

Government, Industry Scramble for Solution to Air Delays

Debate continues over solutions to air delays that start in the northeast and spread across the country. Authorities zeroed in on John F. Kennedy International, with the Department of Transportation releasing its target figures for the number of daily flights that can be handled at JFK. The target is 80 flights per hour between 6 a.m. and 9:59 p.m. daily, upping that to 81 per hour between 3 p.m. and 7:59 p.m. Mary Peters, Secretary of Transportation, said that the department is also developing a series of market-based measures to reduce congestion at New York's three airports before the start of the 2008 summer travel season. These include using congestion pricing to preserve passenger choice while reducing delays. Pressure is mounting to solve the problem; the Federal Aviation Administration gave JFK its rarely used worst congestion rating. That designation means that flight schedules will be reduced in spring and summer whether or not the airlines agree to those reductions. It also formally extends FAA authority to cut schedules of overseas carriers at JFK, if necessary. Meanwhile, the Port Authority of New York and New Jersey has also entered the fray. It criticized the proposed flight limits, saying such limits would limit growth without solving the congestion problems. Anthony Coscia, chairman of the Port Authority, called the cutting flights "potentially a recipe for worsening the problem by pushing growing passenger demand to other airports." The Port Authority proposed expanding capacity, improving efficiency, maintaining safety, and allowing the region's airports to meet current and future passenger demand. (Source: Dept. of Transportation, Federal Aviation Administration, Port Authority of New Jersey press releases).

DOT Reports Airfares Down

Average airfares in the second quarter of 2007 were down 4.5 percent from the second quarter of 2006 and remained below the pre-9/11 high, according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). BTS reported that the average domestic itinerary fare in the second quarter of 2007 was \$326, down 4.5 percent from the average fare in the second quarter of 2006, the post-2001 high, and down 5.8 percent from the historic second-quarter high of \$346 in 2000. (Source: DOT press release).

American Starts Flights to Stansted

American Airlines now has daily service out of John F. Kennedy International to London Stansted, the only transatlantic service between New York and Stansted to offer both Business and Economy class seats. In April, it will add a second daily flight. Stansted airport is becoming increasingly popular with business travelers. It is less than an hour from central London by express rail. American is building a business lounge at the airport that is scheduled to be ready in the spring. (Source: American Airlines press release).

Delta, American Express Partner on Giveaway

Delta Air Lines is offering U.S. SkyMiles members the chance to participate in the third annual "Tickets for Life" sweepstakes and win a grand prize of 2.5 million SkyMiles and \$25,000 – enough miles to redeem two domestic tickets every year for 50 years. To enter the sweepstakes, members must enroll at delta.com/ticketsforlife, purchase a ticket at delta.com between Sept. 25 and Dec. 15, 2007, and travel before Jan. 15, 2008. Members who purchase tickets with any American Express® Card will be entered into the sweepstakes twice. (Source: Delta press release).

Aer Lingus Starts Nonstop San Francisco, Dublin Flights

Aer Lingus has begun non-stop flights between Dublin, Ireland and San Francisco International Airport. It is starting with four nonstops per week, departing Sunday, Monday, Wednesday and Friday. (Source: Aer Lingus press release).

Cash-free Flying

Increasingly, airlines are moving to credit cards in-flight. JetBlue has joined airlines such as Midwest Airlines, Frontier Airlines, Hawaiian Airlines, AirTran and others in going cashless in flight and accepting major credit and debit cards instead. American Airlines is also accepting credit and debit cards for onboard purchases, although it still accepts cash. However, it is testing going completely cashless on flights out of San Francisco. Most carriers accept both cash and credit cards, with some accepting only credit cards on certain flights. It makes it easier for business travelers to bill their in-flight meals back to the company, but also fattens airlines' bottom line. Aloha Airlines reports that alcohol sales increased by 30 percent on cashless flights. (Source: airline press releases).

Car and Rail

Amtrak Offers T-Mobile Hotspots in Northeast Stations

Amtrak now has T-Mobile hotspot service in five key stations in its northeast corridor: Washington Union Station, Baltimore Penn Station, Wilmington Station, Philadelphia 30th Street Station and New York Penn Station. A variety of service plans are available, from one-day passes to unlimited annual access. (Source: Amtrak press release).

Car Rental Companies Launch Carbon Offset Program

Enterprise Rent-A-Car, National Car Rental and Alamo Rent A Car have introduced customer carbon offset program that gives the 20 to 25 million customers who rent from them each year the chance to offset the carbon dioxide emissions generated by their rentals by paying \$1.25 per rental to fund certifies offset projects that work to remove CO2 from the atmosphere. The three car rental companies will match the purchases, dollar for dollar, up to \$1 million. The program will start Jan. 1.



Spotlight On..... Business Travel Costs

The American Express 2008 Global Business Travel Forecast projects that business travel demand will outpace capacity in 2008, driving rate increase across air, hotel, car rental and meetings.

- ***Worldwide airfares expected to climb***
- ***Hotel rates to see double digit increases in U.S., Europe and Asia***
- ***Domestic trips including air, car and hotel, expected to increase six percent, costing an average of \$1,110***
- ***International trips expected to increase nearly seven percent for an average cost of \$3,171***
- ***Competition in some markets should help ease some airfare increases***
- ***U.S.-E.U. Open Skies Accord, low-price airlines and efficient aircraft will also temper air increases***
- ***Hoteliers to enjoy high demand and slow supply growth***

Source: American Express

Milne Travel American Express is committed to providing you with useful information on the latest developments in the travel industry. The following information has been compiled from a variety of sources and is updated monthly.