

Business Travel Update

June 2008

A Business Travel Update provided by Professional Travel

Issue #10

Online airline booking complaints prompt call for 24-hour cooling off period

Complaints about problems booking airline tickets online have prompted a call for carriers to introduce a 24-hour "cooling off" period. The call comes today (Thursday) from the consumer watchdog the Air Transport Users Council which says it has seen the number of complaints about booking online with airlines more than double in the last few years. Although the AUC declined to name carriers involved, chairman Tina Tietjen said a number of airlines "regularly" leave passengers out of pocket. This can follow innocent mistakes by travellers or even glitches in airline booking systems. "Reservations systems do not always work smoothly and we believe that the risks of booking over the internet should not be always loaded onto passengers," she said. The AUC has written to the chief executives of the airlines where it has experienced the most unresolved complaints and demanded they put in place more customer friendly policies. "We have suggested a policy where airlines voluntarily commit to providing a 24-hour cooling off period in which passengers can cancel their reservations free of charge within 24 hours of making a booking," said Tietjen.

Source: TravelMole 6-5-08

Airlines in US and worldwide facing crisis

In the US, Americans are beginning to shun air travel. Worldwide, there is a crisis as airlines that planned to make hefty profits this year are now looking at billions in deficits. "The industry is in crisis, perhaps the biggest crisis we have ever faced," said International Air Transport Association secretary general Giovanni Bisignani at the start of its general meeting in Istanbul. Americans are beginning to shun air travel because of higher fares, security hassles and chronic schedule and service disruptions, according to a survey commissioned by the Travel Industry Association (TIA).

[\(Full Story\)](#) Source: Travelmole 6-3-08



United to ground 737 fleet, six 747s, eliminate Ted, cut 1,400-1,600 jobs

United Airlines, facing rising fuel costs and a weak US economy, yesterday announced a dramatic downsizing that will see its Ted service discontinued and include the retirement over the next 19 months of 100 aircraft with the aim of reducing mainline capacity by a cumulative 17%-18% for 2008-09. Following a steep first-quarter loss, UA previously announced "fundamental" changes including retiring 30 737s (ATWOnline, April 23). Yesterday it added another 64 of the type to its cut list, meaning that its entire 737 fleet will be grounded. It also plans to retire six 747-400s. It said 80 of the 100 retirements will occur this year with the remaining 20 coming by year end 2009. Its fourth-quarter 2008 mainline capacity will be down 9.5%-10.5% year-over-year with North American capacity lowered by 13.5%-14.5% compared to the 2007 final quarter.

UA additionally will eliminate its Ted product, reconfiguring that fleet's 56 A320s to include first class seats for a return to mainline service by year end 2009. Salaried and management employees and contractors will be cut by 1,400-1,600 including 500 personnel cuts previously revealed. The airline has not determined how many frontline jobs will be affected.

[\(Full Story\)](#) Source: ATW 6-5-08

Continental to Reduce Capacity, Fleet and Staffing

Sixty-seven mainline aircraft and 3,000 positions to be eliminated; CEO and President decline their salaries for the remainder of the year. Continental Airlines released to its more than 45,000 employees the following employee bulletin and message from Larry Kellner, chairman and chief executive officer, and Jeff Smisek, president. Continental does not anticipate any further comment until after it has had the opportunity to meet with employees during the next week.

[\(Full Story\)](#) Source CAL 6-5-08

United Air, Rivals May Join American's \$15 Bag Fee

United Airlines and three other large U.S. carriers are considering whether to join American Airlines in charging travelers \$15 to check one bag as fuel bills soar. UAL Corp.'s United is "seriously studying" the fee, the first of its kind in the U.S., spokeswoman Robin Urbanski said today. Delta Air Lines Inc., Northwest Airlines Corp. and US Airways Group Inc. said they were evaluating the idea. Those steps were set in motion after AMR Corp.'s American went beyond its competitors and said yesterday it would slash domestic flying by 12 percent and add or increase fees. The world's largest airline said it will cut "thousands" of jobs amid jet fuel's 94 percent surge in the past year.

[\(Full Story\)](#) Bloomberg 5-22-08

Northwest Airlines testing paperless system

Northwest Airlines Corp. is testing a paperless boarding pass that will let fliers use mobile phones to board their plane. Starting Wednesday, Eagan, Minn.-based Northwest (NYSE: NWA) will debut the service, called the E-Boarding Pass, in Indianapolis. The concept works like this: When a user checks in for a flight, they can choose to send their boarding pass to their cell phone or PDA instead of printing it out.

[\(Full Story\)](#) ATL Bus Journ 5-28-08

Business Travel Update

June 2008

A Business Travel Update provided by Professional Travel

Issue #10

Experts: Size, limited assets make US Airways vulnerable

When their efforts to buy Delta Air Lines failed 14 months ago, US Airways executives returned their attention to a long list of challenges, from union negotiations to a new reservations system. Those may turn out to be minor compared with the looming financial crisis the Tempe-based airline faces as it moves on after the collapse of merger talks with United Airlines last week.

[\(Full Story\)](#) Source: USAToday 6-3-08

Continental Airlines to Launch Seasonal Service Between Cleveland and Paris

Continental Airlines tomorrow will launch the first-ever non-stop service between Cleveland Hopkins International Airport (CLE) and Charles de Gaulle Airport (CDG) in Paris, France.

The seasonal service will operate from May 22 through Sept. 1. Flights will depart Cleveland daily at 5:25 p.m. and arrive in Paris at 7:25 a.m. the next morning. The return flights will depart Paris daily at 11:20 a.m. and arrive in Cleveland at 2:30 p.m. the same day. The service will be operated by Boeing 757 aircraft, seating 16 passengers in Continental's award-winning BusinessFirst cabin and 159 passengers in economy. Paris will be the second European city served by Continental from Cleveland. Continental's London/Gatwick-Cleveland service was launched in 1999. Source: CAL 5-21-08

Delta Inaugurates New International Routes

By June 12, Delta will have launched service to eight international destinations in 10 days. It has already launched nonstop Salt Lake City-Paris, Atlanta-Stockholm, New York-Guyana, New York-Cairo, New York-Jordan and New York-Malaga, Spain service. It has also launched one-stop service from New York to Cape Town, South Africa (via Dakar, Senegal). On June 12, Delta will introduce service linking New York and the Caribbean island of Antigua.

Source: Business Travel Exec 6-5-08

iJET Releases Report on U.S. Airline Safety Oversight Report Outlines Lack of Oversight and Financial Issues behind Airline Groundings

An increase in media reports and scrutiny from Congress on a lack of oversight in safety inspections grounded a massive number of aircraft in April. The groundings led to substantial delays, stranded thousands of travelers and raised questions about the overall safety of air travel on U.S. carriers. "High standards for airline operational safety are essential to protect individual travelers, organizations that rely on business travel and the airline industry itself," said Stephen Hoffman, CEO of iJET.

<http://www.ijet.com/news/whitepapers/index.asp>. Source: iJET Briefing 6-4-08

Airlines Scrambling for Survival

American Airlines is markedly cutting capacity, reducing its workforce, matching or initiating airfare hikes and raising fees--including a \$15 charge for a passenger's first checked bag. Such moves no longer are surprising as airlines all year have been attempting to mitigate the skyrocketing cost of jet fuel.

[\(Full Story\)](#) Source: TM 5-29-08

ARC To Stop Processing Spirit Airlines Transactions

Spirit Airlines is voluntarily terminating its settlement agreement with Airlines Reporting Corp. (ARC), effective June 16, according to an announcement from ARC, which warned that Spirit transactions submitted with travel agents' June 22 sales reports will be returned unprocessed. Instead, it says, the reports should be sent directly to the attention of Spirit Airlines. Referring only to "stories regarding operations that appeared in today's press," Spirit itself announced on June 3 that it had made no decisions regarding capacity reductions. "What we have done in order to comply with the WARN Act, said Ben Baldanza, the Spirit CEO," is to notify representatives of flight crews of possible reductions that could be implemented if we continue to see unprecedented fuel price levels."

Source: Business Travel Exec 6-5-08



DOT Grants SkyTeam Transatlantic Antitrust Immunity

The U.S. Department of Transportation today finalized its approval of transatlantic antitrust immunity for six SkyTeam alliance carriers, including Delta and Northwest airlines, allowing them to coordinate transatlantic pricing, capacity and service. The decision, which also affects Air France, KLM, Alitalia and CSA Czech Airlines, makes final DOT's April 9 tentative antitrust immunity approval. Air France, Delta, KLM and Northwest now have 18 months to establish a four-way joint venture that would supersede current separate ventures between Air France and Delta and between KLM and Northwest established a decade ago.

[\(Full Story\)](#) BTOnline 5-22-08

Fliers in for pain as airlines pack it in

The USA's air-travel map is shrinking fast, dropping scores of routes and flights that airlines simply can't afford anymore in a world of \$130-a-barrel oil. A USA TODAY analysis of fall airline schedules shows the nation's most popular vacation destinations will be among the biggest air-service losers. Many flights to Honolulu, Orlando, Las Vegas and other favorite vacation venues have vanished or will soon because cheap tickets bought by tourists don't cover the cost of getting there.

[\(Full Story\)](#) Source: USAToday 6-5-08

Business Travel Update

June 2008

A Business Travel Update provided by Professional Travel

Issue #10

IATA sees airlines losing up to

\$6.1 billion this year at current oil prices

The world's airlines are facing an "extraordinary crisis" brought on by soaring fuel prices and slowing traffic growth that has the potential to transcend aviation and impact the global economy, IATA DG and CEO Giovanni Bisignani told the almost 900 delegates and media at the organization's 64th Annual General Meeting and World Air Transport Summit in Istanbul. While celebrating the achievement of 100% e-ticketing with a downpour of shredded paper tickets over those in attendance, he warned that airlines will lose \$2.3 billion this year if oil prices average \$107 per barrel and \$6.1 billion if oil stays at \$135 for the rest of 2008. Two months ago IATA forecast an industry net profit of \$4.5 billion (ATWOnline, April 2) based on an average price of \$86 a barrel for Brent. This was reduced from a December forecast of \$5 billion. The industry earned \$5.6 billion in 2007, its first net profit since 2000.

[\(Full Story\)](#) Source: ATW 6-3-08

United, US Airways: No merger 'at this time'

While United Airlines and US Airways both reiterated that they are strong believers in consolidation, the two carriers announced on Friday that they will not enter into a merger "at this time." Since Delta Air Lines and Northwest Airlines announced a merger agreement in April (ATWOnline, April 15), speculation has been rampant that UA and US would follow with a tie-up of their own, particularly since executives from both long have called for US industry consolidation.

[\(Full Story\)](#) Source: ATW 6-2-08

Fliers squeezed by government fees

Taxes and charges on airline tickets are growing even as fuel prices skyrocket. As if high fuel prices aren't enough, airlines and passengers are getting pinched by rising taxes as the U.S. government demands a bigger piece of the pie. About 20% of the price of a \$300 domestic round-trip ticket goes to taxes and fees, according to the Air Transport Association, compared with 13% in 1992 and 7% in 1972. "When the government decides to throw another tax on passengers, that is greatly hurting an already financially hurting industry," said ATA spokesman David Castelvetter. "We've long said that we are one of the most overtaxed industries, and we now are dealing with record-level fuel increases. The airline industry is in a worse financial situation than it was on 9/11."

[\(Full Story\)](#) CNNMoney 5-15-08

Traveller Security and Data Privacy

"Where does it go? Is it shared? Is it stored? Is it destroyed? Does it go into the ether somewhere in the bowels of the U.S. government?" Increased tensions around the globe have forced government agencies and law enforcement bodies to implement physical and virtual protection mechanisms for improving the safety of civilians, as well as the protection of information. In this new security environment, travellers have had to react and adjust to new technical and compliance requirements that many times impede the conduct of business

[\(Full Story\)](#) ATCE Global Website

Doubletree Completes Conversion Of Chicago Hotel

Doubletree, a Hilton-owned brand, has opened the Doubletree Hotel Chicago Magnificent Mile after completing a \$21 million renovation of the former Chicago City Centre Hotel & Sports Club. The hotel has 500 redesigned guestrooms, a refreshed lobby and public space and an updated outdoor pool and sun deck. When the entire hotel enhancement project is completed this fall, the hotel will offer 17,000 square feet of newly redesigned meeting space.

Source: Business Travel Exec 6-5-08

Professional Travel's Business Travel News

is published monthly. The information is gathered from current articles and news worthy information regarding the travel industry that we feel is important for those individuals who manage their corporations travel programs. If you have any questions please call us at 1-800-247-0060.