

The Chartered Institute of Logistics and Transport

North America

# Transportation's Top Stories Air Transport Updates

Air Canada Proposes Science-Based Approach to Easing Quarantine Act Restrictions

Air Canada's Chief Medical Officer on July 15, 2020 issued a letter urging the Canadian government to consider a science-based approach to easing the Quarantine Act restrictions, which have been essentially unchanged since March 2020, to strike a better balance for travellers and for the Canadian economy without adversely impacting public health. Air Canada is not proposing relaxing the U.S. border restrictions at this time - only to replace the quarantine requirements for those countries with a low COVID-19 risk from a public health perspective with more proportionate, evidence-based measures and experiences from other countries.

Air Canada Proposes Science-Based Approach to Easing Quarantine Act Restrictions, July 15, 2020, <u>www.aircanada.ca</u>

Weekly aircraft movements, June 27 to July 3, 2020

Data on weekly aircraft itinerant movements are now available for June 27 to July 3, 2020 at the statcan website.

Weekly aircraft movements, June 27 to July 3, 2020, July 15, 2020, <u>www.statcan.gc.ca</u>

### Leading indicator of international arrivals to Canada by air, second quarter 2020

The number of international arrivals to Canada by air, which began to decline sharply in the second half of March 2020 because of international travel restrictions, remained flat for the entire 2020 second quarter. Arrivals from overseas countries remain at a near standstill, at the same time the number of air arrivals from the United

States remains low and few Canadian residents are returning from abroad.

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Leading indicator of international arrivals to Canada by air, second quarter 2020, July 14, 2020, <u>www.statcan.gc.ca</u>

### WestJet expands August schedule, updates July flying

WestJet on July 13, 2020 released its updated August 2020 schedule featuring more than 200 daily flights to 48 destinations across Canada, the United States, the Caribbean, Mexico and Europe. The schedule features service to 39 domestic airports and further highlights the airline's commitment to ensuring air service and regional connectivity is available to Canadians from coast-to-coast. The updated schedule is supported by the layered framework WestJet has built to ensure Canadians can continue to travel safely and responsibly through the airline's 'Safety Above All' hygiene program. The airline continues to provide flexibility in booking, change and cancellation policies for guests.

WestJet expands August schedule, updates July flying, July 13, 2020, <u>www.westjet.ca</u>

### Study: Transport turning points during COVID-19

A new study, "Transport turning points during COVID-19," uses new weekly indicators of the number of aircraft movements and railcars online to identify the initial downturn and highlight the first signs of recovery in the transportation of passengers and freight during the first half of 2020. The number of itinerant aircraft movements fell to a low of 14,100 during the week of April 11, 2020, down 68.2% from the reference week of December 28, 2019. The number of railcars online declined more gradually during the pandemic, reaching a low

of 126,400 during the week of May 9, down 7.9% from the reference week of December 28, 2019.

Study: Transport turning points during COVID-19, July 13, 2020, <u>www.sttcan.gc.ca</u>

#### April 2020 U.S. Airline Traffic Data

U.S. airlines carried 2.9 million systemwide (domestic and international) scheduled service passengers in April 2020, seasonally-adjusted, according to the Bureau of Transportation Statistics' (BTS), down 92.2% from March 2020.

April 2020 U.S. Airline Traffic Data, July 16, 2020, www.bts.gov

## Air Traffic Data, May 2020: 89% Reduction in U.S. Airline Passengers from May 2019 (Preliminary)

U.S. airlines carried 89% fewer scheduled service passengers in May 2020 than in May 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by 20 airlines that carry more than 90% of the passengers. Despite the large drop from May 2019, U.S. airlines carried more than twice as many passengers in May 2020 than in April 2020.

Air Traffic Data, May 2020: 89% Reduction in U.S. Airline Passengers from May 2019 (Preliminary), July 14, 2020, www.bts.gov

### Mid-May Airline Employment Down 20,000 from Mid-April

U.S. airlines employed 696,534 workers in the middle of May 2020, 20,100 fewer than in mid-April 2020 and 42,282 fewer than in May 2019. The May 2020 numbers consist of 588,802 full-time and 107,732 part-time workers. The May 2020 number of total employees was the lowest for the airlines since April 2017 when there were 694,182 employees.

### Mid-May Airline Employment Down 20,000 from Mid-April, July 10, 2020, <u>www.bts.gov</u>

### 'Queen of the Skies' 50 Years of the 747

The beautiful Boeing 747-100 didn't just introduce a little more glamor into air travel; it also helped make air travel more affordable for the masses. Join **Jennifer Coutts Clay CMILT**, Author of JETLINER CABINS, as she celebrates 50 years of the Queen of the Skies in the *Aircraft Interiors International Magazine*'s 2019 Design Showcase.

Click here to read the publication.

Aircraft Interiors International Magazine's 2019 Design Showcase – <u>www.aircraftinteriorsinternational.com</u> - Jennifer Coutts Clay CMILT, Author of JETLINER CABINS <u>https://jetlinercabins.com/news-media/news/</u>

#### American Airlines threatens to cancel some Boeing Max orders By David Koenig |Jul 16, 2020

DALLAS (AP) -- American Airlines is warning Boeing that it could cancel some overdue orders for the grounded 737 Max unless the plane maker helps line up new financing for the jets, according to people familiar with the discussions.

American's stand comes as airlines are finding financing increasingly difficult and expensive as the coronavirus pandemic has crippled their operations.

American had 24 Max jets before they were grounded in March 2019. It has orders for 76 more but wants Boeing to help arrange financing for 17 planes for which previous financing has or will soon expire, according to three people who spoke Friday on condition of anonymity to discuss private talks between the companies.

If the companies can't reach an agreement, American could use Max financing that is about to expire to pay for jets from Boeing's archrival Airbus, one of the people said.

Chicago-based Boeing said in a statement that it is working with customers during "an unprecedented time for our industry as airlines confront a steep drop in traffic," but did not comment on the talks with American. The Fort Worth, Texas-based airline declined to comment.

News of American's threat to cancel some orders was first reported by The Wall Street Journal.

The situation underscores the strain facing airlines during the coronavirus pandemic. It has grown more difficult and expensive for them to finance planes. American's negotiating stance doesn't reflect a loss of confidence in the plane's safety, the sources said.

The Max was Boeing's best-selling plane before crashes in Indonesia and Ethiopia killed 346 people and led regulators around the world to ground all Max jets.

The coronavirus pandemic has compounded Boeing's problems by causing a sharp drop in air travel and a loss of interest in new planes. Nearly 40% of the world's passenger jets are idled, according to aviation data supplier Cirium, as most airlines have more planes than they need until travel recovers.

That has made it more difficult to finance planes. United Airlines and Southwest Airlines found foreign lenders who agreed in April and May to buy Max jets and lease them to the airlines, but those carriers are in stronger financial situations than American.

The 17 planes in dispute were supposed to have been delivered to American at least a year ago. That has given the airline the option of canceling the order without penalty and recovering its down payments now, according to one of the people familiar with the matter. The deliveries have been delayed while Boeing works to fix a flight-control system suspected of playing a role in the crashes.

Airlines have canceled orders for more than 400 Max planes so far this year, and 320 are no longer certain enough to count in Boeing's backlog. Some were dropped because the airline buyer ran into financial problems, while others were swapped for different Boeing planes. The company had taken 4,619 orders through May.

Air travel in the U.S. fell about 95% from the beginning of March until mid-April. Traffic has recovered slightly since then, but remains down more than 70% from a year ago. With little revenue coming in, airlines are slashing spending and preparing to furlough thousands of workers this fall.

American has accepted \$5.8 billion in federal aid to pay workers through Sept. 30, reached tentative agreement on a \$4.75 billion federal loan, and lined up billions more in available cash from private lenders to survive the travel downturn.

<u>https://www.travelweekly.com/Travel-News/Airline-News/American-Airlines-threatens-to-cancel-some-Boeing-Max-orders?ct&fbclid=lwAR2rorFwcAfL\_mR4np-PPYLrY1JVGmCwusCoiu1vTcnSYWmhe7gSMxngn3c</u>