

ATW

AIR TRANSPORT WORLD

CEO INTERVIEW

Alaska Air Group's
Brad Tilden

CRISIS MANAGEMENT

IATA chief's COVID
priorities

ECO-POLICY

Carbon pricing
and fuel costs

ANALYSIS

Mixed messages
on flying safety



2020 WORLD
AIRLINE
REPORT

WAITING ROOM

ong haul to financial & fleet recovery

P2-25877

CARSON CA 90745-1339
2131 MARBELLA AVE
BEN SIMBORIO
MARITE VARGAS

214619998 ATW 20200801 20201001 ATW

AUTO*3-D1611 907

AVIATIC NETWORK



JOE PRIES



BUSINESS/AUDIENCE DEVELOPMENT CONTACT INFORMATION

PUBLISHER, AIR TRANSPORT WORLD MANAGING DIRECTOR, AMERICAS, AVIATION WEEK
 Beth Wagner
 Aviation Week Network
 2121 K Street, NW, Suite 210
 Washington, DC 20037
 Tel. 202-517-1061
 beth.wagner@informa.com

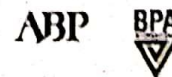
PRESIDENT AVIATION WEEK
 Gregory Hamilton
 greg.hamilton@informa.com

AUDIENCE DEVELOPMENT SENIOR DIRECTOR
 Abi Ahrens
 TEL: +1 913-967-1686
 abi.ahrens@informa.com

AUDIENCE DEVELOPMENT MANAGER
 Tyler Motsinger
 TEL +1 913-967-1623
 tyler.motsinger@informa.com

SUBSCRIPTIONS

Printed in USA Copyright © 2020 by Informa Media, Inc., all rights reserved. Air Transport World (ISSN 0002-2543) is published monthly except for combined issues in July/August & December/January by Informa Media, Inc., 22701 W 68th TER STE 100 Shawnee, KS 66226-3583, USA. Periodicals Postage Paid at Kansas City, MO, and at additional mailing offices. Submit payment for subscriptions and/or single copies via <http://atwonline.com/catalog>. One-year subscription rates start at US\$69 for the digital edition, and at US\$89 for US and US\$129 outside the US for the print edition. Single issues are US\$15/copy. The annual World Airline Report issues are US\$50/copy. For subscription related questions or for alternate payment options, please contact atw@aviationweek.com. Qualified subscriptions are limited to management personnel in airlines and selected industries at the discretion of the publisher. Canadian GST #R126431964. Canada Post Publications Mail Agreement No. 40612608. Canada return address: The Mail Group, P.O. Box 25542, London, ON N6C 6B2, Canada. POSTMASTER: Send address changes to Customer Service, Air Transport World, P.O. Box 12901, Overland Park, KS, 66262-2901 USA



AVIATION WEEK NETWORK
 An Informa business

16 ON THE COVER
2020 WORLD AIRLINE REPORT

COVID-19 is the airline industry's chance to think differently.

by Karen Walker

PLUS: Regional analyses, and world airline traffic, financial and fleet data.

FEATURES

10 CORSIA COSTS
 Climate policy, not oil markets, increasingly sets future fuel charges.
 by Henry Canaday

14 A LONG SHADOW
 IATA chief remains optimistic despite grueling recovery road.
 by Karen Walker

DEPARTMENTS

3 Editorial
 The Second Half
 by Karen Walker

6 Analysis
 Mixed Messages
 Flying remains safe, but who's listening?
 by Karen Walker

7 Quotables
 Best quotes heard from industry leaders

8 CEO Interview
 Working to a Plan
 Brad Tilden
 Alaska Air Group
 by Karen Walker

49 Sustainability Report
 Moving forward on eco-initiatives
 by Linda Blachly

51 News Briefs
 Manufacturers Leasing Market
 Boeing's proposed MAX training includes lessons learned

53 Customer Services

53 Advertisers' Index

On The Cover: Aircraft in storage at Pinal Airpark, Arizona. Photo: Joe Pries

CONNECT WITH ATW

Follow @ATWOnline **Facebook** [facebook.com/AirTransportWorld](https://www.facebook.com/AirTransportWorld)
LinkedIn www.linkedin.com/groups/Air-Transport-World

EDITORIAL STAFF

Editor-in-Chief

Karen Walker
+1 703-656-6300
karen.walker@informa.com

Managing Editor

Jack Wittman
jack.c.wittman@informa.com

News & Online Editor

Linda Blachly
linda.blachly@informa.com

Europe Bureau Chief

Victoria Moores
Tel: +44 (0) 7966 389 339
victoria.moores@informa.com

Europe/Middle East Editor

Alan Dron

South East Asia & China Editor

Chen Chuanren

US Congressional Editor

Ben Goldstein

Senior Editors

Sean Broderick
Bill Carey
David Casey
Kurt Hofmann
Aaron Karp
Mark Nensel
Graham Warwick

Director, Editorial Production

Michael Lavitt

Director, Content Design

Lisa Caputo

Content Designers

Thomas De Pierro
Rosa Pineda
Colin Throm

Production Editors

Audra Avizienis
Rosa Pineda

Contributing Photographers

Rob Finlayson
Joe Pries

© Air Transport World 2020. All Rights Reserved.

Permission is granted to users registered with the Copyright Clearance Center, Inc. (CCC) to photocopy any article, with the exception of those for which separate copyright ownership is indicated on the first page of the article, for a base fee of \$1.25 per copy of the article and 60 cents per page, paid directly to the CCC, 222 Rosewood Dr., Danvers, Mass. 01923, U.S.A. (Code No. 0002-2543/04 \$1.25 + .60). Microfilm of issues and reproductions of issues or articles can be ordered from The Proquest Company, 300 North Zeeb Rd, PO Box 78, Ann Arbor, Mich. 48106, USA; Tel: +1 800-521-0600.

Editorial



Karen Walker | Editor-in-Chief
karen.walker@informa.com

The Second Half

Reeling in March from the suddenness and depth of the COVID-19 crisis, the air transport industry at least cautiously believed that the second half of 2020 would see the beginnings of a turnaround.

That prospect was looking highly questionable as of mid-July, when coronavirus cases and deaths were surging in places that included Brazil, Colombia, India, South Africa and, most shockingly, the US.

Optimism for a pickup in the US domestic market—the world's largest until China's market took that title this year—are fading. Domestic air travel traffic in the US sank to 95% of 2019 levels in April, then improved to 72% by early July. US carriers began filling out their August and September schedules.

But virus spikes in states across the country—prompting quarantine rules by other states trying to prevent reinfection—had American Airlines, Delta Air Lines, United Airlines and others applying the brakes to their restoration plans.

International flying remains at low to almost zero.

Government quarantines are a huge deterrent to travel and should be a last resort measure only after airbridges, health screenings, travel sanitization precautions and contact tracing have been fully explored as reasonable alternatives.

Even so, people will not fly and businesses will not support employee travel to high-risk areas. Conventions and exhibitions that had been rescheduled from the spring to fall or winter are being canceled or turned into virtual events, no air ticket required.

For as long as governments are unable or unwilling to take control of the virus, airlines' ability to stimulate a desire to fly will be severely limited. That is especially true of business traffic.

Governments must recognize that failure to control COVID brings a double cost of citizens' lives and economic ruin. In such an environment, the global air transport system is unsustainable. For as long as a country's virus numbers are rising, that government should provide or continue to provide financial aid, directly as loans or ownership stakes and indirectly in tax and fees relief.

The alternative will be that a country may ultimately stamp out COVID, but its airlines will be defunct or irreparably weakened. And without that travel conduit, trade and tourism will be wiped out as competitor countries that emerged early from COVID get a head start in their economy restorations.

Providing safe flights is the air transport industry's responsibility. Digging the world out of this virus catastrophe is not. **ATW**



CONTACTS

ADVERTISING SALES

North and South America
Beth Wagner
Publisher, Air Transport World
Managing Director,
Air Transport MRO Media,
Aviation Week
Tel: +1 202-517-1061
beth.wagner@aviationweek.com

Tom Davis
Sales Director,
Commercial Aviation
Tel: +1 469-854-6717
tom.davis@aviationweek.com

Europe
Iain Blackhall, Managing
Director, Global Media
Tel: +44 (0) 207 975 1670
Mobile: +44 7824 597499
iain.blackhall@aviationweek.co.uk

Asia Pacific
Paul Burton
Managing Director, Asia Pacific
Tel: +65 64117795

CUSTOM MEDIA SALES

Jason Washburn
Director, Digital Customer
Solutions
Tel: +1 216-931-9161
jason.washburn@aviationweek.com

Emily Soucy
Senior Program Manager,
Informa Marketing
Tel: +1 603-404-0276
emily.soucy@informa.com

CLASSIFIED ADVERTISING

Steve Copley
Advertising Sales Representative
Tel: +1 440-320-8871
steve.copley@aviationweek.com

CONTACT ATW

Beth Wagner
Publisher, Air Transport World
Managing Director,
Americas, Aviation Week
Tel: +1 202-517-1061
beth.wagner@aviationweek.com

Jacqi Fisher
Production Manager
Tel: +1 630-524-4479
jacqi.fisher@informa.com

ATW Address
2121 K St. NW, Suite 210
Washington, DC 20037, USA
Tel: +1 202-517-1100
Fax: +1 913-514-3909

Gregory Hamilton
President, Aviation Week

Elizabeth Sisk
Director, Marketing
Tel: +1 860-495-5498
elizabeth.sisk@aviationweek.com

SERVICES

<http://www.aviationweek.com/air-transport>

Subscription Services
Tel: +1 866-505-7173
Outside US
Tel: +1 847-513-6022
Fax: +1 847-763-9522
airtransportworld@halldata.com

- Qualified subscriptions
- Paid subscriptions
- Change of address
- Back issues/single copy sales
- Bulk orders
- World Airline Report

Product Sales
book.orders@informa.com

List Rental
Anthony Treglia
SmartReach
Tel: +1 212-204-4231
anthony.treglia@informa.com

Reprints/Permission Sales
Nick Iademarco
Director of Sales
Wright's Media
informa@wrightsmedia.com
US Toll Free
Tel: +1 877-652-5295
Int'l. Tel: +1 281-419-5725



INDEX OF COMPANIES AND ADVERTISERS

ASM.....13 asm-global.com	Delta TechOps C2 DeltaTechOps.com	Reed Exhibitions24 www.interairportchina.com
Aviation Daily..... C3 aviationweek.com/AviationDaily	Fleet Discovery4 aviationweek.com/fleetdiscoveryintel	MRO Asia-Pacific2 mroasia.aviationweek.com
BAE Systems..... C4 baesystems-ps.com	Komy Co., Ltd.51 www.komy.com	Waypoint Aeronautical.....48 www.waypointinteriors.com

AviationDaily



Get Key Developments and Analysis of the Commercial Aviation Market

Delivered each business day, Aviation Daily will provide you the data and intelligence you need to stay informed of this complex market.

Visit aviationweek.com/AviationDaily to download a complimentary edition

EMPOWER YOUR WORKFORCE WITH A GROUP OR SITE LICENSE
For more information visit: www.aviationweek.com/ATWgroup

