

Business

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Strained US airlines face July 4 test

Industry struggles to manage surge in demand that exceeds its capacity

NEW YORK: US airlines are bracing customers for what will probably be another bumpy holiday weekend as the industry struggles to manage a surge in travel demand that probably exceeds its current capacity. Yu Su, a computer science professor at Ohio State University, was stranded last Saturday night in Charlotte, North Carolina after his connecting flight home never left.

The airline didn't cancel the 8:30 pm flight until around midnight after numerous delays that created "the delusion of hope," said Yu, who never got a clear explanation for the problem. Such horror stories are common these days, sparking headlines that warn of airport chaos over the July 4th weekend and drawing scrutiny from Transportation Secretary Pete Buttigieg and others in Washington.

In recent days, plane tracking sites have reported hundreds of flight cancellations and thousands of delays. In an effort to steer passengers away from "potentially challenging weekend travel days," Delta Air Lines announced Tuesday it would waive change fees for customers to shift one leg of their trip to within the July 1-8 period.

Pilot shortage

Although federal COVID-19 relief aid meant airlines didn't need to lay off staff, tens of thousands of workers left the industry after carriers urged early retirements. Today's industry has about 15 percent less staff compared with the pre-pandemic period to handle about 90 percent of pre-2020 passenger volume, estimated analysts at Third Bridge, a consultancy. Lack of crew was the problem for Crystal Fricker's latest flight, which was canceled an hour before she and two other travelers were scheduled to depart Raleigh, North Carolina for Indianapolis.

Unable to find different flights for all three, the group managed to track down a rental car - no small

feat - and drove 10 1/2 hours, arriving at 1 am in time for meetings the next day. "Pretty much every flight I've been on has had some kind of delay," said Fricker, president of Pure Seed, an Oregon seed company. Pilots are the most acute issue in a broad airline industry labor crunch, said Third Bridge analyst Peter McNally.

"There's no short-term fix," McNally told AFP. "The issue becomes most pronounced during these seasonal peaks." Airlines say they're working to address the issue, recruiting pilots and other staff and trimming summer capacity by 15 percent compared with earlier plans. While acknowledging the pilot supply problem, airline industry officials point to other exacerbating factors, including turbulent weather, increased staff absences due to COVID and insufficient personnel at flight traffic control at some key sites.

Blame game?

"The industry is actively and nimbly doing everything possible to create a positive customer experience," said Airlines for America CEO Nicholas Calio in a follow-up letter to Buttigieg after a meeting earlier this month. "Not every air traffic variable is within an airline's control." But the Federal Aviation Administration pushed back, saying it "acted on the agency staffing issues raised by airlines" by adding more controllers in high demand areas.

"People expect when they buy an airline ticket that they'll get where they need to go safely, efficiently, reliably and affordably," the agency said. "After receiving \$54 billion in pandemic relief to help save the airlines from mass layoffs and bankruptcy, the American people deserve to have their expectations met."

Senator Bernie Sanders, the Vermont progressive, called on Buttigieg to fine the airlines for delayed or canceled flights, blasting the industry for the messy travel season and "outrageously high" fares. Airlines,

undergo tests.

He said the facility was "a dream come true" and would be able to process 340,000 barrels of oil a day, with the aim of making Mexico self-sufficient in gasoline and diesel. "We will keep our word to achieve energy independence," Lopez Obrador said at the event, which coincided with the fourth anniversary of his 2018 presidential election victory.

It is the first time in more than 40 years that a new refinery has been built in Mexico, the leftist leader said. The final construction cost of the facility in the Gulf coast oil port of Dos Bocas is expected to be around \$12 billion - far above the \$4.0 billion initially envisaged. Mexico produces around 1.7 million barrels of crude oil per day, but a lack of refinery capacity means that it still has to import fuel products.



LOS ANGELES: Travelers check in at Los Angeles International Airport (LAX) on July 1, 2022, ahead of the July 4th holiday weekend. — AFP

meanwhile, are trying to reset expectations for customers. In a message to frequent fliers Thursday, Delta Chief Executive Ed Bastian acknowledged "unacceptable" levels of disruption, but said additional hiring efforts and adding more buffer time for crews should help. "Things won't change overnight, but we're on a path towards a steady recovery," Bastian said.

United Airlines expects nearly 5.2 million customers over the Fourth of July period, a 24 percent increase from 2021 and 92 percent of its 2019 level. "We anticipate the Fourth of July travel period to be amongst our busiest travel days of 2022 thus far," said a United spokesperson. United earlier this month announced it

was trimming about 50 daily flights from its Newark, New Jersey hub.

A company memo cited "many factors including airport construction," adding that United had sufficient staff to meet the schedule. Like United and Delta, American Airlines is midway through a recruitment campaign of pilots and other staff. The company has hired 800 new pilots this year, Chief Executive Robert Isom said earlier this month. The company's regional carrier, Envoy Air, is offering pilots triple pay for trips next month in an effort to avoid disruption, according to reports. American Airlines did not respond to AFP questions about the upcoming July 4th weekend. — AFP

Lopez Obrador: New refinery key to energy independence

MEXICO CITY: A major new refinery due to begin operating next year will help Mexico to achieve energy independence and stop exporting crude oil, President Andres Manuel Lopez Obrador said Friday. Lopez Obrador cut the red ribbon at a ceremony in his home state of Tabasco billed as the inauguration of the first phase of the Olmeca refinery, which will now

undergo tests.

He said the facility was "a dream come true" and would be able to process 340,000 barrels of oil a day, with the aim of making Mexico self-sufficient in gasoline and diesel. "We will keep our word to achieve energy independence," Lopez Obrador said at the event, which coincided with the fourth anniversary of his 2018 presidential election victory.

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PARAISO, Mexico: Mexican President Andres Manuel Lopez Obrador inaugurates the first construction stage of the Olmeca Dos Bocas Refinery on July 1, 2022. — AFP

S Leone slashes 'zeros of shame' from banknotes

FREETOWN: Sierra Leone on Friday introduced a new family of banknotes, stripping three zeros off the leone, in a bid to restore confidence in the inflation-hit national currency. The Bank of Sierra Leone announced the move last August, insisting the public's purchasing power would not be affected by the change. "We have removed three zeros from our banknotes but the money yesterday is the same value as today," President Julius Maada Bio said at ceremonies at the central bank where the new bills were unveiled.

A note of 10 new leones is the equivalent of a note of 10,000 old leones, which changes hands for around 75 US cents. Year-on-year inflation in the West African state was 24.87 percent in May, according to the national statistics agency. Rising prices had driven the printing of banknotes, resulting in a mountain of paper money that is costly to sustain and unwieldy for the public.

Shoppers need huge quantities of banknotes for the simplest transactions, and unscrupulous bank tellers sometimes pilfer notes from sealed bundles of bills. "We are removing the 'zeros of shame' to get the currency properly aligned," Morlai Bangura, a central bank director, told AFP earlier in the week. He said the bank had begun distributing the new paper notes to commercial banks last week.

On Friday, customers braving the rain queued at commercial banks to swap their old banknotes for new ones. "The changing of our currency is necessary - we



FREETOWN: A general view of the new banknotes released in Sierra Leone on July 1, 2022. - AFP

were used to carrying bags to the bank to withdraw our money, but not anymore," Alice Frazer, 70, said after exchanging her notes at the Sierra Leone Commercial Bank, a state-owned bank in central Freetown.

The new banknotes have a similar design to the old ones but are smaller in size. "Our current currency is too big to fit into a wallet and we spend too much money printing oversized banknotes," Kelfala Murana Kallon, the central bank governor, told reporters last August as he announced the move. The central bank declined to comment on the cost of the operation.

Sierra Leone's eight million people live in one of the poorest nations in the world, ranking 182 out of 189 countries in the UN's Human Development Index. Its economy, heavily dependent on minerals, was devastated by a civil war that ran from 1991-2002 and left about 120,000 dead. Efforts at rebuilding were set back by an Ebola epidemic in 2014-2016, a fall in world commodity prices and the coronavirus epidemic - all of which have disrupted trade and investment and hit exports. Sierra Leoneans will be able to use both the old and new notes during a transition period until Sept 30. From Oct 1, the old currency will cease to be legal tender. The public will be able to swap the old currency for the new one until Nov 15, Kallon said in a statement. — AFP

TikTok tells US senators data not shared with CCP

NEW YORK: TikTok sought to reassure US senators this week that it is taking all necessary steps to limit access to users' data from outside the United States, including by employees of its parent company, the Chinese group ByteDance. The social media company responded by letter Thursday to questions from nine Republican US senators about its data storage and access policies. The letter was initially published by the New York Times, but TikTok has since confirmed its content to AFP. In response to earlier inquiries from US authorities, TikTok had indicated in mid-June that all of its data on US-based users were now stored on US-based servers operated by the American company Oracle. In its letter on Thursday, TikTok confirmed claims made in a BuzzFeed article that employees based in China had access to US users' data, but only within "robust cybersecurity controls and authorization approval protocols" overseen by the company's "US-based security team."

The company reiterated to the senators that the Chinese Communist Party (CCP) had never requested data on American users. "We have not provided US user data to the CCP, nor would we if asked," it said. TikTok officials also said that while ByteDance engineers could work on the platform's algorithms, the new protocol ensures that they can only do so in Oracle's computing environment, without extracting data from it. — AFP

Indian flight makes emergency landing as smoke fills cabin

NEW DELHI: An Indian domestic flight made an emergency landing in New Delhi on Saturday after its cabin filled with smoke soon after take-off for the central city of Jabalpur, the airline said. Passengers aboard the flight, operated by commercial carrier SpiceJet, were evacuated safely once the aircraft returned to Delhi's airport. "While passing 5,000 feet, the crew noticed smoke in the cabin," the airline said on Twitter. Video purporting to show the smoke-filled cabin quickly went viral on social media after the incident.

No-frills carrier SpiceJet has been in the news in recent months, with another flight forced to make an emergency landing last month after its left engine caught fire, and aviation authorities coming down hard on the company for faulty training practices. The airline did not disclose how many passengers were on board Saturday's flight, but said the plane had landed "safely" and that an alternative flight had been "immediately arranged" for travelers.

In June, a New Delhi-bound SpiceJet flight with 185 passengers on board made an emergency landing in the eastern Indian city of Patna after an engine caught fire. In May, hundreds of its passengers were stranded inside their planes after the low-cost airline cancelled or delayed flights due to an "attempted ransomware attack", it said. That same month, Indian aviation authorities imposed a fine of one million Indian rupees (about \$12,830) on the airline for training its Boeing 737 MAX pilots on a faulty simulator. — AFP