



Travel Industry Update

August 21, 2020

Delta will block seats into January as it tries to boost traveler confidence

- Delta Air Lines will block seats on its planes at least through early January, addressing what it sees as a need to regain traveler confidence in flying amid an uncertain outlook for the fall.
- The Atlanta-based carrier is extending its program blocking middle seats through Jan. 6 and “maybe beyond,” Delta CEO Ed Bastian told staff during a virtual Town Hall on Wednesday (Aug. 19). The move extends the artificial cap by three months from Sept. 30.
- Delta is one of just four U.S. carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, capping the number of flyers onboard their planes during the coronavirus pandemic. Alaska is blocking seats through Oct. 31, JetBlue through Oct. 15 and Southwest through October.
- Delta is making some changes to its caps. While middle seats will remain blocked in general, the number of passengers allowed in economy cabins on its flights will rise to 75% of capacity from 60% on Oct. 1. The change will allow groups of three travelers or more to reserve seats together, even if it includes the middle seat.
- In addition, the airline will begin booking all Delta One business-class cabins on its wide-body jets to full capacity starting Oct. 1. Delta spokesperson Morgan Durrant said this is because the cabins are “designed with more space and privacy built in.”
- It is relatively easy for airlines to cap bookings today. Flights in the U.S. carried on average just 58 passengers during the week ending Aug. 16, according to data from trade group Airlines for America (A4A). This is down 41% compared to the same week in 2019.

American Airlines halting service to 15 small cities after federal aid runs out in October

- American is suspending service to 15 small U.S. cities in October after the terms of federal aid requiring the flights expires.
- American is currently the only carrier offering scheduled service to nine of the airports where it plans to suspend flights. They are: Del Rio, Texas; Dubuque, Iowa; Florence, South Carolina; Greenville, North Carolina; Joplin, Missouri; New Haven, Connecticut; Roswell, New Mexico; Stillwater, Oklahoma and Williamsport, Pennsylvania.
- American also plans to suspend flights to these airports: Sioux City, Iowa; Kalamazoo/Battle Creek, Michigan; Huntington, West Virginia, New Windsor, New York, Springfield, Illinois; Lake Charles, Louisiana.
- Airlines have pushed for additional federal aid but Congress has yet to reach a deal for a new pandemic relief package that would include another round of support to carriers.

Ryanair to cut significantly fewer jobs after pay deals: operations director

- Ryanair plans to cut significantly fewer jobs than the 3,000 it originally estimated, after 97% of pilots and over 90% of cabin crew signed up so far to pay cuts and work practice changes, its director of operations said on Friday.
- Europe's biggest budget airline warned it would have to cut one in five of its pilots and cabin crew if they did not agree to pay cuts of up to 20% after the COVID-19 crisis grounded 99% of its planes from April to June and continued to hit business thereafter.
- "We haven't finalized the number yet, we originally said there was going to be 3,000 redundancies but we have been able to reduce that significantly," said airline spokesperson Neal McMahon.

Lufthansa Signs Safe Flying Charter

- Lufthansa Airlines has announced that it has signed on to the European Union Aviation Safety Agency's (EASA) charter for safe flying under pandemic conditions. The airline said in a statement that the charter holds the airline to "the strictest infection protection standards in air travel worldwide."
- EASA is establishing guidelines that were developed in cooperation with the European Centre for Disease Prevention and Control (ECDC).
- The airports of Frankfurt, Munich, Vienna and Brussels have also committed themselves to these guidelines.
- Carsten Spohr, chairman of the Executive Board of Deutsche Lufthansa AG said in a statement, "We have introduced extensive hygiene measures along the entire travel chain to optimally protect our customers and our employees. By signing the EASA charter, we are sending a signal that we as the Lufthansa Group support highest standards and uniform, cross-border rules in air transport. Only with more uniformity and stability in terms of regulation will more customers book flights again."
- The standards include mandatory use of masks, filtering of cabin air and increased ventilation of the aircraft while on the ground, cabin cleaning and PPE protocols, digital contact tracking and physical distancing.
- Lufthansa does not block middle seats but allows passengers to rebook on full flights.

Qantas reports \$1.4 million annual loss

- Qantas has reported an annual loss of almost A\$2bn (US\$1.4 million) as it deals with the impact of the coronavirus pandemic.
- The Australian flag carrier's boss says trading conditions are the worst in the airline's 100-year history.
- The firm also says around 4,000 of its 6,000 planned job cuts are expected to be finalized by the end of next month.