

## **Webinar Transcript – 3<sup>rd</sup> June 2020 - Rethinking Ground Operations post covid19**

1. Hello everybody and welcome to what we hope will be an informative session discussing both the challenges we face in the aviation industry during this covid-19 crisis, and also to look at some solutions as we navigate into what we will call a “new normal”.
2. Of course one of the first effects of coronavirus was the locking down of countries as it's spread from Asia and across the world. The Spread itself happened so rapidly as the result in part of course of air travel. The sheer passenger volumes left governments with little option but impose suspensions of passenger flights and the creation of travel restrictions both domestically and internationally. Of course this impacted massively on the income of airlines and their service providers and as the situation has continued it has led to many finding themselves in grave financial distress. Many governments have assisted businesses by supporting staff salaries as well as government grants and loans to their employers. Whilst this has allowed companies to furlough employees it has meant that specific targeted financial assistance for the aviation sector has not always been available on the basis that a wider programme of measures has been awarded to all Industries. However this has not been the case in all countries and there have been massive job losses already, not only in Airlines but in service providers. In the UK and Ireland easyJet, Ryanair and British Airways have all announced potential job losses even where there have been government support schemes in place. This has to be a reflection of the type of climate we are likely to see as we move out of lockdown.
3. Of course one of the major hindrances to the return of passengers to the aviation industry will be the lingering health concerns. Having been repeatedly warned by our respective governments of the dangers of human contact, it will be unlikely that passenger traffic will return to previous levels for many months and maybe even years. IATA are warning that reduced passenger traffic will be likely for at least the next 18 months. As a result of this public perception, it will be important to both boost passenger confidence as well as to demonstrate both to governments and to our customers that we are able to accommodate the new demands for social distancing and coronavirus control. At the same time, with reduced demand likely to hit income levels we must also look to ways of reducing costs and maintaining levels of safety and quality for which the industry is renown. This will be achieved both through better resource efficiencies and through the optimisation of existing and potentially new processes. In order to

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protect both passengers and staff the industry will have to make more use of automated processes and look at different solutions to old problems.

This will include self check in, unmanned boarding Gates, automated ground service equipment, and new ways of maintaining security and reconciliation methods which rely less upon human contact to deliver. This in turn will require investment in hardware and software solutions but at a time where the industry will be trying to recoup the losses of the last few months whilst protecting profit margins in the future. We must therefore look at new ways of working both as individual companies but also collaboratively In order to maximize our chances of survival and long-term strength.

4. One of the first issues facing aviation is the reality that social distancing on an enclosed aircraft at 35000 ft is not a possible scenario. Whilst we have heard much about airlines blocking the middle seat or perhaps flying half empty, the fact is that with the average narrow body aircraft requiring a crew complement of more than 90 pilots and cabin crew, it is more likely that Airlines will not reintroduce their full fleet until demand is such that they can guarantee such seat yields as will make their operations profitable. Therefore it is not only likely but eminently sensible that any control of the coronavirus has to be done on the ground; even before passengers arrive at the airport using communications and pre-screening both from government and from the aviation community. Additionally, passengers will have to be accommodated using bubble type strategies both for departing and arriving aircraft. This will include the need to contain passengers as they progress from check-in in through security and onto the boarding gates. Likewise arriving pax will need to be screened and be subject to additional entry controls. The use of thermal imaging and temperature checks together with social distancing measures will by definition require additional infrastructure and space in airports which will not be in a position to expand their terminal footprint. Therefore it is important that in any relaunch all stakeholders work together to ensure that their processes dovetail with each other and that passengers pass through the airport whilst maintaining the required regulatory standards. It is my belief that whilst governments will lay down these regulations and requirements, it will be for the aviation industry to adapt their workplaces in order to accommodate those regulations. Of course we will be at the mercy of individual countries as to the origin or destination of flights –

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and therefore for the demands placed upon on airports, airlines and their service providers in handling a potentially growing number of passengers and crew. . Whilst the temptation maybe to try and accommodate as many aircraft as possible in order to return to both profitability and normality, the fact is that infrastructure and resource constraints will mean that the number of aircraft that can be handled simultaneously will be vastly reduced in a coronavirus constrained airport.

5. As already mentioned most of our decisions will be driven by government regulation and the gradual lifting of travel restrictions internationally and domestically. As our colleagues from the Czech Republic have raised prior to this meeting, these regulations are far from standard across different countries, and will require work to ensure a consistent level of operation – most likely to the highest of the relevant standards. It will be important to understand how the aviation stakeholders will be required to manage their own operations in light of the regulations, and how they will be required to work with government agencies such as border control police and airport security. This will range from simple matters such as staff access to restricted areas through to the mandated isolation of arriving passengers which is something we are likely to see in the UK and other countries in the coming weeks. As already mentioned in order to accommodate these requirements airports will be less crowded places but potentially with increased demand for space as we try to fulfil distancing requirements, have potentially reduced public transport connectivity, increased staff welfare demands and airline schedules which will have to be adapted to ensure these measures and processes are not oversubscribed. This could require potentially challenging decisions to be made such as restricting the number of aircraft which can be serviced in any given time period, restricting the number of staff which will be allocated to a particular process, ensuring that where there is a clear handoff between stakeholders and this is done in an orderly fashion which could potentially require more time. We have to build time and additional contingency into our operations to ensure things do not go wrong, as the potential damage that would do to both the industry and the wider community could be catastrophic. This is an issue which has been raised by a number of you attending today- including our colleagues from the Maldives, and which will require a collaborative approach to resolving. The fact will remain that unless we can deliver what the public perceive as a safe travel environment, aviation will not be in a position to recover as quickly as we all hope.

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Having spoken to a number of major international service providers and airports the

view will be that the number of aircraft which can be handled will be driven by resource availability rather than the other way round. That is to say that aircraft movements and scheduling will be dictated by how well we can design processes and optimise the utilisation of our resources. One thing that we cannot do is to continue with a situation where resources are used only 45% of the time they are available and where Airlines expect to be handled even in off schedule operations. Once again this is why it will be so important for there to be a collaborative approach as we move out of lockdown.

6. So as we move into what we can call a new normal, the way that we have done business for so many years will by necessity have to change. The availability of resources, infrastructure and process to manage and deliver in a coronavirus regulated environment will likely be the driving factors in determining the industry's ability to accommodate the growth in demand. As already discussed passenger demand will very much depend upon on the public perception of the aviation industry and their ability to physically see those measures in place when they visit our airports and use our airlines. Therefore within our new ecosystem we will need to be aware that even long-serving staff will have lacked the usual exposure to the day-to-day operations during their absence- we will call this skill fade. . Therefore there will need to be a short but important period where these staff will have to be monitored closely and potentially retrained as they return to work after these potentially lengthy layoffs. At the same time we need to ensure that our standards of safety, management and of reporting are perhaps even better than they ever have been - in order to both build public confidence and to ensure that we are consistently delivering in line with the standards required of us - both in terms of aviation regulation and coronavirus containment. It would make perfect sense to better utilise our combined resources and expertise by working together to ensure that our processes and our people are used more efficiently, that less staff are exposed to risk, and that we can reduce the dwell time of passengers as they pass through the airport. It is highly likely that the restrictions and demands will require a level of temporary or even medium term changes to contracts. This will almost certainly include service level agreements and minimum ground time service recovery, but it may also entail revisiting other commercial

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agreements such as equipment and property leases, financing, credit terms and common user agreements.

7. We have spoken about what we call the New Normal and we are often guilty of looking to others to solve our problems. As I have said whilst governments will issue generic standards and regulations with regard to Coronavirus containment, as an industry we will have to design ways to deliver within those requirements. However this is not just about survival or finding a route back to where we were in February of this year. Who here today hasn't wished at some point or other that you could change the way you do things but have never had the time or the reason, or the buyin to do so? With traffic levels the lowest since the 2nd world War we will not be inundated too quickly and we should use this to our advantage. The New Normal will be something which we as individuals and as a collective industry must design and deliver. Some of the decisions will be uncomfortable but they are also an opportunity to change to new ways which will increase profitability and most importantly safety. The need to abide by regulations whilst at the same time reassuring what will be an initially very nervous travelling public means that we have to take action in order to deliver everything that is asked of us - but to do so in a way where we can not only limit our losses but to actually rebuild our profitability and markets. As governments look not only to open their own borders but to rebuild their economies aviation will be at the forefront and therefore if we take action now to ensure we can accommodate the demands and strengthen our industry for the future, we can be instrumental in opening up the world again .

8. I hope that the last 30 minutes or so have been useful to you and we have covered a number of the issues which have been raised by some of you here today and across the wider industry. Industry regulators and governments are currently working on a range of standards and recommended practices in order to relaunch in the coming weeks – and I have been part of those discussions. However as with most of these standards and practices the way they are interpreted and executed can differ greatly between countries, airports and even individual stakeholders at the same airport. The team at GTI & ASG are here to support you with your specific challenges – but they are equally opportunities which we may never see again, and we should therefore use to our advantage.

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