Travel Industry Update
June 24, 2020

E.U. May Bar American Travelers as It Reopens Borders, Citing Failures on Virus

- European Union officials are racing to agree on who can visit the bloc as of July 1 based on how countries of origin are faring with new coronavirus cases. Americans, so far, are excluded.
- European nations are currently haggling over two potential lists of acceptable visitors based on how countries are faring with the coronavirus pandemic. Both lists include China, as well as developing nations like Uganda, Cuba and Vietnam. Both also exclude the United States and other countries that were deemed too risky because of the spread of the virus.
- Travelers from the United States and the rest of the world already had been excluded from visiting the European Union — with few exceptions mostly for repatriations or “essential travel” — since mid-March. But a final decision on reopening the borders is expected early next week, before the bloc reopens on July 1.

Delta CEO says airline won’t forcibly remove passengers without masks, calls for federal mandate

- Delta chief executive officer Ed Bastian would like government help in enforcing his airline's mask policy.
- During an interview Monday, June 20, Bastian admitted Delta Air Lines Inc. flight crews will not forcibly remove customers who refuse to wear masks on planes.
- "If you take your mask off, no, we will not forcibly remove you from the plane," Bastian said. "If the government were to mandate it, I think that would help, because if the government mandated it, then you could enforce it."
- "They (the government) have left it to the airlines to make those decisions," Bastian said.

United Airlines expects to raise $3 billion in debt offering

- United Airlines said on Tuesday it plans to raise $3 billion in debt by issuing senior notes, as U.S. airlines beef up liquidity in the wake of the COVID-19 pandemic.
- The senior secured notes are due 2027.

Spirit Airlines adds flights

- Spirit Airlines will resume 11 nonstop routes at Logan International Airport in June and July as the Florida-based low-cost carrier sees demand for air travel return.
- Spirit will average 15 flights per day at Logan Airport in July, up from two flights per day in June and less than one flight per day in May, according to the airline.
• Beginning June 26, plans to resume more than 30 flights from major U.S. cities to Cancun, but the airline says that’s still dependent upon travel restrictions being lifted.

Lufthansa

• Lufthansa and Turkish Airlines will close the German branch of their SunExpress joint venture. The Turkish branch will still operate for now.
  o Almost 1,200 employees at the 20-aircraft carrier will be affected, according to a company spokesman, who added SunExpress "will take on responsibility by working through possible solutions in the coming weeks with workers and social partners."
  o Meanwhile the aircraft will be shared out among Lufthansa’s other subsidiaries and Turkish Airlines.
• Lufthansa draws up ‘Plan B’ to avoid insolvency if a shareholder vote on Thursday fails to approve a $10 billion government bailout.
  o Billionaire investor Heinz Hermann Thiele has objected to bailout terms, proposing an indirect government holding in Lufthansa via Germany’s KfW development bank instead of a direct stake and board representation.
  o Thiele, who recently increased his stake in Lufthansa to 15.5%, is expected to have a virtual veto at Thursday’s extraordinary general meeting which is being held remotely due to the pandemic.
  o Lufthansa expects holders of less than 50% of the stock to vote, in which case a two thirds majority would be needed for the bailout to pass.
• Lufthansa German Airlines will resume regular scheduled flights between Frankfurt and Shanghai from Wednesday.
  o These are the first scheduled Lufthansa flights to the Chinese mainland since the end of January. Lufthansa is among the first foreign airlines to resume regular scheduled passenger flights to the Chinese mainland, said Lufthansa China.
  o From Wednesday, the airline will start providing round-trip passenger flights between the cities once a week.

Alitalia has $263 million in cash as nationalization looms

• Alitalia had 232 million euros ($263 million) in its coffers on May 31, Italian industry minister Stefano Patuanelli said on Tuesday, as the government prepares to take over an airline that has burned through cash in the COVID-19 pandemic.
• “As of May 31 the company had 232 million euros in liquidity ... revenue between January and May amounted to 505 million,” Patuanelli told a parliamentary hearing.
• Transport Minister Paola De Micheli, also addressing parliament on the nationalization plan, said the government would invest in planes, “particularly for long-haul” flights.
• Rome said last month, as it eased a three-month coronavirus lockdown, that it would inject at least 3 billion euros of fresh capital into Alitalia to relaunch it as a new public company.
• The government planned to nationalize the carrier in early June, but the project has not taken shape yet and the ministers did not give a time frame on Tuesday.

Emirates

• Emirates suspends flights from Pakistan after passengers test positive for COVID-19.
- **Full statement:** “Following the announcement of positive COVID-19 cases in Hong Kong relating to certain passengers who traveled on our flights, Emirates has taken the decision to temporarily suspend passenger services from Pakistan, from 24 June 04:00 Pakistan LT. We are coordinating closely with the various authorities and will review and implement any required additional measures to satisfy all parties before we resume services from Pakistan.

- “We remain committed to serving our customers in Pakistan and are working hard to resume services as soon as possible. In the meantime, Emirates will continue to operate repatriation flights into Pakistan as per the announced schedule, and operate cargo services that support the trade and movement of goods between Pakistan, UAE and our global network.”

- 10 who shared Emirates flight to Hong Kong with Covid-19 cases sent to quarantine center after five days stranded at airport.
  - It was not immediately clear how the group, at the airport for five days now, was able to board the flight from Dubai, as transit services to the mainland are currently barred.
  - As of Wednesday evening, 10 of the 11 stranded passengers had refused an offer to be flown back to their port of origin.
  - In a statement, Emirates said the group “attempted to transit to mainland China, which is not allowed under current travel restrictions. The respective onward carriers refused to accept the passengers.”

- Emirates to return A380 to service on 15 July with flights to some destinations in Europe, including London Heathrow.
  - The United Kingdom was key to Emirates’ route network, with 25% of the airline’s capacity directed to the country.

**Korean Air stalls picking up state aid check as conditions improve**

- South Korea’s flag carrier Korean Air Lines Co. is holding off taking up the first relief check from a 40 trillion won ($33.3 billion) state fund devoted to protect the country’s mainstay industries as it deems it has passed the worst from the virus pandemic.
- The airliner was expected to apply for the relief within this month, but is mulling to defer taking up the aid as its business appeared to have bottomed out in the second quarter due to brisk cargo demand.
- The airline plans to see the developments in asset sale and market conditions before resorting to state rescue.
- Passenger travel remains mostly at standstill, but freight deliveries have kept the full-service carrier busy due to strong demand for Korea-made medical and chip supplies.

**Singapore Airlines, Changi Airport add transits to China, HK, Japan**

- Singapore Airlines and Changi Airport will this week open 'two-way' transits between six countries, expanding upon the one-way journeys which commenced on June 11.
- From Tuesday June 23, travelers from Australia and New Zealand will be able to jet their way to and from a handful of destinations in China, Hong Kong, Japan and South Korea, using special transfer lanes and lounges during their stopover at Singapore's Changi Airport.
- As before, passengers can travel only on flights operated by Singapore Airlines, SilkAir and Scoot, and book their full journey on the one ticket and itinerary.
• While travel continues to be permitted in one direction – such as Sydney to Copenhagen via Singapore – return journeys are only possible if your destination is on the list of cities approved for transit flights, and those cities are:
  o Adelaide (Singapore Airlines)
  o Brisbane (Singapore Airlines)
  o Melbourne (Singapore Airlines)
  o Perth (Scot)
  o Sydney (Singapore Airlines)
  o Auckland (Singapore Airlines)
  o Christchurch (Singapore Airlines)
  o Chongqing (SilkAir)
  o Guangzhou (Scoot)
  o Shanghai (Singapore Airlines)
  o Hong Kong (Singapore Airlines, Scoot)
  o Osaka (Singapore Airlines)
  o Tokyo (Singapore Airlines)
  o Seoul (Singapore Airlines)

• Philip Goh, Singapore Airlines' Regional Vice President South West Pacific, says the introduction of two-way transits channels "are not about booking an overseas holiday as Australia and New Zealand’s borders remain closed to non-citizens," but "allow those that have an urgent need to travel, to do so."

• On all flights, transit passengers will be separated from non-transit passengers. This includes the outbound flights from Australia and New Zealand, as well as the onwards flights from Changi to your final destination.

• Passengers who are flying point-to-point – such as from Sydney to Singapore, or Singapore to London – will board and disembark separately to transit passengers. Each group will be seated in different sections of the airplane, use different washrooms and have their own assigned cabin crew.

A 6th TSA agent tests positive at SW Florida airport

• The employee, a screening agent at Southwest Florida International Airport (RSW) in Fort Myers has not worked since June 15.
• A total of 6 screening agents at RSW have tested positive recently.
• TSA said overall, they have had 731 federal employees test positive for COVID-19. Of those, 545 employees have recovered and five have died as a result of the virus. They have also been notified that one screening contractor has died due to the virus.

Marriott Wardman Park Hotel in Washington, DC may close after storied, 102-year run

• According to employees, Local 25 Union Executive Secretary-Treasurer John Boardman announced in a Zoom call to Union members that all indications point to Marriott and Wardman Park majority-equity owner, Pacific Life Insurance Company, formally ceasing operations on or around August 21.
• The hotel has been closed since mid-March because of COVID-19.
• Located at 2600 Woodley Road NW, the Wardman Park Hotel has been serving visitors since 1918. It opened during the Spanish flu, and in the name of socially distancing, held
no grand ceremony. Ironically enough, the hotel could very well go dark during the COVID pandemic, 102 years later.

- In 1928, the hotel added an eight-story, 350-room annex. Named Wardman Tower, it is the only remaining portion of the original hotel. The Wardman Tower is listed in the National Register of Historic Places.
- Marriott International assumed management of the property in 1998 from Sheraton.
- Upper Northwest hotels, such as the Marriott Wardman Park and Omni Shoreham Hotel, have struggled over the last decade or so to compete with the Walter E. Washington Convention Center.
- Marriott has not commented on the reported closure.

**Universal Orlando lays off theme park employees**

- Although Universal re-opened a few weeks ago, the company announced it will lay off some theme park employees.
- Exact numbers have not been given.
- “We are working to structure and strengthen our business for the future in anticipation of the tourism industry taking time to fully recover. In that regard, we have already taken important steps such as adjusting budgets and implementing salary reductions and furloughs. Most recently, we have made the difficult decision to reduce our Parks & Resorts workforce across multiple locations and business units. This decision was not made lightly, but was necessary to prepare us for the future. We are aware of the impact this will have on those affected by this reduction and their families, and we are working to support them through this process. This includes severance pay, subsidized health benefits and professional reemployment assistance,” the company’s statement read.
- County Comptroller Phil Diamond said a few weeks ago that he was hopeful June could be a turning point for the local tourism industry but that was before the state started seeing record-high numbers of new daily coronavirus cases.