Travel Industry Update
August 11, 2020

**Airline shares surge as TSA numbers hit pandemic high, support for second bailout builds**

- The number of people passing through Transportation Security Administration checkpoints at U.S. airports rose for a second consecutive week with 831,789 people on Sunday alone, its highest level since March 17.
- Despite the uptick, TSA traffic is still down by about 70% from the same time a year ago, meaning airlines have far to go before recovering to normal levels, particularly in the crucial peak summer season.

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**Delta to screen flyers’ temperatures as part of test at Los Angeles**

- Delta passengers, be prepared for the airline to check your temperature if you’re flying out of Los Angeles (LAX) during the next few weeks.
- The carrier will begin conducting temperature checks on Tuesday (Aug. 11) as part of a three-week pilot program. Delta’s test expands a temperature-screening pilot that the airport itself began testing at its Tom Bradley International Terminal in late June.
- “As a part of our ongoing efforts to reduce the COVID-19 infection rate and provide additional layers of protection for our customers and employees, we are testing a temperature screening process for customers flying out of LAX Terminal 2,” Delta Air
Lines said. “Customers who have a temperature of 100.4 or higher will not be allowed to board consistent with the CDC’s fever threshold.”

- Delta will be the second U.S. carrier to screen customers’ temperatures. Frontier Airlines began doing so in June, taking passengers’ readings before boarding. Unlike Delta, Frontier’s temperature screening is ongoing and has been rolled out across the budget carrier’s network.
- Delta did not specify whether the temperature screening could become permanent or if it might be rolled out to other airports if the LAX pilot is deemed a success.
- If a passenger fails Delta’s temperature screening, the carrier said it would work with the traveler to rebook for a different date or to cancel the reservation and offer a refund.

**American Airlines resumes hot food service in airport lounges, albeit with new protocol**

- American Airlines will once again be serving hot food at its Admirals Club airport lounges across the country beginning Aug. 12.
- The airline, however, is instituting new health and safety protocol when it comes to passengers and their plates. Instead of allowing travelers to serve themselves buffet-style, AA staffers will now distribute food from behind acrylic dividers to limit passenger contact with food and serving utensils. Employees will be wearing gloves and masks to uphold social distancing.
- The menu will also be reduced and include options like oatmeal, soup and macaroni and cheese, in addition to pre-wrapped meals. AA will also bring back its pay-per-item meal options, which include offerings like pizza and sandwiches, on Aug. 19.

**Southwest Airlines Revises Face Covering Policy**

- As a way to show continued commitment to the health and safety of travelers and employees, Southwest Airlines has once again revised its face-covering policy.
- To meet guidelines set forth by the Centers for Disease Control and Prevention (CDC), Southwest will only accept well-secured face coverings that fit snugly against the face, cover an individual’s nose and mouth and secured under the chin.
- To ensure travelers understand the policies, the airline provided a few examples of face coverings that will not be accepted, such as masks with holes like exhaust valves, bandanas and face shields without a covering over the mouth and nose.
- The carrier also revealed neck gaiters might be worn as face coverings so long as they cover the nose and mouth and are secured under the chin. Southwest will continue offering face masks at our airport locations for any customer that forgets to bring a face covering.

**COVID-19 testing 'very likely' when Royal Caribbean returns to cruising, executive says**

- Royal Caribbean is considering coronavirus testing as part of its plan to resume sailing, a company executive said during a quarterly earnings presentation Monday.
- "It’s very likely that testing will occur," said Michael Bayley, CEO of Royal Caribbean International. He offered no additional details, including whether testing would be for crew members and passengers or to which cruise lines testing would apply.
Marriott posts bigger-than-expected loss as virus hits bookings

- U.S. hotel operator Marriott International posted a bigger-than-expected quarterly loss on Monday, as the coronavirus pandemic curbed global travel and led to a plunge in room bookings.
- Marriott said it now expects a gradual rise in occupancy rates across the world although it may be a few years before it sees a return to pre-COVID period demand levels, echoing smaller rival Hilton’s comments from last week.
- Total revenue plunged 72.4% to $1.46 billion, missing estimates of $1.68 billion.
- The company also reported an 84.4% plunge in revenue per available room (RevPAR) - a key performance measure for the hotel industry.
- Marriott said it was seeing a recovery across all regions, with global occupancy rates of 34% for the week ended Aug. 1, up from 11% in week ended April 11. In China, occupancy levels have reached 60%.
- The company said it has reopened 91% of its worldwide hotels, compared with 74% in April.
- On an adjusted basis, Marriott reported a loss of 64 cents per share in the second quarter ended June 30, bigger than analysts’ expectation of a loss of 42 cents per share, according to IBES data from Refinitiv.

Walt Disney World Is Cutting Back Its Hours of Operation Following Smaller Crowds

- Disney’s four Florida theme parks will be trimming their hours of daily operation — after reopening on July 11 during the coronavirus quarantine — following the return of smaller crowds amid the state’s continued climb in COVID-19 cases.
- The change was announced less than a week after Disney revealed the multibillion-dollar toll COVID-19 has taken on the company.

When will Disneyland reopen? COVID-19 surge keeps California theme parks in limbo

- It's unlikely that the Anaheim, California, park will reopen anytime soon. California leads the nation in coronavirus cases – more than 550,000 as of Sunday, according to Johns Hopkins data – and state officials aren’t ready to let theme parks reopen.
- "Theme parks are not permitted to open in California at this time, under current public health orders," said Kate Folmar, a spokeswoman for California Health and Human Services. "We will continue to review health data to determine when and how theme parks may consider reopening at lower risk to staff and visitors."
- Disneyland is waiting on guidance from state officials, and the company did not offer additional details.
- The park was tentatively scheduled to reopen on July 17, but that was put on hold as coronavirus cases surged.
- Anaheim and surrounding Orange County are in early Stage 3 (of four) of their reopening plan. The guidance posted on the city’s website indicates that Disneyland Resort hotels, shopping, dining and theme parks will open in phases among Stages 2, 3 and 4, but no date has been set for the theme parks.
Countries Now Requiring International Health Insurance for Entry

- The pandemic has given rise to a new phenomenon. Countries are seeking to protect their own national healthcare systems from the potential financial ravages of tending to travelers who become ill with COVID-19 while abroad and don’t have coverage to pay for their treatment.
- Would-be tourists should be aware that International healthcare coverage is something that must be obtained separately from their standard, U.S.-based health insurance and any trip-cancellation insurance, and that international coverage is rarely included in their existing health policies.
- The following destinations are requiring mandatory proof that you’ve purchased an international travel healthcare plan—typically attained separately from your existing health insurance at home—in order to cross their borders. If you’re planning on traveling outside of the U.S., check with the destination offices in advance to see if they require a specific policy.
  - Aruba, Costa Rica, St. Maarten, Tahiti, Turks and Caicos, UAE