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pandemic created in the airline experience. And the next three to four months could be just as telling as the last.

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During April's pandemic low point, passengers posted selfies on empty planes and airlines put unoccupied employees to work making face masks for co-workers. Executives talked about "survival" and the thousands of workers they'll be forced to cut this fall when government stimulus money runs out.

On April 14, only 87,534 travelers passed through U.S. airports, a meager number not

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But the pandemic's trajectory might have other plans. Airports and airplanes are more full since Memorial Day, but there are alarming increases in cases in places including Texas, Florida and Arizona. All are common summertime destinations where governors are dialing back aggressive reopenings of their economies.

Despite that, American Airlines will put nearly 2,000 flights a day back on schedules this week and United will add 25,000 flights in August.

### **'Fight of our lives'**

In the first few weeks after government-ordered shutdowns brought travel to a near halt, airlines couldn't remove flights from schedules fast enough to make up for the millions of passengers canceling tickets.

Fort Worth-based American Airlines took a \$2.2 billion loss in the first quarter, even though the pandemic really hurt sales in only one of those three months. In a letter to employees last week, American CEO Doug Parker and President Robert Isom detailed just how far sales fell and the slow recovery since.

"We saw approximately \$11 million in cash receipts in April, \$358 million in May and more than \$1 billion in June," Parker and Isom wrote. "While that improvement is encouraging, it's compared to an average of \$4.2 billion each month during the same period in 2019, so we have a ways to go."

Dallas-based Southwest Airlines lost \$94 million in the first quarter. CEO Gary Kelly has repeatedly used the phrase "fighting for our lives" to describe what the airline needs to do to get through the pandemic.

"The airlines spent the past decade repairing their balance sheets from the prior decades, and that was destroyed in one quarter," said Helane Becker, an analyst for Cowen.

Losses are expected to be much steeper in the quarter that ended June 30. Analysts

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will likely be needed.

Parker and Isom estimated that American expects to have over 20,000 more workers on its payroll than it'll need to operate its fall flight schedule.

“To be clear, this doesn't mean 20,000 of our team members will be furloughed in October, it simply means we still have work to do to right-size our team for the airline we will operate,” they told employees.

Cutbacks are expected to accelerate ahead of Oct. 1, the date when airlines no longer have to abide by anti-layoff and furlough stipulations that were part of the Trump administration's \$50 billion grant and loan program for airlines.

In the meantime, both American and Southwest have been offering buyout packages to employees. There are also extended leave options for up to a year, which would give employees a chance to come back once airlines are in better financial shape and the pandemic is under control.

### **A reshaped experience**

Keller's Marc Matthews has seen many of the airline industry's struggles firsthand since the beginning of March.

He was visiting Austria with his wife and daughter when the White House enacted travel restrictions to several European and Asian countries on March 12. Matthews saw the long customs lines that many experienced as U.S. officials tried to screen thousands of panicked and returning travelers.

Back in Texas, his employer, Nokia, shut down corporate travel and he no longer had to visit regional offices.



After avoiding travel for two months, Matthews couldn't resist the allure of the \$48

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are coming back.

"The crowds were significant, but maybe not as significant as in previous times," Matthews said. "If you think the airport was going to be dead, our flights back and forth were both pretty crowded, but it didn't bother me."

He's planning another trip in August before school starts to the foothills in North Carolina, where the Matthews family can spend time outdoors.

In many ways, Matthews' attitude about flying reflects what's happening in much of the travel world. Airlines are reporting that future bookings are greatly improved, so much that both American and Southwest have ramped up flight schedules for July and August.

During the depth of the pandemic, passengers were greeted with near-empty airplanes. Pilots said they were surprised when more than 15 or 20 passengers made it to a flight. American said its planes, on average, were only 15% full in April, 45% in May and 63% in June.

With empty planes earlier in the pandemic, airlines made promises to limit how many seats were sold on flights to reassure customers they wouldn't have to put themselves at risk of contracting COVID-19. Face-mask rules were instituted. Matthews said instead of regular food service, he was given a paper bag with a bottle of water and a few pre-packaged snacks.

While customers may not be ready to sit elbow to elbow with strangers, social distancing on airplanes is inevitably temporary. The Allied Pilots Association, which represents pilots at American Airlines, said a plane needs to be about 75% full for airlines to break even. With fewer business travelers and discounted fares, that number is likely even higher.

American said it flew 965,000 customers in April, 2.7 million in May and 4.2 million

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That \$10 airfare helped lure some passengers back, said Scott Kaplan, a travel industry expert and former editor of Airline Weekly.

“In April, you couldn’t get someone onto a plane for free,” he said. “Now you have something like four times as many people flying as the lows, despite the fact that it costs something to fly again. I think they have realized for now that demand is limited but somewhat inelastic.”

At one point, discount fare website Farecompare.com reported a round-trip flight from Los Angeles to Fort Lauderdale, Fla., for \$35.

Foreign travel restrictions meant discounts were tough to find on international routes, but empty planes meant good fares for those willing to travel, even if few destinations had attractions open, said Scott Keyes, founder and chief flight expert at ScottsCheapFlights.com.

Airfares aren’t as cheap as they once were, but prices are still historically low and could stay that way for the next few months, Keyes said. A report from Bloomberg Intelligence analysts shows that fares are about 20% lower than they were a year ago in most markets.

“People are getting back on planes,” Keyes said. “Whether or not that’s a good thing is debatable, but I think it shows a willingness to adjust to a new normal.”

Where airfares will go in the next few months is difficult to project. Airlines are bringing back more flights, but are only publishing full schedules a few weeks out, said Jeff Pelletier, managing director at Dallas-based Airline Data Inc.

“Schedules beyond August are still placeholders and subject to change,” Pelletier said. “The passengers have been coming back, and at stronger levels than what may have

been originally forecast for June and into July. But all of the airlines are still being

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Even as airlines struggle to attract passengers, the flying experience has been frustrating for many.

At the peak of the pandemic, airlines were canceling more than 50% of flights and rebooking passengers on others. This created choppy itineraries, delayed landings and uncertainty in flying as airlines tried to protect themselves from financial losses, said Paul Hudson, a spokesman for consumer advocacy group FlyersRights.org.

“You still have a problem with phantom flights,” Hudson said. “Airlines are booking passengers on flights even if there is no chance that plane will ever fly. They just rebook them on something else later to get their money upfront.”

The Department of Transportation also has repeatedly warned airlines to refund money to passengers when carriers cancel flights, Hudson said. While airlines have gotten better at refunding flights, carriers are still steering customers toward taking vouchers for travel later.

Dallas travel agent Jim Strong said there is little that can be done to persuade some passengers to fly until a COVID-19 vaccine is developed. But he's sent his team out to various destinations to monitor the travel experience, even visiting casinos in Las Vegas.

Airlines are working hard to convince travelers that planes are clean. Commercial airlines use industrial-strength HEPA filters and planes cycle new air in and out of the craft every two to three minutes.

Southwest and American are using electrostatic devices and making more frequent and intense cleanings. But American's push to entice travelers back to the skies drew a rebuke last week from two of the nation's top infectious disease experts — Centers

for Disease Control and Prevention director Robert Redfield and Dr. Anthony Fauci,

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shoulder to shoulder, hour after hour. This is incredibly irresponsible," he wrote.

"People eat & drink on planes & must take off masks to do so. No way you aren't facilitating spread of COVID infections."

Airlines have restructured the boarding process to spread out people getting on planes, although passengers have said getting off a plane is the familiar logjam. American has partnered with the Vanderbilt University Medical Center to create a "travel advisory council," another step to reassure passengers it's safe to fly.

More changes could be coming, too. Airlines are pushing the TSA to check temperatures. Major airlines also will ask passengers to fill out health questionnaires that attest they're COVID-free.

"In my opinion, getting on an airplane now is safer today than it is going to the local grocery store," said Strong, who owns Strong Travel Service. "I think what the airlines have done in terms of the physical airplane is impressive.

"The boarding process is still a problem to me, but the actual airplane experience, I am not worried about that," he said.

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