Travel Industry Update
June 12, 2020

Delta offering early retirement and voluntary separation: announces earnings dive

- Chief Executive Ed Bastian said in a memo to employees that this week "the window opened for the 2020 voluntary departure programs."
- "The last thing we expected this year was to be encouraging people to depart – 2020 was intended to be a year of growth," Bastian said.
- "But it’s clear that the impact of the pandemic will be lengthy, and that Delta will need to be a smaller airline over the next few years" said Bastian.
- The packages include cash severance payments, continued health care benefits, enhanced travel privileges, and career-transition support.
- "We hope to see enough participation in these programs to help us avoid the need for involuntary furloughs later this year," Bastian said.
- On Wednesday, Delta said it expected second-quarter revenue to fall 90% from a year earlier due to the impact of the coronavirus outbreak.

American Airlines warns of revenue slump of 90%

- American Airlines Group Inc. joined Delta Air Lines in forecasting a 90% slump in second-quarter revenue, but said it expects to cut its cash burn rate to about zero by the end of 2020 as travel demand returns.
- American Airlines expects its daily cash burn rate to slow to about $40 million in June, and said it plans to fly 55% of its domestic schedule and nearly 20% of its international schedule in July.
- However, as the duration and severity of the COVID-19 pandemic remain uncertain, the company said it expects its fiscal 2020 results to be materially impacted.

Alaska Airlines to make health questionnaire part of the check-in process

- Starting at the end of the month, a “wellness agreement” will become part of the check-in process at airport kiosks, on Alaska’s app, and on the carrier’s website.
- The carrier will ask travelers if they’re experiencing flu-like symptoms and whether they’ve been in close contact with anyone with respiratory illness. If they have, they would be subject to additional screening and could be required to book another flight, the carrier said.
British Airways, easyJet and Ryanair have launched legal action against UK government's controversial quarantine measures

- A statement from British Airways parent company, IAG, said the airlines would be asking for a judicial review to be heard as soon as possible.
- Describing the rule as "flawed", they said it would have a "devastating effect on British tourism and the wider economy".
- They want the government to instead readopt the policy it introduced on 10 March, which saw passengers from countries deemed at high risk of coronavirus infection being ordered to self-isolate on arrival in the UK.
- A joint statement from the three airlines said: "This would be the most practical and effective solution, and enables civil servants to focus on other, more significant issues arising from the pandemic while bringing the UK in line with much of Europe which is opening its borders mid-June."
- IAG Chief Willie Walsh said the industry was facing its "most difficult challenge", adding that British Airways flew only 485 passenger flights last month. "We did that by lunchtime on 1 May last year," he said.

Lufthansa to offer coronavirus testing at German airports

- Lufthansa plans to offer coronavirus tests at airports in Frankfurt and Munich.
- The tests would be conducted through partnering test centers and be available by early July.

Air France accelerates resumption of summer flight schedules

- Air France announced on Friday it was accelerating moves to resume flights over the summer holiday period, as countries around the world look to slowly reopen their borders and economies in the wake of the coronavirus pandemic.
- Air France said it planned to serve close to 150 destinations, representing 80% of its usual network, with priority given to strengthening its domestic network.

Singapore Airlines and Changi Airport introducing 'one-way transit' system for Australia, NZ travelers

- Singapore Airlines has announced a new 'one-way transit' system which allows passengers traveling out of the two nations to transit through Changi Airport onto any flight operated by the Singapore Airlines group, which includes SilkAir and Scoot.
- The one-way transit channel will allow those who wish to return home from Australia or New Zealand to do so in a COVID-19-safe manner.
- Use of the transit system will be subject to a number of requirements and restrictions, including:
  o Connections must be no longer than 48 hours
  o Customers can only travel on Singapore Airlines, SilkAir or Scoot flights both into and out of Singapore
  o Customers must meet all departing and arriving government requirements and restrictions
The transit system will only operate for north-bound travelers, so people in Aotearoa and Australia can use the Singapore Airlines network to return to their home country.

**TSA screens more than half a million for first time since pandemic hit**

- More than 500,000 people crossed through Transportation Security Administration checkpoints on Thursday, the first time the numbers have climbed above that mark since travel plummeted this spring due to the coronavirus pandemic.
- The 502,209 people TSA reported screening is still well below typical levels -- nearly 19% of the 2.7 million the agency screened on the same Thursday last year.
- The passenger rates have steadily risen since bottoming out at about 3% of last year's traffic -- less than 100,000 daily travelers -- in mid-April.
- Airlines for America, representing the major US carriers, said Thursday that the average departure carries 57 passengers, compared to 50 the group reported Monday and fewer than 20 at the low point.

**Europe to Open External Borders to Tourists Starting July 1**

- The European Commission is recommending the lifting of restrictions on non-essential travel across the European Union’s external borders, beginning July 1. That means that, for the first time in four months, international visitors—not just those inside the EU bloc—will be able to start vacationing in Europe.
- At the outset, travelers from high-risk areas, including the United States, may not be permitted entry. The current expectation is that travelers from low-risk countries will be the first green-lit for entry into Europe, as the COVID-19 infection rate wanes.