most of which, have to do with the fact that SAS has over the past few years, especially really built up its hub in Copenhagen. The Danish government has, if not more financial investment, which is also true, but also more of the flag carrier stability riding on SAS, continuing to be an airline that operates and carries people.

[00:46:59] JR: It really is the new Alitalia, but with a multi-country twist.

[00:47:04] IP: Yes. Yes, that's exactly what it is.

[00:47:06] JR: They need money. They need it from a government, but they have multiple governments to go begging to. That's a nice benefit. Alitalia only had one.

[00:47:15] IP: Yeah. You just see the Norwegian sitting over in the corner going, “Ha, ha. We were done with you a long time ago.”

[00:47:20] JR: Yeah, we got Norse now.

[00:47:22] SM: Hey, that's private.

[00:47:24] IP: For now. Norse will stay in Scandinavia. Norse began flights yesterday.

[00:47:29] JR: With the traditional two-hour delay.

[00:47:32] IP: With the traditional two-hour delay, they flew Oslo to JFK and then back.

[00:47:37] JR: In the middle of the night. They left JFK at 2 a.m.

[00:47:40] IP: I mean, who hasn't left JFK at 2 a.m., really?

[00:47:42] JR: I've been there, only when flying Norwegian.

[00:47:44] SM: I'd say, the one time I flew overnight from JFK on Norwegian, I did.

[00:47:50] JR: The more things change, the more [inaudible 00:47:52]. Congratulations to them. In all seriousness, I know we've talked about this before. I am all for Norse doing what Norwegian did, offering low-cost, long-haul. I don't know how they're doing it at the prices they're offering, or how long they can do it for. I'm excited to have the chaos that is Norse/Norwegian, whatever, back in play. Man, did that look like they had an awful experience, landing in Oslo. Way overshadows anything we had. I think, they had a two-plus hour wait to get into the country.

[00:48:24] IP: Yeah, not great.

[00:48:26] JR: Which is not an indictment of Norse at all. That's out of their control. Or maybe it is. Maybe if they landed on time, Border Patrol would have been there on staff, when they were supposed to be there.

[00:48:35] IP: Yeah. That one, I don't know. Good for Norse. Here's hoping that they find great success.

[00:48:40] JR: The positive is they watched using their own aircraft, unlike Norwegian, which went years with least, whatever.

[00:48:48] IP: Let's turn our attention to, well, kind of still in Scandinavia, but not for long. Because South African airline CemAir is taking CRJs from SAS.

[00:49:00] JR: Two, according to the article I read, that which is somehow a significant bump in the overall number of aircraft operating, still operating in South Africa. I mention this, because maybe I tweeted about it. Maybe we didn't even talk about this, but there are not all that many airlines left operating domestically in South Africa. They think I neglected to mention CemAir,

and exclusively a CRJ operator 200s and 900s, I think. Somehow taking two aircraft is appreciable difference in that country right now.

[00:49:30] IP: Every little bit helps. Let's close the show with a update to a story that we've been following over the past few months, and one that had some big developments last week. This development is, I would classify as minor, because we didn't think it wouldn't happen. The judge that is currently dealing with motions in the case for the US Department of Justice filing suit against American Airlines and JetBlue's Northeast Alliance. The judge has said that the suit can in fact move forward. They've set a trial date for September. JetBlue and Americans say, "We're looking forward to proving our case in court in September." The Department of Justice is looking forward to saying, "No, you guys can't do this." It'll be interesting, given the timing of Spirit's reconsideration of JetBlue's newest, or latest offer. This trial taking place in September, how those all come together and in what shape and form?

[00:50:37] SM: I can't wait.

[00:50:40] IP: Seth, I know this is the stuff you live for.

[00:50:42] SM: I actually do, so you know.

[00:50:44] IP: I know. That was an honest **[inaudible 00:50:46]**.

[00:50:47] JR: I should have some more insight to that. I know, you're probably more in tune with what's happening here than the both of us combined, but that's all you got for us?

[00:50:52] SM: Yeah. Unfortunately, I haven't had the time the last couple of –

[00:50:55] IP: You've had a busy week.

[00:50:56] SM: Following the filings. I am not at all surprised that it's going to move forward. It would have had to be in a – to get dismissed at this stage is very difficult. Basically, the judge would have had to believe that there is a negative chance of a case of any success. If there's

even the slimmest chance of it going to the next steps, the judge will have to let it go forward at this point.

Not surprised that it's going to go forward to trial. I think, the interesting part is that it has been for some time is that American and JetBlue have taken a hardline stance with respect to should we negotiate with the DOJ or not? Rather than saying, we're discussing the situation, we're working at, or trying to come to amicable resolution, have said, "We look forward to our day in court." And they have for months.

[00:51:44] IP: That's exactly what they've said yet again, given the ruling. I think, they've got their boiler put language and now they're just waiting to see what the judge says after the trial in September.

[00:51:53] SM: I will be popping extra big bags of popcorn on September 1.

[00:51:56] IP: Excellent. Well, Jason and Seth, thanks for taking time after your busy day at AIX. How many more days are you there? Is it one more day for the show?

[00:52:07] JR: One more.

[00:52:08] IP: Okay. Whatever we don't hear about this week, we'll hopefully hear about next week. Jason will fill us in on anything that comes out. I'm in Stockholm for a few more days. It's just been a week of meeting fresh faces and sitting in meetings. Fortunately, that's been punctuated by lots of good food, and I'm actually here when the sun is out. It's a little after 10 p.m. and it looks like the sun is just gone down. I'm enjoying that. Seth, thanks as always for joining us. I will let you gentlemen get on with your evenings.

This has been episode 168 of AvTalk. I am Ian Petchenik, here, as always with –

[00:52:48] JR: Jason Rabinowitz. And here this week with Seth Miller. Seth, thanks for joining us, and where can we find you?

[00:52:54] SM: Hamburg. I told you, I'm three floors below you in the hotel.

[00:52:56] JR: Right, right, right, right. But where can I find you digitally?

[00:53:01] SM: Paxex.aero. P-A-X-E-X.-A-E-R-O is my website. I almost forgot, we have to give a quick shout out to Haley, who we met at the show. I cannot believe we almost let the episode end without it. Haley stopped us as we were walking the show floor to let us know that she was a big fan of the podcast, and was happy to meet Jason.

[00:53:21] JR: Yes. Sorry, I had to go at that exact moment, but I will come back by the booth tomorrow to say hi, which by then you'll hear this podcast sometime next week, probably. But I will already have come back to say hello and sorry about that.

[00:53:34] SM: I'm also on Twitter @wanprme. How's that for a terrible ending?

[00:53:39] IP: There it is. Haley, thank you so much for listening. Everyone else, thank you so much for listening. If you see anything from AIX that you think is interesting, send us an email at podcast@fr24.com, and we'll be sure to talk about that next week when we do a full recap of all of the show. Seth, thanks again so much for joining us. Thank you all so very much for listening. Bye-bye.

[END]