Travel Industry Update
November 25, 2020

IATA Announces Creation of Digital COVID-19 Travel Pass

- The International Air Transport Association (IATA) today announced that it’s in the final development stages for a mobile app called ‘IATA Travel Pass’, which will enable flyers to easily display their COVID credentials at airports.
- The digital Travel Pass will display a record of an individual’s test results, proof of inoculation (as vaccines become available) and link to an electronic copy of the user’s passport for identity verification. For users, it will also serve as a resource that lists various rules for national entry and nearby lab locations that meet their destination’s testing and/or vaccination requirements, Bloomberg reported.
- IATA’s aim, like other groups developing so-called “COVID Passports” is to support the safe reopening of international borders and get the travel industry back on its feet, especially as approval of COVID-19 vaccines appear likely to arrive in coming months.
- With many countries now adopting testing requirements for travelers in lieu of quarantine, having a verifiable, handheld method of storing and sharing your test results and (eventually) proof of vaccination could be invaluable. The app also incorporates open-sourced and interoperable software that will allow labs to securely deliver test results and certificates to passengers directly.
- Travel Pass will be free for travelers and governments to use, while airlines will pay a small fee for each passenger who uses the service in the course of their travel journey. Alan Murray Hayden, IATA’s head of passenger and security products, said during a briefing that IATA has already had positive talks with one government about using the software and expects that other nations will follow suit.
- The app will be based upon IATA’s existing Timatic platform, a system used by airlines and travel agents to verify passengers’ travel document requirements. Murray Hayden specified that the app will rely on block-chain technology and won’t store personal data. He also said that the trade organization’s goal is simply to get people back into the air again and that it would be happy to work with other providers to improve efficiency.

5 major airlines are rolling out shared digital health passes to prove negative COVID-19 tests. They hope it's a step towards recovery for an industry set to lose $157 billion.

- United Airlines, Lufthansa, Virgin Atlantic, Swiss International Air Lines, and JetBlue will be accepting a digital health pass as proof of negative COVID-19 status from December.
- The CommonPass shows the results of passengers’ COVID-19 tests, as is designed as an international standard. In the future, it could also be used to record vaccination results.
- Currently, test results aren’t issued in a standard format and vaccination records can be easily forged, the Commons Project, the non-profit behind the pass, said.

For Thanksgiving and 'healing': Delta CEO thanks employee COVID-19 sacrifices with free travel

- Delta Air Lines is thanking its employees for their sacrifices during the COVID-19 pandemic by giving them free travel anywhere the airline flies.
In a memo to employees Monday, Delta CEO Ed Bastian said every employee who worked or took a leave in 2020 would receive two passes for travel worldwide.

"I hope these passes will help with your own healing as we move into the future, whether it’s to connect with family, experience a brand-new part of the world, or embark on an adventure with a loved one," Bastian wrote in the memo.

The passes do not expire and are available to the 40,000 Delta employees who voluntarily took unpaid short- and long-term leaves of absence to avoid involuntary furloughs.

**Southwest Airlines plans to furlough 81 employees at Atlanta airport**

- Southwest Airlines plans to furlough 81 employees at the Atlanta airport in January as part of a nationwide furlough as talks with its unions over cost reductions have stalled.
- Southwest plans to furlough 76 technicians and one inspector at Hartsfield-Jackson Atlanta International Airport, according to a notice filed with the Georgia Department of Labor. Four material specialists would also be furloughed, according to another notice.
- "We are grateful for the Payroll Support Program (PSP) proceeds we received from the U.S. Treasury under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which allowed us to operate without pay cuts, layoffs, or furloughs through September 30, 2020," Gary C. Kelly, chairman and CEO, said in a statement. "As the pandemic and its devastating effects on our industry continue, we urge our federal leaders to pass an economic relief package that includes a clean, six-month extension of the PSP to further protect jobs and crucial air travel to communities across the Nation. Absent this extension, we simply cannot afford to continue with the conditions required to maintain full pay and employment. Based on the lack of stimulus, we have communicated temporary pay rate reductions to our non-contract Employees and have begun negotiations with our Union Leaders to reach agreement on reasonable, temporary concessions for our union contract Employees beginning January 1, 2021, in return for no layoffs or furloughs through the end of 2021, barring unforeseen and catastrophic changes to our business. In the event that we are unable to reach agreement on temporary concessions with our Unions, we plan to — as a last resort — furlough Employees in early 2021. If the federal government extends the much-needed PSP for the airline industry, we intend to discontinue or reverse these efforts through 2021."
- The company said it expects the furlough will last more than six months but will be temporary.
- The nationwide furloughs could include nearly 100 in Dallas, 44 in Phoenix, and 32 in Tampa, Fla., according to business journals in those cities.

**Qantas says Covid vaccination will be mandatory for international passengers**

- Qantas plans to require proof that customers on international flights have been vaccinated for Covid-19, once a vaccine is available in the marketplace.
- Qantas’ plan to require proof of a Covid-19 vaccination is likely to be adopted widely by air carriers, especially for airlines in countries with relatively low transmission, said David Powell, a medical advisor for IATA.
- "This can only happen when the vaccine is widely available," Powell cautioned during a Monday webcast that was part of IATA's Annual General Meeting, which the trade group is holding virtually this week.
- "The day after the vaccine comes out, nothing will happen because it will take months to get sufficient penetration and distribution," Powell added. IATA doesn't expect a vaccine to be widely distributed until the middle of next year.
Powell emphasized IATA's position that in the meantime governments must continue to work together and with airlines and airports to establish standardized testing protocols that will replace quarantines and border closures.

Airlines, he said, simply don't have the cash reserves to wait on widespread vaccination before restarting international travel.

**Covid jab: Ryanair will not ask for proof of vaccination within EU**

- Ryanair says it does not believe air passengers travelling across Europe will have to prove they have been vaccinated against Covid-19 before being allowed to board flights in the future.
- The company has expressed the view after the head of Qantas, Alan Joyce, told Australian television this week that he believed it would be mandatory for passengers to be vaccinated against Covid-19 before boarding international flights with his airline. Joyce also said he expected other airlines to implement similar rules.
- Ryanair says it does not believe a requirement for a vaccination will become commonplace, at least within the European Union. “Under the EU system of free movement, we believe quarantine restrictions will be removed in spring 2021, once effective vaccines become available to protect high-risk groups from Covid-19,” a spokeswoman says.

**KLM: No plans to make Covid vaccine mandatory; May need more gov't support**

- KLM CEO Pieter Elbers said the Dutch airline does not currently have plans to require passengers to be vaccinated against the SARS-CoV-2 coronavirus in order to board their aircraft.
- Elbers noted that KLM was working with Schiphol Airport to make rapid testing available at the Amsterdam facility.
- The KLM head also said that improved hygiene, service, flexibility, and sustainability were going to be critical for the air travel industry as a whole to recover from the ongoing crisis. In his view, he projected that a vaccine combined with the recovery of local economies would lead to more business travel.
- Until then, Elbers suggested that KLM, and parent company Air France-KLM, will potentially need more financial support to cope with the current crisis. He praised both the Dutch and French governments for moving quickly to “provide loans and bank guarantees in order to create some solid ground for us in order to move through this crisis. Now we’re looking somewhat further ahead somewhat more to the future.”
- He refused to speculate on what exactly the airline or the parent company might need from the two European States, both of which own stakes in the airline group of between 14 and 15 percent. “I think also it’s fair to say there’s still a lot of uncertainties in the market out there.”

**'Devastating and unrelenting' Covid-19 crisis will cost airlines $157 billion, says IATA**

- The International Air Transport Association forecast Tuesday that the sector will lose $157 billion this year and next due to the pandemic. That’s much worse than previous estimates.
- “This crisis is devastating and unrelenting,” IATA Director General Alexandre de Juniac said in a statement.
- De Juniac said that Covid-19 made 2020 the worst financial year on record "bar none." The industry group expects net losses to total $118.5 billion, worse than the $84.3 billion forecast in June. IATA now thinks the airline industry will lose $38.7 billion in 2021, deeper than its previous $15.8 billion forecast.
"We need to get borders safely reopened without quarantine so that people will fly again," said de Juniac. "With airlines expected to bleed cash at least until the fourth quarter of 2021 there is no time to lose."

The coronavirus pandemic has brought the aviation industry to its knees, costing airlines $510 billion in lost sales. Airlines have already cut tens of thousands of jobs, with many more positions that rely on the sector at risk. IATA expects passenger numbers to plummet 60% this year to 1.8 billion, roughly the same number that the industry carried in 2003.

Passenger numbers are expected to grow to 2.8 billion in 2021, but won't return to the 4.5 billion reached last year until 2024 at the earliest, with domestic markets expected to recover faster than international services, IATA said.

**Record Number of Travelers Flood Airports, Despite CDC Thanksgiving Travel Warning**

The Transportation Security Administration (TSA) screened a record of more than 3 million passengers at airports across the country this weekend, despite warnings from epidemiologists to avoid travel at this time.

Sunday was the single-busiest day at airports since the pandemic began in March, with 1,047,934 travelers passing through security checkpoints, according to TSA data. On Friday, more than a million passengers were checked and on Saturday, that number dipped to just slightly below a million.

**Nevada casinos face 25% occupancy limit under new COVID rules**

The state’s economy will benefit from avoiding another shutdown, though new capacity restrictions will put further strain on the state’s economic engine, the gaming industry, and its bars and restaurants, experts say.

In a Sunday press conference, Nevada Governor Sisolak said effective 12:01 a.m. Tuesday, occupancy limitations at casinos and their bars and restaurants will be reduced from 50 percent to 25 percent.

Halving casino capacity to 25 percent will hurt an industry that has taken “exorbitant” steps to protect its guests and employees from the coronavirus, according to Brendan Bussmann, director of government affairs for Global Market Advisors.

Since Nevada casinos first shut down in mid-March, group business and entertainment among resorts has been largely nonexistent. The industry had taken steps to recover those revenue streams in recent weeks, but new occupancy limitations could nullify that progress.

Limiting gatherings to 50 or fewer people halts momentum that the convention industry had gained under the previous 250-person cap, according to Josh Swissman, founding partner of The Strategy Organization consulting group. The 50-person limit could also prompt shows on the Strip, which recently returned with “a lot of fanfare,” to cancel their shows.

Swissman said a 25-percent capacity limit on casinos probably won’t change much for midweek business — for those still operating midweek. What it will hurt, Swissman said, is weekend business.

“That’s the time of the week for the casinos to really make money,” Swissman said. “That was true before the pandemic, and it is especially true now.”

**Hawaii’s hotel industry is still struggling despite tourism reopening, and isn’t expected to break even in 2021**

More than a year from now, Hawaii’s hotel industry won’t have stopped bleeding.
A new annual Hawaii hotel forecast prepared by STR for the Hawaii Tourism Authority estimates that by the end of 2021, statewide occupancy will have hit only 46.3%, still short of the 50% to 60% occupancy that the industry needs to break even.

Many of Hawaii’s hotels temporarily closed during the pandemic as government restrictions and fear of COVID-19 significantly reduced travel demand. Quite a number were open by Oct. 15, the start of the state’s pre-arrival testing program under Safe Travels Hawaii. But so far, Hawaii’s formal welcome-back to travelers hasn’t filled hotel rooms to the degree that many had hoped.

About 75% of Hawaii hotels are operating again. Still, only about 1,000 out of 8,000 Unite Here Local 5 hotel members are back to work. Some 5,000 of them already have lost their health insurance, and most are facing the loss of other support programs just after Christmas.

Local 5 spokesman Bryant de Venecia said, “Most of our workers have lost health insurance. They really want to go back to work, but that’s really out of our control. We can’t control how many tourists will occupy our hotels.”

Muhi Hannemann, president and CEO of the Hawaii Lodging &Tourism Association, said Hawaii hoteliers are languishing, too.

Hannemann cited a recent survey of American Hotel &Lodging Association members that estimated 7 in 10 hoteliers (71%) wouldn’t make it another six months without further federal assistance given current and projected travel demand, and 77% of hotels report they will be forced to lay off more workers.

“I don’t know if Hawaii is quite at 71%. We’ve got a number of foreign hotel owners who might be able to survive beyond that period. Still, I would reckon a good number of our properties are in dire straits,” Hannemann said.

Chip Rogers, president and CEO of AHLA, said in a statement that Congress must move quickly to pass additional relief for U.S. hotels.

“Every hour Congress doesn’t act, hotels lose 400 jobs. As devastated industries like ours desperately wait for Congress to come together to pass another round of COVID-19 relief legislation, hotels continue to face record devastation,” Rogers said. “Without action from Congress, half of U.S. hotels could close with massive layoffs in the next six months.”

Disneyland Paris to Remain Closed Until February 2021

After being shutdown for the second time due to the pandemic back in October, with the hope that it would reopen in a month, Disneyland Paris will not be reopening its gates in 2020.

According to a report from DLPReport, French President Emmanuel Macon has ruled out a holiday reopening for any theme parks in France.

The park is set to reopening Feb 13, 2021.