Travel Industry Update
May 7, 2020

**American Airlines resuming nonstop flight from Dallas (DFW) to Madrid, Spain**

- American Airlines is resuming flights to continental Europe for the first time since the coronavirus shut down, by launching daily nonstop service from DFW Airport to Madrid.
- The daily service will begin today.
- Return trips from Madrid to Dallas will begin Saturday.
- American Airlines has maintained a daily flight from Dallas to London but has canceled most other international flights during the COVID-19 pandemic.

**JetBlue losses worse than expected**

- JetBlue lost an adjusted $116 million excluding special items, compared to a $51 million profit a year earlier.
- JetBlue president Joanna Geraghty says the company believes they reached rock bottom as far as demand in mid-April but believes very limited demand will continue in the short-term and possibly into the medium-term.

**Spirit Airlines**

- Spirit reported an adjusted loss of $58.9 million for its first quarter
- Spirit announced it will offer 12 million shares at an as-yet-undetermined price, and $150 million in debt to raise cash to weather the crisis. It also has reached an agreement to increase a credit line by $30 million by May 18.

**Air France-KLM report losses of $1.9 billion; outlook is grim**

- Air France-KLM lost $1.9 billion in the first quarter, mostly just in a few weeks in March as travel restrictions grounded planes worldwide
- The airline says it will take several years to recover
- KLM-Air France forecasts that the second quarter will be far worse, with capacity estimated to be 95% less than normal.
- Air France-KLM predicted a slow resumption of activity over the summer, but estimated it would still be down 80% in the third quarter compared to previous years.

**Alitalia getting another $3 billion from the government of Italy**

- Alitalia is being nationalized following 11 years of difficult private management and three failed restructuring attempts
- COVID-19 has made the airline’s problems worse
• Under state control, the carrier “will focus strongly on long-haul routes, also with new transatlantic alliances,” Industry Minister Stefano Patuanelli said speaking at the Italian Senate.
• “The government’s intention is not to make yet another bailout. We aim to relaunch the flag carrier,” Patuanelli said.
• The government will do its best to protect current job levels at the airline, which currently employs 11,132 people

**British Airways reports losses; hopes to resume flights in July**

• British Airways parent company IAG recorded a $1.8 billion (£1.5 billion) loss in the first three months of the year, as widespread travel restrictions caused by coronavirus prompted the group to slash 94% of its flights.
• The company expects it to take three years for passenger levels to return to pre-pandemic levels
• While the airline hopes to resume flights in July, it’s ability to do so depends on travel restrictions being lifted

**Korean Air to resume flights in June**

• Korean Air plans to resume flights on 19 international routes on June 1
• Korean Air Lines Co. is South Korea’s biggest carrier by sales volume
• The reopening routes include Washington, D.C., Seattle, Vancouver, Toronto, Frankfurt, Singapore, Beijing and Kuala Lumpur.

**TSA expected to require airport screeners to wear masks**

• The announcement is expected today
• The move comes as a government and industry working group begins considering a broader requirement that everyone entering an airport, including all employees and passengers, must also cover their faces, two people familiar with the discussions said.
• More than 500 TSA screeners have tested positive for Covid-19, including six who died, according to the agency’s website. The agency for months had left mask use voluntary.

**International Air Transport Association (IATA) opposes the blocking of middle seats on airplanes**

• “Evidence suggests that the risk of transmission on board aircraft is low,” the trade group said in a statement. “Mask-wearing by passengers and crew will reduce the already low risk, while avoiding the dramatic cost increases to air travel that onboard social distancing measures would bring.”
• IATA will oppose any government proposals to require airlines to keep middle seats empty during the COVID-19 pandemic.
• Along with mask requirements, IATA recommended several other temporary health safety measures, including:
  • Temperature screening of passengers, airport workers and travelers.
- Boarding and deplaning processes that reduce contact with other passengers or crew.

- Limiting movement within the cabin during flight.

- More frequent and deeper cabin cleaning.

- Simplified catering procedures that lower crew movement and interaction with passengers.

- The trade group said the average fare for North American flights in 2019 was $202, which made the average break-even load factor 75%. If maximum load factors were reduced via a mandate on blocking middle seats, average tickets prices would have to increase to $289 to reach the break-even level.

**Union representing casino and hospitality workers wants strict health and sanitation guidelines before casinos re-open**

- Unite Here, the union representing gaming and hospitality workers, wants to ensure the health of its members, their families and casino guests when the gaming facilities reopen.

- After consulting with health-care professionals and industrial hygienists and incorporating guidance from CDC, Unite Here has issued comprehensive health and sanitation guidelines with several principles in mind:
  - Prevention: All workers should be tested for COVID-19, as well as for antibodies when those tests are available, and both workers and guests should be screened with temperature checks upon entry to the casinos.
  - Protection: Personal protective equipment should be made widely available to both workers and guests, and distancing measures must be established and enforced.
  - Enhanced cleaning: Cleaning protocols that adhere to the standards of the CDC must be established and mandated. "We have to live up to CDC standards, not some standards somebody else wrote," said Taylor. "And it needs to happen in public areas, in guest rooms, in the kitchens -- top to bottom. And workers have to be given enough time to do the enhanced cleaning, and their training should be mandatory."
  - Implementation and enforcement: Detailed protocols that are unique to each venue must be established, with clear lines of authority, accountability and monitoring. Joint labor-management health and safety committees should be created. "We can't rely on some governments, agencies and companies that may only give lip service about the care for workers and guests," said Taylor. "These protocols must be enforced.

- Full guidelines available [here](#).

**Hyatt announced first quarter loss**

- Hyatt lost $103 million in the first quarter of this year.
- A year earlier, it posted a profit of $65 million.
• Total revenue for the March quarter fell to $993 million from $1.24 billion a year earlier. Hyatt in April projected $980 million to $1 billion, while analysts expected $954.8 million.

Cruise Lines

• **Princess Cruises and Holland America have cancelled all cruises into the Fall**
• Both lines canceled all remaining cruises in Europe, Alaska and the New England and Canada region for the rest of the year, and Princess also canceled all Caribbean sailings through Nov. 4

Germany separates exhibitions from mass gatherings

• Germany’s national government and the 16 Länder states have agreed that ‘Messen’ (exhibitions) are now on the list of activities that are explicitly listed as possible, rather than being classed as ‘Grossveranstaltungen’ (mass gatherings), which remain banned until the end of August.
• The ruling means that tradeshows could run again in principle.
• Following China’s first major exhibition taking place in Hunan Province last week, Germany becomes the second of the world’s three biggest markets for the exhibitions industry to take a big step forward towards reopening of trade fair business.
• Global association of the exhibition industry UFI, which carried the first news of the German authorities’ decision, 6 May, said any decision to give the go ahead for a show will lie with the respective German Länder state, and will depend on clear regulations for health and safety being in place.
• Germany’s AUMA – Association of the German Trade Fair Industry has already presented the country’s policymakers with proposals for such regulations.

New Certificate Program Helps Event Venues Prepare for and Prevent the Spread of Coronavirus

• A new certificate program is available from the Global BioRisk Advisory Council (GBAC), a division of the worldwide cleaning industry association ISSA.
• The GBAC Star program, created by the group’s science advisory board, is designed to teach venue cleaning professionals how to prepare for, respond to and recover from infectious diseases and biohazards.
• The program aims to serve as a third-party validation that accredited facilities are implementing the industry’s highest standards of cleaning for COVID-19 and are safe to welcome guests and hold events.
• In order to be considered a GBAC Star facility, a venue must have at least one staff member complete the GBAC fundamentals certificate course. The online course, which takes two to three hours to complete, covers everything from proper procedures and training to the chemicals, equipment, tools and personal protective equipment that are necessary for preventing and responding to infectious diseases.
• GBAC protocols will be updated regularly.