



Travel Industry Update

August 24, 2020

[Delta, union in talks to avoid furloughs after 1,806 pilots take early retirement](#)

- Delta Air Lines and the union representing its pilots said on Friday they remain in talks to avoid furloughs after 1,806 pilots agreed to early retirement programs, with the airline pointing to the outlook for a pandemic recovery as key to its final decision.
- In a memo to pilots, Delta's head of flight operations John Laughter said there had been "additional changes to travel demand and recovery forecasts" in recent weeks that the airline is assessing as it charts a path for a multi-year recovery.
- A Delta spokesman said "furloughs remain a last resort and we continue to stay engaged with ALPA to find a way to spread the flying among the pilots to reduce or avoid furloughs altogether."
- Delta had sent warnings of potential furloughs to 2,258 pilots, the Master Executive Council (MEC) of the Air Line Pilots Association (ALPA) said in a statement, adding it hoped for additional voluntary options for pilots similar to programs at other major carriers.

[Delta doubles cabin cleaners in 'pit stop' revamp, buys kits to test for germs](#)

- Delta Air Lines has doubled its staffing to handle revamped pre-flight "pit stops" for deeper cleaning and wants to ensure that tray tables and restroom door handles are germ-free with a new testing process.
- Airlines' efforts to reassure travelers of their safety during the pandemic have spurred a behind-the-scenes scramble to complete the enhanced cleaning that they are promising without sacrificing turnaround times, a cornerstone of profitability, once more passengers take to the skies.
- "We've done quite a lot of change to our turn process," the head of Delta's new Global Cleanliness division Mike Medeiros said in an interview detailing the airline's strategy for "turns" — the time a plane spends on the ground between flights.
- Depending on the aircraft's size, Delta is deploying at least eight pre-flight cabin cleaners, up from three to five previously, and has adopted a new "pit stop mentality" based on industrial engineering studies into the extra resources required for cleaning each plane type, he said.
- After cleaners spray with disinfectant and wipe down high-touch surfaces, a flight attendant and gate agent walk the cabin together to inspect. If the cabin is not up to par, they call back the cleaners.
- "Even if that means taking a delay to the flight," said Medeiros, who is among managers who receive daily cleanliness reports in their inbox based on customer surveys taken after every flight.
- "As important as (being) on-time is to our company, we know that cleanliness, particularly in this environment but also going forward, will be just as important," he said.

- Delta's average clean time for its domestic fleet is now 20 minutes, up from 10 minutes to 15 minutes previously depending on the aircraft size, but it aims to speed up the procedure to protect its turn times once schedules are heavier by adding resources.
- To verify levels of cleanliness, Delta is purchasing ATP test kits that measure the amount of bacteria on airplane and airport surfaces. The kits cannot test for COVID-19.
- It has already purchased 30 of the hand-held units, which cost about \$1,000 each, to test the effectiveness of its cleaning program. The plan is to buy the tests for all of its global airport bases, though details are still being developed.
- Among large U.S. rivals, American Airlines said it has doubled the strength of its cabin cleaning crews but has not had to add extra time to its turns given lighter passenger loads and fewer scheduled flights.
- United Airlines said it has added some extra time to its cleaning process but not workers given the lighter loads.
- Southwest Airlines, whose low-cost model depends on quick turns, has not added staffing and said this month it was scaling back some pre-flight cleaning with a view to preserving an average 45-minute turn once its schedule ramps up. It is still using an electrostatic and an anti-microbial spray that kill viruses and shield surfaces for 30 days, as well as a broad-spectrum disinfectant for lavatories and tray tables before every flight, but is not wiping down seat belts or arm rests.
- All of the airlines are eyeing new cleaning technology. United, for example, is testing ultraviolet sanitation deployed by drones and hand-held wands for airport and aircraft surfaces. Delta is rolling out antimicrobial LED light technology by Vital Vio in all its aircraft restrooms that will continuously prevent the growth of bacteria, fungi, mold and yeast.

More than 70,000 airline jobs in jeopardy as coronavirus relief expires

- Tens of thousands of airline employees are anxiously bracing for Oct. 1 when U.S. carriers are likely to lay off employees following the expiration of relief provided by the CARES Act.
- U.S. airlines have already warned a tenth of their workforce -- at least 75,000 employees -- that their jobs are at risk as the industry struggles to weather the coronavirus pandemic.
- Passenger volumes are still down 71% compared to last year and experts predict it is unlikely they will return to prepandemic levels until 2024.
- The airlines and unions representing those on the front lines are pushing for an extension of the payroll support program, but lawmakers and the White House have yet to reach an agreement.
- The four biggest U.S. airlines lost more than \$10 million collectively in the second quarter and while they were encouraged by a small uptick in passengers in May and June after demand bottomed out in April, rising coronavirus cases and state quarantine rules have since threatened the small signs of recovery.
- Major U.S. airline executives have made it clear they will need to be smaller airlines to survive.

EPA to approve American Airlines use of surface coating to fight coronavirus

- The U.S. Environmental Protection Agency is set to announce on Monday it will issue an emergency exemption to the state of Texas permitting it to allow American Airlines to use a new surface coating that kills coronaviruses for up to seven days.

- EPA officials said the agency would approve the emergency exemption requests under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to allow the use of SurfaceWise2 — a product manufactured by Allied BioScience — by both American Airlines and Texas-based Total Orthopedics Sports & Spine’s two clinics for up to a year.
- EPA officials said the surface coating inactivated viruses and bacteria within two hours of application and kept working against them for up to seven days.
- The EPA will allow the product’s use at American Airlines airport facilities in Texas and on planes with flights originating in the state, the officials said, without providing more details.
- The initial application and any reapplication must occur in Texas.
- Allied BioScience plans to pursue a non-emergency approval by submitting additional data to meet the EPA’s registration requirements as an antiviral surface coating. If approved, the product would become available for purchase by the public, EPA officials said.
- EPA officials emphasized the product was not a replacement for routine cleaning and disinfection. Facilities must continue to get regular cleanings.

Hawaiian Airlines Poised for More Layoffs

- Hawaii, which has a self-imposed mandate to quarantine visitors for 14 days if they travel to the islands, has seen a drastic decrease in tourism.
- As a result, for the second time in less than a month, Hawaiian Airlines has sent an official notice to the state’s Labor Department saying it intends to make additional reductions to its non-union workforce.
- This will affect 35 employees at the airports in Honolulu and Maui, as well as at its corporate headquarters, effective October 19. This is on top of the notice sent earlier this month that Hawaiian Airlines will lay off about 2,000 workers, which includes more than 600 flight attendants.
- Hawaiian Airlines said that the demand for air travel remains more than 90 percent lower than it was in 2019.

Lufthansa Now Requiring Coronavirus Test To Fly Without Mask

- Want to fly Lufthansa without a mask? The German flag carrier is taking an interesting approach towards tightening its policy for those with “medical exceptions” that prevent them from wearing a mask.
- Currently Lufthansa’s policy is that everyone has to wear a mask onboard flights, except those under the age of six, and those “not allowed to wear a mask for health reasons.” While a health form has already been required in order to fly without a mask, the airline is now also adding a coronavirus test requirement.
- Going forward, if you want an exception to the face mask policy, you’ll need to:
 - Have a doctor fill out a document confirming that you can’t wear a mask
 - Provide proof of a negative COVID-19 test, taken no longer than 48 hours from the start of your scheduled journey

Qantas Drops International CEO With Overseas Flights Grounded

- Qantas Airways Ltd. scrapped the executive role overseeing international services because those flights will be grounded for at least another year.

- The head of Qantas' international business, Tino La Spina, will leave and his division will be consolidated with the airline's domestic operations, Qantas said Monday. La Spina worked for the airline for 14 years and was its former chief financial officer.
- "It will take years for activity to return to what it was before," Chief Executive Officer Alan Joyce said in the statement. "The COVID crisis is forcing us to rethink our business at every level."
- La Spina's departure shows Joyce is prepared to remove even his most experienced executives to cut costs and weather the crisis. He's already eliminating 6,000 jobs, and last week reported Qantas' first loss in six years. The international fleet is grounded until at least mid-2021.

Airbnb bans house parties worldwide, citing virus mandates

- Airbnb is banning house parties worldwide as it tries to clean up its reputation and comply with coronavirus-related limits on gatherings.
- The San Francisco home sharing company will limit occupancy in its rental homes to 16 people. It may offer exceptions for boutique hotels or other event venues.
- Airbnb said it may pursue legal action against guests and hosts who violate the ban. Last week, for the first time, Airbnb took legal action against a guest who held an unauthorized party in Sacramento County, California.
- In July, Airbnb banned U.S. and Canadian guests under age 25 with fewer than three positive reviews from booking entire homes close to where they live. It expanded that policy to the United Kingdom, Spain and France last week.
- Airbnb said it also plans to expand a hotline for neighbors to report unauthorized parties.
- Airbnb says around 2% of the 7 million properties listed on its site can accommodate 16 or more people. There are at least 53 in London, 277 in Beijing, 170 in New York and 116 in Los Angeles, according to the company's website.
- The company also said it wants to make sure it's complying with public health mandates. Los Angeles County has a ban on gatherings of people from different households, for example.
- Airbnb said the coronavirus-related closure of bars and nightclubs has led to an increase in big house parties, sometimes at its rentals.
- "We do not want that type of business, and anyone engaged in or allowing that behavior does not belong on our platform," Airbnb said in a post on its website.

Long, slow recovery for international tourism, forecast says

- Global travel demand will fall 57% in 2020 and international tourism won't reach 2019 levels again until 2024, according to the latest forecast from Oxford Economics.
- The report also shows North America will have the biggest drop in international tourism, with a decline of 70%. And only 84% of countries in the Americas region are expected to return to 2019 levels by 2024, a lower proportion than for all other regions.
- After North America, Oxford Economics said, Asia-Pacific will see the second-largest drop in inbound tourism, with international arrivals falling 57%.
- Europe, which opened its borders relatively quickly following the Covid-19 outbreak, is expected to see a 56% decline in 2020 cross-border traffic, with a full recovery not expected any earlier than 2024, according to the forecast.
- Inbound travel to the Caribbean and Central and South America will drop 59% and 51%, respectively, according to the report.

- The 10 cities forecast to see the largest percentage fall in international visitors are all in the United States, with New York expected to see the greatest decline at 79%. Orlando, Miami and San Francisco are expected to see drops of 78%, while Los Angeles, Honolulu and Boston will see drops of 77%.
- Beyond the U.S., Cancun is forecast to see a 41% decline.

A Design Insider Shares His 5 Predictions For The Future Of Hotels

- Once the current coronavirus outbreak is under control, experts agree “normal” will look different moving forward. This is particularly true for the travel world. The industry would be one of the most at risk if another pandemic were to strike and is why key changes will have to be made. Architect Michael Hsu shares his 5 predictions for the future of hotels. They are:
 - Private Spaces Will Become More Important
 - Hotel buildings will likely be less dense, offering more spaces and separation between units. Cottages, compound style, and self-contained accommodations will be more readily available, offering guests larger, private spaces.
 - Hoteliers will opt to reduce dependency on hotel towers and elevators.
 - Stairways will be upgraded and designed in a way that is intended for daily guest use. Stairways will become part of the hotel experience with thoughtful lighting and design, rather than simply a fire exit.
 - Local guests and those within driving distance of the product will become a more important target audience for hotels, focusing on staycation travelers rather than long-distance airplane travelers.
 - Check-In And Check-Out Times Could Disappear
 - Hotel arrival will be fluid and offer guests the option for a contactless check-in and departure experience.
 - Lovely self-parking opportunities will allow guests to skip valet if desired.
 - Voice-activated, touchless and keyless entries will be adopted.
 - Guest Rooms Will Have Outdoor Space, Private Dining And Work Stations
 - Guest rooms will be designed with decks, balconies, and patios that offer private and small group outdoor spaces.
 - Rooms will have operable windows to allow access to fresh air and ample daylighting and natural UV light.
 - Kitchen type amenities will be more readily available.
 - In-room, private dining with upgraded options and service varieties will be available as guests will take advantage of this offering more often to avoid crowded, public dining rooms and to accommodate extended stays and family gatherings.
 - Guest room storage spaces will shift from enclosed drawers and bureaus to open-air shelves and a variety of hanging rods.
 - Rooms will offer more space for remote working.
 - Custom Dining Will Be The Norm
 - Customized dining experiences will be prominent and utilize hotel grounds.
 - Resort wide dining reservations will ensure reduced crowding while eating.
 - Special dining experiences will be highlighted, even within rooms, to allow for a fully tailored event with thoughtfully curated themes and accents like floral arrangements, films, playlists, and party favors.
 - Attendant entrances and elevators will allow for more fluid service and removal of in-room dining trays and service items.

- **Outdoor Amenities Will Be A Priority**
 - Outdoor amenities will be critical, with ample space for distancing.
 - Cabanas may be converted into office and wellness spaces, available by reservation.
 - Larger pools and pools with more sections for groups of different sizes will allow for more exclusive experiences.
 - Private outdoor club level spaces will be available for higher-end room offerings.