Travel Industry Update
June 8, 2020

Delta airlines cut service to 11 cities, indefinitely

- The Department of Transportation approved the cuts, scheduled to take effect on July 8, which primarily affect small regional destinations across the US.
- The cuts come as part of Delta's plan to reduce domestic flying by 80% for the second quarter and international flying by 90%.
- The airline is cutting service only to cities with other air carriers to provide service.

American Airlines severance packages for high-level employees

- American Airlines has recently detailed severance packages for high-level employees if they are laid off when the terms of federal aid expire in the fall.
- The severance packages for upper management include around nine months of pay and a little over two years of health-care coverage for at least some of the employees at the director level and above.

United plans to close three overseas flight attendant bases

- United is closing its flight attendant bases in Frankfurt, Tokyo and Hong Kong.
- The closures will be as of October.
- About 840 flight attendants work in the three bases that are closing.
- “This was certainly a very difficult decision to make, and we recognize that closing any base places a hardship on those who live near those locations,” said John Slater, United’s senior vice president of inflight services. “In the current and future environment, we simply are not able to sustain an Inflight Base at these locations.”
- Flight attendants at those locations will be given the chance to transfer to U.S. bases, depending on work eligibility.

Three airlines slam UK mandatory quarantine

- British Airways, EasyJet and Ryanair call the mandatory quarantine ‘unfair’ and ‘disproportionate.’
- U.K. nationals and international passengers traveling into the U.K. from Monday will have to share the address where they will self-isolate for the next 14 days. Failure to do so, or to provide accurate information, could lead to a fine of up to £1,000 ($1,270).
- The measure has sparked some criticism, most vocally from airlines who are worried the quarantine will put people off traveling.
South Korean putting 1 trillion won into Korean Air

- South Korea's financial authorities will provide one trillion won (US$835,704,700) in liquidity to Korean Air Lines by issuing government-guaranteed bonds as early as the end of this month.
- Earlier this year, the airliner received 1.2 trillion won of aid from the state-run Korea Development Bank and the Export-Import Bank of Korea for its financial needs in the first half.
- Korean Air has 3.3 trillion won in debt coming due this year alone, and the amount could swell to four trillion won if investors of its hybrid bonds exercise their rights for early redemption.

Emirates and Etihad Airways extend salary cuts into the Fall

- Emirates and Etihad Airways are extending the period of reduced pay for their staff until September as they try to preserve cash.
- Dubai’s Emirates told employees on Sunday it would extend a three-month wage cut due to end this month until Sept. 30.
- In some cases, pay cuts will also be deepened, with some basic salaries reduced by 50 percent.
- Emirates had previously reduced basic wages by 25 percent to 50 percent for three months from April, with junior employees exempted.
- Abu Dhabi’s Etihad Airways has extended its salary cuts of between 25 percent and 50 percent to September.
- Etihad had originally reduced salaries for April.
- Etihad, last week, laid off some cabin crew.

After months at sea, final cruise ship carrying passengers arrives home

- After a six-month odyssey around the world, during which it was hit by coronavirus and saw the oceans dramatically empty of other vessels, the last cruise liner still carrying passengers has made its final port of call, delivering its eight guests to a world vastly changed.
- The MV Artania cruise ship tied up in the Germany port of Bremerhaven on Monday.
- The ship, which can carry up to 1,200 passengers, set sail on an 140-day world cruise from Hamburg, Germany on December 21, 2019.
- In March, coronavirus caught up with the cruise when 36 passengers tested positive for the virus following a check from Australian health officials when the ship arrived in in Fremantle, Western Australia.
- Those affected were quarantined in local hospitals.
- Three people who were on the ship have since died -- two male passengers, one aged 69 and one aged 71, and one 42-year-old male crew member.
- The Artania’s healthy guests stayed quarantined on the Artania until their repatriation flights at the end of March. Eight passengers decided to travel back home via ocean, rather than via airplane.
- While the journey home to Europe after Artania left Australia on April 18 should’ve taken a few weeks, it was extended by stop offs in Southeast Asia in order to repatriate many of its remaining crew members.
- Around 75 crew members stayed on board until Bremerhaven to help ensure smooth operation of the ship.
Disney World resort hotels re-opening June 22

- Disney Resort hotels will reopen June 22, a few weeks before the reopening of Walt Disney World on July 11.
- The hotels will have new guest requirements and cleaning protocols as a result of the coronavirus pandemic. Full information on both available here.

Las Vegas re-opening

- MGM opening more resorts to meet demand.
- Hotel pools on the Strip are re-opening for guests.
- The challenges of contract tracing in Las Vegas are very difficult to manage.