



Travel Industry Update

November 20, 2020

Swissport Demonstrates Handling of a COVID-19 Vaccine at its Brussels Pharma Center

- In preparation for the global distribution of COVID-19 vaccines, Swissport's cargo team in Brussels demonstrated its ability to handle temperature sensitive air cargo in a dry-run under real-conditions.
- Swissport around the world is busy establishing operational readiness for the handling of highly temperature-sensitive vaccines. Vaccines and indeed many pharmaceuticals require rigorous temperature control throughout the entire supply chain. While some types COVID-19 vaccines might only call for temperatures around -20°C or in a range from 2°-8°C, others will likely require extremely low temperatures in the range of -70°C.
- In collaboration with Brussels Airport, Air Cargo Belgium and Hazgo, Swissport demonstrated its ability to handle highly temperature-sensitive air cargo at its state-of-the-art 3,620 sqm pharma center in Brussels. Two separate shipments were delivered to the facility, which is part of an end-to-end cool chain. One shipment arrived in a container cooled to -70°C, while the other shipment was transported in a more conventional 2°-8°C temperature range. Swissport's top-notch infrastructure, combined with know how regarding dry-ice handling allows for a seamless temperature-control throughout the entire airport handling process, from the acceptance at the cargo warehouse to the transport on the apron with special vehicles and right into the aircraft.
- "Today's demonstration shows that, thanks to the successful and long-standing collaboration with our airport partners, Swissport is ready to play its part in the logistical challenge to globally distribute a COVID-19 vaccine," said Koen Gouweloose, head of Swissport cargo services Belgium. "We are ready."
- Of 115 cargo warehouses which Swissport runs around the globe, 72 are equipped with temperature-controlled facilities. At this time, 13 Swissport facilities are certified under the IATA Center of Excellence for Independent Validators (CEIV) Pharma standard, the British MHRA (Medicines and Healthcare products Regulatory Agency) and other recognized organizations.
- "We have been investing heavily in infrastructure and services for pharmaceutical air cargo over the past few years, which is exemplified by our state-of-the-art Swissport Pharma Centers at multiple locations across the globe. We are very proud that Swissport is able to play a leading role in airport logistics for the distribution of a Covid-19 vaccine," said Hendrik Leyssens, Swissport's VP global operations - cargo.

Delta just became the only airline to block middle seats into the spring – but it could be the last extension

- Delta Air Lines just extended its policy of blocking middle seats until the end of March, making it the only airline in the US to block seats beyond January 2021.

- The Atlanta-based airline will keep middle seats open until March 30, 2021, citing a push to increase "confidence and reassurance" in air travel.

United, American Airlines to scrap change fees for overseas flights

- United Airlines and American Airlines said on Thursday they will scrap change fees for long-haul international flights, mirroring their move on domestic flights in a bid to revive bookings and air travel demand hit by the pandemic.
- The COVID-19 crisis has weakened one of the core elements of the airline playbook: price many fares attractively low, then charge for ticket changes. American Airlines said it will eliminate change fees for first class, business class, premium economy and main cabin tickets for all long-haul international flying, if the travel originates in North or South America.
- United said it will announce an extension of its change fee waiver for basic economy and international tickets later this year "to continue to offer more flexibility to all customers who travel with us."
- Chicago-based United is among the major U.S. airlines that began implementing temporary waivers of change fees this year, given the uncertainty surrounding the coronavirus crisis. Earlier, both airlines said they had seen an uptick in decrease in bookings due to a recent spike in COVID-19 cases in the United States.

Southwest Airlines Issues Another 400 Furlough Warnings to Workers Amid Wage-Cut Talks

- Southwest Airlines told another 402 mechanics and other employees Wednesday that they could be furloughed in January as the carrier tries to negotiate cost cuts with union groups.
- Dallas-based Southwest, which is anticipating billions of dollars in losses next year due to the COVID-19 pandemic, is pushing for 10% wage cuts from union employees after already cutting pay for non-union workers and management for 2021. Company leaders say that without pay cuts, they'll have to furlough workers — a first in the airline's 50-year history.
- The workers issued furlough warnings are represented by the Aircraft Mechanics Fraternal Association and include mechanics, facilities maintenance technicians and employees who clean airplanes. The furloughs are scheduled to start Jan. 25 if Southwest can't get a deal with the union or Congress doesn't pass payroll stimulus for airlines.
- Southwest also issued another 1,503 warnings to other AMFA members that they're at risk for furloughs if bumped by more senior employees at other locations.
- The airline already issued warnings to 42 materials specialists on Nov. 6 for employees who maintain stock for aircraft maintenance.

TSA reports spike in COVID-19 cases at McCarran, nation's airports

- As coronavirus cases surge across the country, there also has been a spike in positive cases in Transportation Security Administration employees at the nation's airports.
- There have been 24 new cases of COVID-19 among TSA officers at McCarran International Airport reported since Oct. 22, according to TSA data. Since the pandemic

began, the total number of TSA employees testing positive for the virus at McCarran sits at 65.

- There is no data available to indicate how many of the McCarran cases are active, but the last reported case at Las Vegas' airport was on Tuesday.
- The increase seen in less than one month is greater than the uptick in cases at McCarran between Aug. 25 and Oct. 22 when 10 new cases were reported among TSA employees.
- Since Oct. 22 there have been 777 reports of TSA officers testing positive for COVID-19 at airports across the nation, bringing the total number of infected employees since the pandemic began to 2,981, TSA data revealed. Of those, 557 cases were active as of Thursday morning.
- In comparison, between Aug. 25 and Oct. 22, the TSA reported 472 new cases of employees testing positive for the virus.

Post-Pandemic Airlift Will Be Different

- With the number of domestic flights scheduled for November up from previous months but still 42 percent less than last November, some airlines are seizing on presently vacant gates to set up their future.
- This week, Southwest Airlines began flying to and from Miami for the first time, with daily service from Baltimore-Washington International, Chicago Midway, Houston Hobby, and Tampa International. But that's just the beginning of a strong push by the low-cost airline to secure a foothold in markets both large and smaller, where major airlines have diminished their presence due to the Covid-19 pandemic.
- Southwest is adding service at two other major airports before the end of 2020—Chicago O'Hare and George Bush Houston International—and into six more cities by the end of 2021. Matt Lee, vice president of operational planning at aviation-consulting firm Landrum & Brown, said in a November 16 article in *The Wall Street Journal* that "Southwest is going to look at what the holes are in the majors' networks and fill them in." Adam Decaire, Southwest's vice president of network planning, added that "we've probably put in a decade's worth of new-city growth. Now, we don't want to do anything just for a few months; we're definitely out scouting more cities."
- Actually, some other big airlines are also taking advantage of opportunities presented by vacant gates during the pandemic. A few examples: United announced that it will resume service from several cities into New York's JFK International in 2021; Delta is planning to make Miami a "focus city" with service to 12 cities in 2021; and JetBlue is launching 60 new routes from its existing cities next year.

Preparing for the Next Pandemic Is the Newest Trend in the Hotel Industry

- The hotel and travel industries, like so many other industries from manufacturing, sales and services, were simply caught unprepared for the advent of the novel coronavirus. The concept of "preparedness" becomes important when we consider the typical market forces that have guided the vast majority of companies since the beginning of the 20th century.
- The truth is, it's hard for many companies to shoulder the costs associated with being prepared for "whatever may come" in their desire to operate in the most cost-efficient ways possible. Even for higher-end luxury hotels, costs are often weighed against the perceived benefit. Buying and stockpiling expensive disinfection equipment, materials and even employee hours, when not faced with a potential pathogenic threat is nearly unthinkable—more of a Hollywood movie plot than anything that might occur in real life.

- This pandemic has forced the hotel industry, as well as so many other industries, to reevaluate the notion of efficiency vs. preparedness. And, as we consider the future of travel and hotel accommodations, the implications for hotel design and remodeling creates new opportunities for resiliency and survival in the months and years to come.
- Technologies exist today that not only help in the short term, but can be powerful solutions in the future, if the hospitality world places more value on being prepared for any future infectious event.
- UV light disinfection is the technology that can significantly impact the future of the hospitality industry. More than ever, hotels and resorts are turning to the germicidal properties of UV light to quickly disinfect guestrooms, fitness facilities, bathrooms and other public spaces in order to earn the confidence of re-emerging travelers searching for safety protocols that can protect them against the COVID-19 virus. UV light products, if powerful enough, can make spaces where people gather up to 99.9% pathogen-free.

Women in Leisure and Hospitality Are Among the Hardest Hit by Job Losses and Most at Risk of Covid-19 Infection

- The leisure and hospitality sector—which includes restaurants, hotels, museums, spectator sports, and more—is a major driver of the American economy and a source of millions of jobs; this sector alone accounted for 9.4% of the entire workforce in 2018, employing roughly 1 in 11 workers in the U.S. But the spread of COVID-19 has ravaged this sector—making it the hardest-hit sector in terms of job losses—as both public health restrictions and changes in individual behavior to avoid the virus have limited travel, dining out, and many other leisure activities. And women of color, who are disproportionately represented in leisure and hospitality jobs that have long been underpaid and undervalued, are likely to suffer the most.
- Women make up just under half (48%) of the overall workforce and just over half (51%) of the leisure and hospitality workforce.
- Full fact sheet [here](#).

US Travel Pushes for Specific Policy Actions as Spending Expected to Plunge

- The U.S. Travel Association is calling on Congress to take immediate action to support the travel industry amid the COVID-19 pandemic, citing dire spending projections.
- [New figures released by U.S. Travel](#) predict that travel spending in the U.S. will finish the pandemic-plagued year down 45 percent compared to 2019 and not recover to pre-COVID-19 levels until 2024. The estimated \$617 billion is slightly down from U.S. Travel's previous forecast of \$622 billion in July. Last year, nearly twice as much—a total of \$1.13 trillion—was spent on travel in the U.S.
- While domestic leisure travel spending has been hit hard, down 34 percent, the domestic business (55 percent) and international inbound (77 percent) markets have experienced even more dramatic declines.
- As a result, U.S. Travel is recommending lawmakers take specific policy actions right now, including enhancing and extending the Paycheck Protection Program through the end of 2021 and expanding eligibility. The organization is also encouraging Congress to enhance and extend the Coronavirus Relief Fund through at least the end of 2021 and provide additional emergency assistance to the nation's airports.

- The travel industry currently accounts for one-third of overall unemployment in the U.S., with nearly 40 percent or 3.5 million of all direct travel jobs going away over the past seven months. However, U.S. Travel forecasts that those numbers could climb by year's end when another million direct travel jobs could disappear in the absence of another round of relief.

Report: It May Take Until End Of 2024 For NYC Tourism To Recover

- The city's convention and visitors bureau is projecting that NYC tourism will take several years to bounce back from the pandemic.
- NYC & Company released a new report that plots out the next five years of travel-to-NYC trends. There were 66.6 million visitors to the city in 2019, but tourism will drop by about 66% this year to 22.9 million visitors, and is only expected to be near pre-pandemic heights by 2024, with an estimated 65 million visitors in 2024, and then 69.2 million in 2025.
- Last year had been a banner year for tourism in the city, with 2019 the 10th straight year of record tourism growth. Nearly 400,000 jobs and \$70 billion in "economic activity" are attributed to tourism, according to the 2019 NYC & Company annual report. (In a 2018 report, NYC & Company offered an outlook with 68.9 million visitors in 2020 and 71.2 million in 2021.)
- Some cultural institutions have begun to slowly reopen with limited capacity, like museums. However, concerts and sporting events are not yet open to fans in New York, and Broadway announced last month that it won't reopen until June 2021.
- "With nearly 97,000 workers who rely on Broadway for their livelihood and an annual economic impact of \$14.8 billion to the city, our membership is committed to re-opening as soon as conditions permit us to do so," Broadway League President Charlotte St. Martin said in a statement in October. "We are working tirelessly with multiple partners on sustaining the industry once we raise our curtains again."
- International visitors have been making up 20% of tourists in recent years, with most coming from the U.K., China, and Brazil, but international travelers won't be that prominent until 2025, NYC & Company says. The report adds, "It is worth noting that international travel after September 11th, 2001 took fully four years to recover."

Mardi Gras parades don't meet COVID guidelines, won't happen in 2021 city says

- Mardi Gras parades seem highly unlikely to occur in the 2021 season is the message being spread by the city of New Orleans after a post on its web site became social media fodder Tuesday and social posts from the city said that there would be no parades in 2021.
- The news seemed to catch some people off guard but City spokesman Beau Tidwell said it shouldn't have and that the messaging has been consistent.
- Tidwell, in a press briefing on Tuesday, said the city has always said that gatherings of 250 or more people are not permitted under the current guidelines and that it has been seeking alternatives to the traditional celebrations that are rife with large crowds in close quarters.
- "None of this should be a surprise to anybody," said Tidwell. The guidelines have been in place for some time." Tidwell said that a rise in COVID infections around the state and in the city make it doubtful that there will be a "sea change" in conditions around the virus that would allow for parading in 2021. He included the Mardi Gras Indians and

marching krewees as groups whose normal protocols would likely not be permitted to occur.

- Tidwell pointed to the city's numbers of 14, 439 confirmed cases of COVID since the start of the pandemic and 605 deaths. He said the city has had 1,000 new cases in the past two weeks and 10 deaths. The city was once one of the biggest hotspots in the nation for COVID but they have been performing better than the national and statewide numbers for some time.
- However, the numbers have been moving upward in the city and officials have no desire to go back to the problems in March, April and May. Mardi Gras 2020 was largely seen as a super-spreader event that caused the city to be at the center of COVID early on.

U.S., Canada, Mexico to extend border restrictions until late December

- U.S. land borders with Canada and Mexico are expected to remain closed to non-essential travel until Dec. 21 at the earliest amid a rising number of U.S. coronavirus cases, officials in Washington and Ottawa told Reuters on Wednesday.
- The current restrictions expire on Saturday and the three countries were expected to approve another 30-day extension, officials said.