

A Business Travel Update from Milne Business Travel Services. 24 Airport Road, West Lebanon, NH 03784 (603) 298-6644

Airlines

Airlines Up Fares Again for 16th Time This Year

Airlines continued to increase fares and search for new revenue streams to help them cope with soaring fuel prices. United Airlines initiated what was the 16th fare hike to stick since the beginning of the year, with fare increases that ranged from \$10 to \$60, depending on the route. Other legacy carriers—Continental Airlines, US Airways and Northwest matched. American Airlines upped some fares and other carriers tacked on increases as well. Rick Seaney, CEO of FareCompare.com, an airline comparison website, said that airlines have no choice but to pass on the cost of fuel to consumers and when passengers do begin to push back in significant numbers the airlines have no choice but slash capacity by that same amount. (Source: FareCompare.com.)

American Cuts Flights, Staff, Charges for First Checked Bag, Ups Other Fees

American Airlines said it would charge its passengers \$15 for their first checked bag as well as cut domestic flights by 11 to 12 percent as part of its efforts to cope with fuel costs. At press time, no other carrier had followed American's lead in charging for the first checked bag; Southwest Airlines, in fact, pointedly stated that it continues to let its customers check two bags—for free. American, meanwhile, upped other fees, including those for oversized bags (from \$100 to \$15); ticket change fees from \$100 to \$150 for domestic tickets and from \$100 to \$150 to \$250 for international tickets. It also upped its reservation service fee and AAdvantage Award ticket fees up by \$5 each to \$20. US Airways took another tactic—it said it would eliminate free snacks, although it will continue to serve free soft drinks. And Midwest Airlines said it would begin charging \$20 to check a second bag. (Source: American, Southwest, Midwest Airlines press releases).

Major Carriers Continue to Experiment With All-Business Class Flights

The number of air travelers flying first or business class is dropping at increasingly faster rates, according to the International Air Transport Association, an industry group. And three transatlantic carriers that offered premium seating—MAXJet, Eos and Silverjet—have ceased flying. But major carriers continue to experiment with the concept. Singapore Airlines has introduced all-business class flights between New York and Singapore. In October, Lufthansa will introduce all-business class service between Boston and Munich. That's in addition to the all-business class service it operates between Chicago and Düsseldorf, Newark and Düsseldorf and Frankfurt and Düsseldorf. Meanwhile, on June 19, OpenSkies, a British Airways-backed carrier that has three classes of service but has allocated nearly two-thirds of the plane to premium seats, will begin to fly between New York and Paris. And L'Avion, the all-business class French carrier, is now code sharing with OpenSkies to offer three flights daily between Paris and JFK (Sources: IATA, Singapore Airlines, Lufthansa, OpenSkies and L'Avion press releases.)

Network Carriers Add International Flights, Low Cost Carriers Add Domestic

Some U.S. carriers are adding flights, many focusing on international routes. Northwest Airlines has begun flying between Memphis and Columbia, Mo., and began serving Taipei via Tokyo. Delta Air Lines began flying from New York to Georgetown, Guyana and will start flight from Atlanta to Kuwait in November. On the domestic front, JetBlue has begun daily service from Boston's Logan International Airport to Chicago O'Hare and New Orleans. Southwest Airlines is adding flights from Denver to San Francisco and from Denver to Omaha in September. (Source: Northwest, Delta, JetBlue and Southwest press releases).

New Virgin Atlantic Boston Clubhouse

At last, it's here - the new Boston Clubhouse has opened its doors and is now accepting Upper Class flyers and Flying Club Gold members for some preflight rest, relaxation and pampering. Boston Clubhouse features a deli counter and bar, dedicated business area with PCs, free WiFi connection, charging facility for mobiles and blackberries, dining, lounge seating, free newspapers and magazines.

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Hotels

Loews Hotels Introduces 'Baggage Buy Back' Program

In the wake of American Airlines' new \$15 fee for checking bags, , Loews Hotels has introduced a new "Baggage Buy Back" incentive that will reimburse guests for their \$15 checked baggage fee. Arriving guests simply present any airline bag fee receipt at the front desk to receive the rebate, which will be issued in the form of a credit to their bill at checkout. The Baggage Buy Back rebate is available at Loews' 18 properties in the U.S. and Canada, from June 15 through Labor Day, Sept. 1. Loews Hotels will offer credit for up to two bags for a maximum of \$30 per occupied room per stay. (Source: Loews press release).

Cars

Airline Loyalty Programs Offering Savings, Bonus Miles to Car Renters

Airlines are giving their frequent flyer members a chance to earn more miles or get discounts when they rent cars. Delta Air Lines and Advantage Rent A Car are partnering to allow SkyMiles members to earn 200 miles per day on any class of vehicle rental through Advantage. with a maximum of 2,000 miles per rental. Additionally, SkyMiles members may earn up to 6,000 miles for rentals completed through July 13. Northwest Airlines is partnering with Hertz to allow WorldPerks members to save 50 percent and earning double miles on weekend rentals in the U.S., Canada and Puerto Rico through June 30. WorldPerks members can earn 50 WorldPerks miles per day for Hertz rentals of one to four days, and 500 WorldPerks miles for Hertz rentals of five days or more. (Source: Advantage, Northwest press releases).

Spotlight On.....What You Really Dislike About Flying

It's not the individual airlines that so frustrate air travelers, according to a new Travel Industry Association survey of air travelers. What irritates you most is the air travel process. The TIA survey of more than 1,000 air travelers found that the more you fly, the more frustrated you get.

- Seventy-eight percent of air travelers believe the air travel system is either broken or in need of moderate correction
- Sixty-two percent believe the air travel system is deteriorating
- Thirty-three percent of air travelers are dissatisfied with the air travel system and 48 percent of frequent air travelers (those who do five trips or more per year) are dissatisfied
- Thirty-nine percent feel their time is not respected in the air travel process and that increases to 51 percent among frequent travelers.

The TIA is blaming flight delays caused by an outdated air traffic control system as a fundamental cause of the aviation industry's problems and is holding a summit later this month to push Congress to address the problem.

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