



Travel Industry Update

September 8, 2020

Delta Air Lines confirms no furloughs for flight attendants

- Some rare good news from the airline industry came late Friday: Delta Air Lines says that thanks to voluntary leave and early retirements, it will not have to furlough any additional flight attendants this year.
- “With the overwhelming response of flight attendants choosing to participate in our creative staffing options — and based on our current network schedule — we are positioned well to be able to successfully manage through our flight attendant overstaffing situation,” Delta spokesperson Amanda Eatman said. “We’re grateful for the continued rallying spirit of Delta people during the pandemic.”
- 17,000 Delta Air Lines employees took early retirement or buyouts.

United Airlines restoring and adding flights in October, focused on leisure travelers

- United Airlines is looking to add flights to their schedule in October, including resuming previously canceled trips and adding new ones.
- According to the airline, this will bring them up to flying 40 percent of their full schedule in October compared to October 2019. In September, they are only expecting to fly 34 percent of their full schedule.
- The resumed flights include eight routes to Hawaii, “pending approval of the state’s pre-arrival COVID testing program.”
- Other changes and additions in October include:
 - Resuming or starting new service on nearly 50 routes in the US; mostly from United’s hubs in Chicago, Denver and Houston.
 - Resuming additional service to Florida and along the west coast.
 - Resuming service to 14 international destinations, including parts of South America and Mexico.

European Union Clears €200m In Aid For Struggling Alitalia

- Resurgent Alitalia is expected to receive €200m (\$236m) in state aid owing to the pandemic. Yesterday, the EU Commission found the request for assistance to be in line with European Union regulation. The funding will be used exclusively to cover COVID-19 damages.
- After canceling hundreds of services as Italy went into tight lockdown, Alitalia has seen its income plummet. However, on the back of this challenging situation, the airline has now been granted a lifeline.
- The €199.45m in aid corresponds directly with Alitalia’s losses from March 1st to June 15th when the pandemic was at its worst in Europe. At this time, the Italian carrier, like

so many others, was powerless to operate and secure income. It's a situation that the EU Commission has termed an "exceptional occurrence."

The numbers are in: TSA reports its busiest day since March over Labor Day Weekend

- This Labor Day weekend marked the busiest period the Transportation Security Administration (TSA) has seen since the sudden drop in passengers in March due to coronavirus.
- The TSA reported that it screened 968,673 travelers on Friday, Sept. 4, the highest number since March 17.
- This number is down over 50% compared with the nearly 2.2 million passengers who passed through TSA checkpoints the same day one year ago. Still, it's remarkably better than in April, when the agency screened just 87,534 passengers at its lowest point.

New Germ-Killing Robot at San Antonio Airport Fights Coronavirus in a Few Flashes

- The Xenex FirstStrike robot can zap the virus that causes COVID-19. San Antonio International Airport is the first in the country to buy and deploy the robot.
- [Link](#) to video of robot in action.

Closure of Hilton Times Square may be 'tip of the iceberg' of troubles facing New York hotels

- In New York City alone, 34% of hotels are delinquent, and hospitality investment bank Robert Douglas sees more hotels at risk of closing.
- "Many hotels will definitely close, particularly those that originally were conversions from residential to hotel and are located in more residential neighborhoods," according to Robert Douglas' Doug Hercher.
- Even before the coronavirus pandemic, experts were concerned that there were too many hotel rooms in New York City. Over the last five years, developers added more hotel rooms to the Big Apple than any other market in the U.S. — 6,131 in 2019, up from the 3,696 rooms in 2018, according to hotel management analytics firm Smith Travel Research.
- In addition to the Hilton Times Square closing, Ashford Hospitality chose to hand over the keys to its recently purchased Embassy Suites in Midtown West to its lender after the real estate investment trust fell behind in debt payments.
- "Most hotels are using capital reserves to help cover interest payments in the near term and the vast majority of hotels in New York City have missed debt service coverage tests that will result in cash flow sweeps and will limit the ability, absent lender agreement, to get loan extensions that would normally be automatic," said Doug Hercher, managing director and principal at Robert Douglas. "This is the tip of the iceberg."
- Fourteen New York City properties with loans in the commercial mortgage-backed securities universe are 60 days or more behind payment, according to database of securitized mortgages Trepp. Tracking individual loans, the Standard Hotel in the Meatpacking District, the Holiday Inn in the Financial District and Tryp by Wyndham Times Square South are among the properties that have defaulted.

- A large number of these hotels are located in and around Times Square and Midtown, neighborhoods in New York City that typically draw thousands of tourists and are popular places to stay for business travel.
- Broadway is always a natural draw for international tourists, and staying at a hotel nearby is often part of the experience. But with shows not expected to return to the Great White Way until next year, hotels near the biggest theaters remain nearly empty.
- “Purpose built hotels like the Hilton Times Square are harder to convert and are not located in traditional residential neighborhoods. In those instances, it’s pretty clear that owners are playing hardball with the unions and will reopen, though maybe under new ownership, if they can get meaningful concessions,” he added.