

A NEED FOR A LONG-TERM STRATEGY FOR THE AIR TRANSPORTATION INDUSTRY

Opening Statement

The air transportation industry has been one of the hardest hit sector during the pandemic. The impacts are evident in, both business and leisure transportation flights. The air transportation industry has received some support available to all businesses, however, it hasn't received support that takes into consideration the specific nature of its operations. There is a need for a long-term strategy. Many nations in Europe are implementing rapid testing at airports and providing substantial information on the efficacy of testing and quarantining. Canada has made no such report available. The United Kingdom will be providing an overview of their reopening strategy that includes a plan on how to ease travel restrictions. No such plan exists in Canada.

Background

Canada needs to do better. The airline industry has been devastated as a result of the pandemic, uncoordinated responses, and limited engagement. Other countries have implemented various mechanisms that allow for the airline industry to survive and be ready for increased demands once it is safe to travel.

Air Canada was operating to 220 destinations directly or within one stop from its Vancouver hub prior to the pandemic. It had 69 direct destinations from BC. In addition, 79 aircrafts retired permanently. Some of the remaining aircrafts have been repurposed to carry cargo but these will need to be converted back to passenger aircrafts once demand picks up resulting in additional costs to the airline industry.

We will see an increase in travel demand as more people become vaccinated. There needs to be an adequate number of airlines to keep up with this demand, or else we will see higher costs to consumers due to the lack of supply.

The United States was quick to support the airline industry. In mid-April 2020, the United States government provided \$25 billion in support to the industry, noting their importance to the economy. Although the airlines were expected to lose \$35 billion due to the pandemic, this aid provided much needed support to remain in business and prepare for strict safety protocols.¹

In the United Kingdom, the Prime Minister indicated that holidays will be possible from Monday 12 April in self-catering properties, and in hotels and B&Bs. International travel from the UK may not resume before May, but a government report will be made public on April 12 that will look at ways to safely facilitate inward and outbound travel. The prospect of a detailed plan will allow for market actors to plan accordingly, and begin readying their capital for whatever government decision is to come.

Many European countries have implemented rapid testing at airports, and plan to roll out a systematic plan for travellers. The European Commission announced a strong recommendation to implement rapid COVID testing as the first step to reinvigorate travel.² The European Center for Disease Prevention and

¹ <https://www.cnn.com/2021/01/01/us-airline-2-losses-expected-to-top-35-billion-in-dismal-2020-from-pandemic.html#:~:text=U.S.%20airlines'%202020%20losses%20expected,pandemic%20threatens%20another%20difficult%20year&text=Analysts%20expect%20U.S.%20airlines'%20losses,the%20second%20half%20of%202021.>

² <https://eturbonews.com/1884825/rapid-airport-covid-tests-europes-goal/>

Control and EASA (European Aviation Safety Agency) developed guidelines for COVID-19 testing and quarantine of air travellers. They noted that the evidence does not support quarantining and testing of all travellers as a mechanism to reduce transmission, except when a country has reduced transition to almost zero.³ Pre-flight tests could reduce transmission during travel, especially when departure is from a country or an area with a very high incidence rate. When a person travels from a place of low incidence to high incidence, testing is not an effective mechanism, nor is quarantining of those travellers. The following recommendations are made by the report:

- When travel is taking place from a lower-risk to a higher-risk area or between areas of similar risk, there is no public health benefit in testing for SARS-CoV-2 and/or quarantine of travellers before departure or upon arrival in the destination country.
- Exceptionally, for travel between two high-risk areas, when travel begins from a very high-incidence area, a combination of testing and shortened quarantine could be considered, although this requires sufficient testing capacity.
- When travel is from an area of high or unknown risk to a lower-risk area, based on modelling studies, a combination of testing and shortened quarantine could be considered, if sufficient testing capacity is available.

Where a country or an area has achieved consistent sustained control of the virus, having a 14-day incidence close to zero, all incoming individuals from regions with community transmission should be tested before entering the COVID-19-free areas. Given the 14-day incubation period and the possibility of asymptomatic disease, these travellers should undergo quarantine (voluntary or mandatory) and be tested rapidly if they develop COVID-19 compatible symptoms. In the absence of symptoms, they should be tested again at the end of the quarantine period

If Canada does not want to miss out on much needed travel revenue, a long-term strategy is of utmost importance. Additionally, financial support to the valuable air transportation sector is needed. Some airlines have shut down service to and from various remote and rural regions throughout Canada. Once travel begins, there are fears that these airlines will not return. Incentivizing airlines to return to these locations is integral to any plan that is formulated.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Work with the air travel industry, Provinces and Territories to create a consistent domestic travel plan by developing criteria that signals the time for safe travel within the country by including metrics on how many people have been vaccinated in various regions throughout the country;
2. Implement national arrival and departure testing protocols by building upon Calgary's pilot program and learning from international examples;
3. Incentivize airlines to service rural and remote communities;
4. Provide substantial funds for airlines and airports akin to the system in place in the United States; and,

³ https://www.ecdc.europa.eu/sites/default/files/documents/Guidelines_for_COVID-19_testing_and_quarantine_of_air_travellers-12-2020.pdf

5. Implement a globally consistent vaccine passport strategy.

Submitted by the Surrey Board of Trade