



Business Travel Update – December 2008



Happy Holidays from Milne Travel. As we enter into this holiday season, we wanted to take a minute to say thank you to all of our customers for your continued support of our Business Travel Services program.

To those of you who allow us to keep in touch in hopes of one day being of service, we appreciate your consideration.

If there is anything that I can do to be of assistance, please let me know.

WANT MORE INFO?

If you know of a company that would like to learn more about Milne Travel American Express and our Business Travel Management Programs, please contact me at the number below.

Regards,

Airlines

Global Air Travel Keeps Falling

IATA (the International Air Travel Association) said that global air travel dropped for the second month in a row, with international passenger traffic down 1.3 percent compared to October 2007. That was a smaller decline than September's 2.9 percent drop. North American traffic declined 0.8 percent; Asia Pacific traffic was down 6.1 percent, European traffic was up 1.8 percent. IATA's head, Giovanni Bisagnani, said that recession is now the biggest threat to airline profitability. [\(Source: IATA press release\).](#)

Fewer Planes in the Air Boost On-Time Performance

The airline industry's capacity cuts, resulting in fewer flights operating daily, have contributed to the improvements in on-time performance shown above. Notably, in September, when the share of flights arriving on time rose to 84.9%, carriers implemented the bulk of the large capacity cuts announced at the height of the summer's oil-price surge. [\(Source: Wall Street Journal\)](#)

Trend: "Premium Economy" Offers More Comfort but Still Coach

As tightening travel budgets restrict first and business class bookings, interest in the "premium economy" class is resurfacing. A dozen international airlines flying to the U.S. now offer extra legroom, wider seats and seats that recline lower in premium economy cabins at a cost that's slightly more than coach but notably less than business class. Some carriers even include better meals, early boarding, access to faster airport security lines, and other amenities. [\(Source: The Wall Street Journal\)](#)

United Makes It A Little Easier to Pay Baggage Fees and Buy Extra Leg Room

More airlines are making it a little easier for consumers to pay baggage and other fees. United Airlines canceled its previously announced plans to increase the domestic second bag fee from \$25 to \$50 one way, and now lets you pay your baggage fee in advance on its website instead of at check-in. You can now upgrade online instead of at check-in to Economy Plus, which starts at an additional \$14 one way for up to five additional inches of legroom. Next spring, your travel agent will be able to book your baggage and upgrade you to Economy Plus. Northwest Airlines is another carrier that now lets you pay your baggage fee in advance when you check in online; Spirit Airlines discounts your baggage fees when you pay online. Look for more airlines to make it easier to pay a variety of fees in advance, either through your travel agent or on their website. [\(Source: United, Northwest and Spirit press releases\).](#)

Lufthansa Launches "Lufthansa Italia" Brand

Lufthansa has launched its new "Lufthansa Italia," which it is billing as a blend of Lufthansa's reliability and quality with Italian flair. It will begin flying a fleet of six aircraft in February between northern Italy and major European destinations. It ultimately plans to operate its own Italian airline. It will first operate to Paris and Barcelona, and then will add Brussels, Budapest, Bucharest, Madrid, London and Lisbon. [\(Source: Lufthansa press release\).](#)

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(781) 843-8666

New York

[White Plains](#)
(914) 761-6790

Delta Announces 2009 SkyMiles and WorldPerks Benefits

ATLANTA, Dec. 4, 2008 – Delta Air Lines (NYSE:DAL) has announced elite and reward changes to both the Delta SkyMiles and Northwest WorldPerks programs to better align member benefits. ([Source: Delta Press Release](#))

Hotels

Hospitality Industry Confronts Impact of Economic Downturn

Occupancy and revPAR levels for U.S. hotels continue to decline through the first week of November (latest available data) though ten top markets posted brisk growth in occupancy levels, room rates and revPAR through October. Hotels in the United Kingdom as well as in Europe overall registered revPAR declines based on sliding occupancy levels. The hotel construction pipeline grew 28% worldwide at the mid-year point (latest available data) although signs point to a developing fall-off and in the U.S., the number of guestrooms under construction decreased by 5% in October.

Car Rental

Car Rental Customer Satisfaction Continues to Decline

Customer satisfaction with renting cars at airports has declined considerably for a second consecutive year, according to the J.D. Power and Associates 2008 Rental Car Satisfaction Study. The study looks at six factors: costs and fees, pick-up process, rental car, return process, reservation process and shuttle bus/van. Overall satisfaction declines significantly from 750 points on a 1,000-point scale in 2007 to 734 in 2008. Staffing and operational cuts are hurting service, according to the study. Enterprise ranked highest for the fifth year in a row, followed by Hertz and Alamo. ([Source: J.D. Power press release](#)).

Avis Budget Ups Rates \$3 Per Day

Avis Budget Group said it is upping its retail car rental rates by \$3 per day and \$20 per week at all airport and selected off-airport locations. The company said the rate increase was a response to escalating costs affecting the car rental industry. Hertz raised its rates in the U.S. and Europe at the end of October. ([Source: Avis Budget Press release](#))

Spotlight On....Airline Fees

Airline baggage fees bug air travelers the most, but many consider general cabin ticket prices and fuel surcharge reasonable, according to a survey by the IBM Institute of Business Value.

- Seventy-eight percent of travelers consider airline baggage fees the biggest rip-off.
- Seventy-six percent considered additional charges to redeem miles another major rip-off.
- But 70 percent called general cabin ticket prices reasonable.
- Half considered fuel surcharges valid.
- Fifty-eight percent prefer to pay the lowest possible ticket price, sacrificing all amenities, including food.

([Source: IBM press release](#))

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