



## Travel Industry Update

November 30, 2020

### Pilot shortage prompts rare flight cancellations at Delta over Thanksgiving break

- On Thursday, Delta canceled about 300 flights, roughly 20% of its schedule and around 160 flights on Friday, around 9% of the schedule.
- The airline expects operations to return to normal over the weekend and said most customers whose flights were canceled were rebooked on flights the same day.

### Delta pilots approve cost-cutting measures to avoid furloughs until 2022

- Delta pilots voted for a cost-cutting deal that would avoid more than 1,700 furloughs.
- The deal would cut pilots hours 5% and slash minimum pay for pilots who were on the furlough list.
- The more than 1,700 pilots who would have been furloughed by the Atlanta-based airline at the end of the month will get partial pay of 30 hours a month and will not have to fly. The plan won 74% approval, said the Air Line Pilots Association, which represents Delta's nearly 13,000 pilots.

### Delta and Alitalia to launch the first 'quarantine-free' flights from the U.S. to Europe

- Delta Air Lines and Alitalia will soon operate flights from the U.S. to Italy that won't require passengers to quarantine upon arrival.
- It is the first travel corridor to be established between the U.S. and Europe since the imposition of widespread travel restrictions in the early days of the coronavirus pandemic in March.
- Passengers will have to take one of the leading Covid-19 screens—the Polymerase Chain Reaction (PCR) test—up to 72 hours before departure, in addition to a rapid test administered at the airport. Upon arrival in Italy, another rapid test will be administered, and the same rapid test will be given before departure back to Atlanta, the U.S. airline said on Thursday.
- Testing negative for Covid-19 will allow passengers who are U.S. citizens traveling to Italy for essential reasons, such as work, health, or education, to be exempt from the 14-day quarantine that Italy has otherwise imposed on American travelers.
- Italian and other European Union citizens traveling from the U.S. to Italy on these new flights will similarly be exempt from mandatory self-isolation.
- Delta said it has consulted with Mayo Clinic, a leading American nonprofit health center, to review the testing protocols required to make flights as safe as possible.
- Henry Ting, an executive at Mayo Clinic, said that based on the group's modeling, testing protocols combined with multiple layers of protection, including mask wearing, social distancing, and cleaning would substantially reduce the risks of infection.

- “We can predict that the risk of Covid-19 infection—on a flight that is 60 percent full—should be nearly one in a million,” Ting said.

### **United Airlines charters flights to distribute Pfizer's COVID-19 vaccine**

- United Airlines on Friday commenced charter flights to send doses of Pfizer and BioNTech's COVID-19 vaccine candidate to prepare for distribution.
- In a statement to The Hill, the Federal Aviation Administration (FAA) said it was "supporting the first mass air shipment of a vaccine" on Friday.
- "As a result of the historic pace of vaccine development through Operation Warp Speed and careful logistics planning, the FAA today is supporting the first mass air shipment of a vaccine," the FAA statement read.
- The FAA said it is working alongside manufacturers, air carriers and airport authorities to provide guidance on implementing existing regulatory requirements for safely transporting large amounts of dry ice air cargo. Due to the complexity of the fast-tracked vaccine, Pfizer's candidate must be kept at below freezing temperatures, meaning special accommodations must be made for both transport and storage.
- "The FAA established the 'FAA COVID-19 Vaccine Air Transport Team' in October to ensure safe, expeditious, and efficient transportation of vaccines. Several vaccines need continued cold temperatures during transport, which, in some circumstances, require dry ice, a hazardous material," the statement added.
- A United spokesperson told The Hill in a statement on Friday that the vaccine rollout was being handled by United Cargo, which established a COVID Vaccine Readiness Task Team earlier this year "to help ensure we have the right people, products, services, and partnerships in place to support a vaccine distribution effort on a global scale."

### **JetBlue Airways forecasts higher fourth-quarter cash burn**

- JetBlue Airways Corp said on Monday it expects cash burn to rise to about \$8 million per day in the fourth quarter, citing recent booking trends and a delay in cash tax refunds.
- It expects its fourth-quarter average daily cash burn to be between \$6 million and \$8 million, compared with its prior forecast of between \$4 million and \$6 million.
- "Booking trends remain volatile and the company continues to believe demand and revenue recovery will be non-linear through the fourth quarter and beyond," New York-based budget carrier JetBlue said.

### **You can now book a lie-flat economy seat with Lufthansa**

- Traveling may not be your priority right now, but for travelers who are flying one specific route with Lufthansa, this upgraded economy experience could make the flight far more enjoyable.
- The Germany-based airline is trialing its new lie-flat economy product on flights 506 and 507 between Frankfurt, Germany (FRA) to São Paulo, Brazil (GRU).
- Whether you want to sprawl out in luxury for less, or are just eager to secure more personal space the next time you fly, the so-called Sleeper's Row lets you book three or even four adjacent seats in a single row.
- In addition to all that extra space (and the peace of mind knowing you won't have any seatmates to contend with), travelers who book Sleeper's Row will get a few business-class perks: a premium pillow, topper and blanket, plus priority boarding.

- Unfortunately, you don't have much time left to experience this product during its trial period. At this time, the Sleeper's Row is being offered to travelers with an economy ticket on eligible flights until mid-December.

### **Qantas aims to save \$100 million a year, cuts 2000 staff**

- Australian flag carrier Qantas Airways decided to cut 2,000 more staff and outsource baggage handling in a bid to save more than \$100 million. The airline has already cut up to 8,500 jobs out of a pre-COVID-19 workforce of 29,000.
- On November 30, 2020, the Australian air carrier notified around 2,000 employees that its ground handling operations would be outsourced at 10 airports across Australia with an aim to recover from the COVID-19 crisis faster and reduce its annual costs by \$103 million. The decision came as an additional measure to a total of 8,500 ground crew redundancies which were made back in June and August 2020.

### **Thanksgiving eve was the busiest air travel day of the pandemic, despite health warnings**

- The busiest air travel day of the coronavirus pandemic came on Wednesday, the day before Thanksgiving, with 1,070,967 passengers clearing airport security.
- It was the third time in one week that the Transportation Security Administration reported screening more than 1 million daily passengers — a milestone that airports have rarely seen since the pandemic slashed air travel in March.
- “It's the highest volume since March 16 and only the 4th time passenger throughput has topped 1 million since that date,” TSA spokesperson Lisa Farbstein said in a tweet. The first million-passenger day since March occurred Oct. 18.

### **TSA Checkpoint numbers for Thanksgiving weekend 2020**

- On Wednesday, Nov 25, 2020 TSA screened 1,070,967 passengers
- On Sunday, Nov 29, 2020 TSA screened 1,176,091 passengers

### **White House considers lifting European travel restrictions, sources say**

- The White House is considering rescinding entry bans for most non-U.S. citizens who recently were in Brazil, Britain, Ireland and 26 other European countries, five U.S. and airline officials told Reuters.
- The Trump administration imposed the bans in a bid to contain the novel coronavirus pandemic.
- It is not considering lifting separate entry bans on most non-U.S. citizens who have recently been in China or Iran, the officials said.
- Many administration officials argue the restrictions no longer make sense given that most countries around the world are not subject to the entry ban. They contend lifting the restrictions would be a boost to struggling U.S. airlines, which have seen international travel fall by 70%, according to airline industry data.

## **Disney increases number of planned layoffs to 32,000 employees**

- Walt Disney Co. is planning to shed 32,000 employees by the end of March — 4,000 more than previously announced — as the coronavirus pandemic continues to hammer its parks and resorts business.
- The additional layoffs were disclosed in a filing to the US Securities and Exchange Commission on Wednesday. Disney (DIS) employs around 223,000 people, according to its most recent annual report. It had already announced plans to cut about 28,000 jobs in September.
- The media and entertainment giant warned that it may also be forced to scrap its dividend in the future, and reduce or not make contributions to pension and retirement medical plans. It said it could slash investment in television and film productions, and furlough or terminate even more employees.
- The pandemic has slammed Disney's parks business, which has more than 100,000 employees in the United States. The company has also been forced to suspend cruise ship sailings and delay major film releases, such as "Black Widow," which was expected to be one of the year's biggest blockbusters.