Travel Industry Update
June 29, 2020

American Airlines will resume booking flights to capacity

- American Airlines will resume booking its flights to capacity starting July 1st.
- American says it has other measures to help prevent the spread of the virus. It will notify customers if they’re booked onto crowded flights and will give them the option of moving their reservation at no extra cost, and at check-in will ask customers to certify that they’ve been free of COVID-19 symptoms for the previous 14 days. Customers will also be allowed to move seats once boarded, subject to limitations.

Delta could furlough more than 2,500 pilots, will downsize flight attendant bases

- The Atlanta-based carrier intends to notify 2,558 pilots of possible furloughs in the coming weeks, Delta senior vice president of flight operations John Laughter told staff in a memo
- The furloughs will occur after the employment protections under the federal government’s coronavirus aid package, or CARES Act, expire on Sept. 30.
- In addition to the pilot reductions, Delta will downgrade its flight attendant bases in Cincinnati (CVG), Honolulu (HNL) and San Francisco (SFO) to a remote status, the airline’s senior vice president of in-flight service Allison Ausband told cabin crews in a separate memo.

United resuming flights to China in July

- United Airlines will resume twice weekly nonstop flights between San Francisco and Shanghai as of July 8, 2020.
- As before, there continue to be significant restrictions on travel between the US and China, so not everyone will be able to take these flights. For example, the US is restricting entry from China to those who are from the US, their family, etc.

Alaska Airlines tests UV light system to kill Covid-19 inside jets

- Honeywell and Dimer are making a UV light disinfection system, called the GermFalcon. Alaska Airlines tested it this week.
- The UV-light emitting cart can treat an aircraft cabin in less than 10 minutes for just a few dollars per flight for midsize to large airline fleets.
KLM and Air France to resume Dubai flights in July

- KLM will offer daily flights to and from Dubai, from the airline's hub in Amsterdam, with the first flight scheduled for Wednesday, July 1.
- Air France will fly to Dubai three times per week, with return flights to Paris on subsequent days. The first flight will also head from Paris to Dubai on Wednesday, July 1.

Airline Industry Tangles With Trump Administration Over Temperature Checks

- Top U.S. airline executives met on Friday with Vice President Mike Pence and other senior administration officials but did not come away with any commitments from the White House on mandating temperature checks for airline passengers.
- Pence met with the chief executives of United Airlines, Delta Air Lines, American Airlines, JetBlue Airways and the president of Southwest Airlines at the White House alongside Transportation Secretary Elaine Chao, Centers for Disease Control (CDC) director Mark Redfield, Health and Human Services Secretary Alex Azar and other officials.
- Airlines want the U.S. government to administer temperature checks to all passengers in a bid to reassure the public.

Airline executives and Pence agree to move forward with contact tracing of passengers

- Vice President Mike Pence has told major airlines to move forward with an industry-led solution for the contact tracing of passengers during the coronavirus pandemic.
• A source familiar with the matter tells CNN that Pence gave his blessing to a "compromise solution" for contact tracing during a Friday meeting with airline executives.
• Airlines had initially balked at the government's demand that they collect detailed contact information on all passengers and distribute it to public health officials if requested. The airlines said it would be impossible to quickly overhaul the massive legacy computer systems that handle the industry's vast booking networks.
• The source tells CNN that Pence now supports the airlines' proposal for a third-party app and website that would require passengers to input five points of data.

Homeland Security to reopen travelers' Global Entry enrollment centers July 6, with COVID-19 changes

• The Global Entry program, which has been shut down since March 19 amid the COVID-19 pandemic, will open enrollment centers again starting July 6.
• Beginning July 6, conditionally approved applicants for Global Entry applicants will be able to complete in-person interviews, scheduled in advance, at Trusted Traveler Program enrollment centers.
• Both enrollment center personnel and applicants will be required to wear protective masks at all times. Sign-in sheets and other touch points have been eliminated, seating has been reduced in the waiting area along with other social distancing measures. Protective plexiglass barriers have been placed at the service counter.
• Part of the Trusted Traveler Program, all applicants will still be required to submit fingerprints during their interview to complete the enrollment process, which requires contact with a frequently touched area. The agency has vowed to increase the cleaning frequency of the fingerprint surfaces in the enrollment centers.

TSA screening numbers still down about 2 million

• On June 28, 2020, TSA screened 633,810 passengers.
• On the same weekday one year ago, TSA screened 2,632,030 passengers.

Fragile U.S. Hotel Industry Records Monthly Performance Gains

• In the U.S., between April and May, total revenue per available room (TRevPAR) was up 39% (down 92% year-over-year) and gross operating profit per available room (GOPPAR) was up 32% to $-17.25 (down 116.2% YOY).
• Occupancy and room rate in May remained well off 2019 levels, but did climb 4 percentage points and 5%, respectively, from April, helped out in some way by Memorial Day Weekend travel, which, while much lower than the 43 million Americans who took a trip last year, according to AAA, was an added boost.

Full U.S. Hotel Demand Recovery Pushed to 2023

• Despite week-over-week occupancy improvements for the past two months, the demand for U.S. hotels is not expected to recover to pre-pandemic levels until 2023, according to a revised forecast from STR and Tourism Economics.
"Compared with our last forecast, we actually improved our [year-over-year] demand projection for 2020 from -45 percent to -36.2 percent, but we expect it to take 11 quarters for the number of room nights sold to rise to the corresponding levels of 2019," said STR SVP of lodging insights Jan Freitag. "Similarly, it will take until 2023 for occupancy to reach the 20-year historical average."

### STR, Tourism Economics U.S. Lodging Forecast (Year-over-Year Change)

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*Reflected total-room-inventory methodology, which assumes no temporary hotel closures. Source: STR, Tourism Economics*

#### How Switzerland reopened for events

- Switzerland was able to start easing lockdown restrictions in May and has most recently announced events of up to 1,000 people can take place.
- Events and gatherings for up to 1,000 people are permitted.
- Contact tracing must be in place, and must be for no more than 300 people at one time. Venues can skirt this requirement by sub-dividing meeting spaces.