

ITandT Business Travel Solutions

Travel News Alert

November 2008

BRIEFING/AMERICA

Continental Shrinks Carry-on Max To Industry Minimum

Continental Airlines this month reduced the size of allowable carry-on items from 51 linear inches (length plus height plus width) to 45 linear inches or 115 centimeters, matching its key competitors and partners but nevertheless drawing criticism. Some might see Continental's decision to limit flexibility for carry-on items as part two of a double whammy that began with new charges levied for checking bags.

With the airlines starting to charge for checked bags, more passengers are trying to beat these charges by carrying more items on planes--larger and heavier bags. The airlines, in turn, now have a financial incentive to enforce their carry-on bag limits, and we anticipate increasing attention and enforcement of carry-on weight limits in the future.

Continental's action to lower the maximum allowable size represents an apparent reversal of its stance on carry-on baggage from a decade ago. Between 1998 and 2000, the airline successfully battled against Delta Air Lines and United Airlines' installation of baggage-sizing templates on X-ray machines at shared checkpoints in certain airports. At the time, Continental was hyping its large, overhead bins and argued that the sizers hindered its promotional efforts to draw customers.

Continental's size requirements for carry-on baggage now matches those of American Airlines, United and current code-share partners Delta and Northwest Airlines (see chart below). An apparent future Continental partner in Star Alliance, US Airways' maximum is 51 inches, as is Alaska Airlines', which currently shares codes with Continental. Frontier Airlines' is 49 inches, Southwest Airlines' is 50 inches and AirTran Airways' is 55 inches. JetBlue Airways has the most generous carry-on maximum: 56 inches for passengers flying on its Airbus A320 aircraft. JetBlue's maximum size for its Embraer 190 aircraft is 50 inches. Moreover, some airlines specify on their Web sites the maximum allowable weight for carry-on bags (often between 35 pounds and 40 pounds), but most do not.

Delta, Northwest Become One

Delta Air Lines completed its purchase of Northwest Airlines. The deal makes Delta the world's largest airline, operating more than 800 large jets, employing about 75,000 people and producing about \$35 billion in annual revenue. American Airlines, formerly the world's largest by revenue, operates 635 large jets, has about 80,000 workers and about \$24 billion in annual revenue.

Among the immediate moves made by Delta to achieve alignment of policies was to charge \$15 to check a first bag and \$25 to check a second bag, which is consistent with Northwest's existing policies. The new first-checked-bag fee goes into effect immediately for new bookings for travel Dec. 5, 2008 or later.

Some of the changes to align Delta and Northwest's policies and fees include:

- **Elimination of SkyMiles and WorldPerks award ticket fuel surcharges** – Effective immediately, Delta will eliminate the \$25-\$100 fuel surcharges assessed for SkyMiles and WorldPerks award ticket travel originating from the U.S. and Canada. The surcharges were instituted earlier this year by both airlines in response to unprecedented fuel costs.
- **Reduction of Reservation Sales Direct Ticketing charges** – Delta, effective Nov. 6, 2008, will reduce the fee assessed for tickets purchased over the phone from a reservations sales representative from \$25 to \$20 consistent with Northwest's policy. Delta will also reduce the fee collected when customers redeem either SkyMiles or WorldPerks award travel over the phone with a reservations sales representative from \$25 to \$20. As always, there will continue to be no charge for customers who book tickets and redeem award travel online at either delta.com or nwa.com.
- **Elimination of curbside check-in administrative fees** – Delta, effective Dec. 5, 2008, will discontinue the \$3 curbside check-in administration fee. With this change, customers no longer will incur an administrative fee for checking bags via skycaps for Delta- and Northwest-operated flights at airport locations worldwide, consistent with Northwest's policy.
- **Alignment of first and second checked bag fees** – Effective immediately, for travel on or after Dec. 5, 2008, customers flying within the United States will be charged \$15 for the first checked bag and \$25 for the second checked bag when traveling domestically, consistent with Northwest's existing policies. Customers who purchased Delta tickets on or before Nov. 5, 2008, and who are traveling on or after Dec. 5, 2008, will be charged \$50 for a second bag, but will be permitted to check their first bag without charge pursuant to Delta's previous policy. All customers flying in First or Business Class, including SkyMiles Medallion members and WorldPerks Elite members, will receive up to three checked bags, up to 70 pounds each, for free. SkyMiles Medallion members and WorldPerks Elite members flying in Coach Class will receive up to two checked bags, up to 70 pounds each, for free. All customers traveling in full fare (Y) Coach Class, as well as customers traveling internationally will receive up to two checked bags, up to 50 pounds each, for free. U. S. Military personnel on active duty with travel orders will continue to be able to check up to 10 pieces of luggage on Delta- and Northwest-operated mainline flights or up to four pieces of luggage on Delta Connection flights, up to a maximum of 100 pounds each, free of charge.
- **Addition of "Coach Choice Seats" on Delta flights** – Last week, Delta began offering customers the opportunity to purchase "Coach Choice Seats" on select Delta and Delta Connection flights when they use self-service check-in within 24 hours of their scheduled departure time. A service currently offered at Northwest, the program offers "Coach Choice Seats" for \$5-\$25 based on distance traveled and seat location. Additionally, SkyMiles Medallion members, WorldPerks Elite members, SkyTeam Elite members and passengers confirmed in Y or B class may select a "Coach Choice" seat at no additional charge when checking in online or at a kiosk within 24 hours of departure. Coach Choice Seats represent less than 10 percent of all seat assignments available on Delta-operated flights. SkyMiles Medallion and WorldPerks Elite members will continue to enjoy access to preferred seating (i.e. select bulkhead, exit row and forward cabin-seating) without a charge at the time of booking.

Most other Northwest baggage policies and fees will be aligned to Delta's structure, effective Dec. 5, 2008. Travel on Delta and Northwest tickets purchased prior to the announcement of these changes will continue to be governed by the prior Delta and Northwest policies. Additional details about Delta's newly aligned policies and fees can be found at www.delta.com. Although Delta and Northwest policies and fees are being aligned over the next 30 days, customers are reminded to continue checking in for flights and doing business directly with the airline operating their flights just as they did before the merger. Delta will continue operation of the airlines' separate Web sites, www.delta.com and www.nwa.com, as well as the two airlines' reservations systems and loyalty programs. The companies will be integrated through a thoughtful process with customer benefits continuing to roll out over the next 12-24 months.

Airline Fees For Ticket Changes

Airline Fees For Phone Reservations, Priority Seat Selection, Food And Drinks -- today, picking the right airfare may not be the overall cheapest airfare. Many factors go into your total airline ticket these days, thanks to new fees being implemented by the major airlines for everything ranging from baggage to alcohol on board. These fees can add up quickly. **Want to see what the major airlines are charging for ticket change fees, unaccompanied minor fees for kids flying solo ages five thru 17, and fees for carrying your pet on the plane?**

We have collected data on just a few of many fees the airlines have unveiled since February 2008. It's always best to contact an ITandT BTS business travel associate for any last-minute changes.

If we had to rank the airline with the more friendly fees, Southwest Airlines wins hands down. Listed below is a chart outlining the airlines baggage fees, as of October 24, 2008. Please note that fees and policies are subject to change at any time.

Airline	Reservation by Phone (per person)	Priority Seat Selection	Meals	Beverages / Snacks	Alcohol
American	\$20	None	\$3-\$10	Free/None	\$6
Air Tran	\$10	\$6-\$20	None	Free	\$6
Alaska	\$15	None	\$5	Free	\$5
Continental	\$15	None	Free (flights 2+ hours)	Free	\$5
Delta	\$25	None	\$3-\$8	Free	\$7
Frontier	\$25	None	\$3-\$7	Free	\$6
Hawaiian Air	\$10-\$20	None	Free	Free	n/a
JetBlue	\$15	\$10-\$30	None	Free	\$5
Midwest	\$25	\$25-\$75	\$6-\$11	\$0-\$4	\$5
Northwest	\$20	\$5-\$35	\$7-\$10	\$0-\$5	n/a
Southwest	Free	\$10-\$30 (Business Select)	None	\$0-\$3	\$4
Spirit	\$20	\$5-\$35	None	\$2-\$4	\$6
United	\$25	\$14-\$109	\$6-\$9	Free	\$6
US Airways	\$25-\$35	\$5-\$30	\$5-\$7	\$2 (beverages only)	\$7
Virgin America	\$10	\$15-\$50	\$6-\$8	Free (beverages only)	\$5-\$6

Airline Checked Baggage Fee Chart

Last Updated: November 1, 2008

One of the biggest fees is for oversized checked luggage. This can be up to \$175, even if your bag has only 25 pounds of clothing.

The current baggage fees apply only for travel within the contiguous 48 states, Alaska, Hawaii, Canada, U.S. Virgin Islands and Puerto Rico. Travelers flying to other international destinations can still check two bags for free.

As of July 1, 2008, Southwest Airlines is the only major U.S. airline that will let passengers check two bags (50 lbs or less) for free for travel within the contiguous 48 states. Alaska Airlines began charging \$25 for a second checked bag starting on this date.

Passengers who purchase full fare unrestricted coach, business class or first class tickets can also check two bags for free. Military passengers flying on active duty orders may also still check two bags for free.

If you are an elite member of a frequent flyer program on one of the major airlines, you can still check two bags for free on that carrier. Some airlines also allow passengers who are listed under the same reservation as an elite member to check up to two bags for free. Be sure to check the contract of carriage for your airline for their policies.

Continental Airlines is the only major U.S. airline that lets their One Pass Elite members (and military travelers flying on active duty orders) flying in economy class to check two bags weighing 70 lbs each for free. All other airlines charge extra for bags weighing over 50 lbs. Continental's business class and first class passengers may check up to three bags weighing up to 70 lbs for free.

Virgin America is only U.S. airline that permits your first bag for free that weighs up to 70 lbs. For all other airlines, the cutoff point is 50 lbs for the first bag.

Also note on curbside check-in, many airlines have a \$2 per bag check-in fee. Delta has a \$3 per bag fee. American Airlines dropped their \$2 curbside fee on June 15, 2008, but will start charging \$15 for the first checked bag. If you are planning to check two bags and pay the \$25 second bag fee, United and US Airways are requiring customers to bring the second bag inside to be checked. You can still check the first bag at curbside and pay a \$2 curbside check-in fee.

These are just a few of many fees the airlines have unveiled since February 2008. It's always best to contact your airline or check the contract of carriage on their website for any last-minute changes.

If we had to rank the airline with the more friendly fees, Southwest Airlines wins hands down. Listed below is a chart outlining the airlines baggage fees, as of October 24, 2008. Please note that fees and policies are subject to change at any time.

Airline	1st Checked Bag	2nd Checked Bag	3rd-5th Checked Bag	Curbside Check-In
American	\$15	\$25	\$100	Free
Air Canada	\$0	\$0	\$100	n/a
Air Tran	\$0	\$25	\$50	Free
Alaska	\$0	\$25	\$125	Varies
Continental	\$15	\$25	\$100	Free
Delta	\$15	\$25	\$125 3rd / \$200 4th & 5th	Free
Frontier	\$15	\$25	\$50	n/a
Hawaiian Air	\$15	\$25	\$100	n/a
JetBlue	\$0	\$20	\$75	\$2
Midwest	\$15	\$25	\$100	Free
Northwest	\$15	\$25	\$100	Varies
Southwest	\$0	\$0	\$25 / 3rd-5th \$50	Free
Spirit	\$15 online / \$25 at airport	\$25	\$100	\$2
United	\$15	\$50	\$125	\$2
US Airways	\$15	\$25	\$100	\$2
Virgin America	\$0	\$25	\$50-\$100	n/a

Airline	Overweight Bag Fee (50-70 lbs)	Overweight Bag Fee (71-99 lbs)	Oversized Bag Fee (62-80")
American	\$50	\$100	\$150
Air Canada	\$75	\$75	\$75
Air Tran	\$39	\$79	\$39-\$79
Alaska	\$50	\$50	\$50
Continental	\$50	n/a	\$100
Delta	\$90	\$175	\$175
Frontier	\$75	\$75	\$75
Hawaiian Air	\$25	n/a	\$100
JetBlue	\$50	\$100	\$75
Midwest	\$50	\$65	\$80
Northwest	\$50	n/a	\$100
Southwest	\$25	\$50	\$50
Spirit	\$50	\$100	\$100
United	\$125	\$125	\$175
US Airways	\$65-\$150	\$115-\$200	\$100
Virgin America	\$50	\$100	\$50

FULL NAMES REQUIRED TO FLY IN 2009

TSA will require all travelers to give their full legal name, gender and date of birth in 2009.

Starting in early 2009, the TSA (Transportation Security Administration) plans to finally roll "Secure Flight", which after a five year delay and big brother controversy, and become a formal TSA security rule.

The mission is to gather enough accurate flight data on passengers and speed up the pre-flight process of comparing passenger interaction against the government list of terrorist and no-fly watch list. Passengers who refuse to provide their full legal name, gender and birth date will be barred from boarding airplanes.

Today for example, when I travel, I only have to give the airline my first initial and last name (T. Parsons) this has caused the TSA to have many false matches. This new rule should dramatically reduce the number of people and children that have been stopped and mistaken for terrorists.

Also, business travelers or passengers purchasing tickets on the same day as travel, the TSA will do background checks in seconds and give security clearance to the airlines almost immediately.

"Secure Flights" will go into effect 60 days after it is published in the Federal Register, under the rules, effective sometime in July of 2009. Airlines must collect all the new information required for all flights originating or ending in the U.S.A. This requirement also applies to any international airline that uses United States airspace, such as non-stop flights between Canada and the Caribbean, South America, Central America or Mexico.

This new requirement also affects non travelers who are escorting unaccompanied minors or folks who help escort disabled passengers who pass the TSA security area. We expect some major airlines to implement this new rule as early as January 2009.

FREQUENT FLYER TICKETS AREN'T SO FREE

Along with higher fares and new charges, fliers are now facing a growing number of changes that reduce the value of their frequent flier miles. Continental recently announced that it was reducing the number of miles it awards fliers on many short flights and lowering the bonus miles it gives to many of its most frequent fliers. Earlier this year US Airways ended bonus miles for its most frequent fliers.

Mileage reductions make it exceedingly more difficult for frequent fliers to earn free tickets. Many airlines have also raised the miles required to earn free tickets and have set expiration dates that erase member's miles sooner.

And today some major airlines want you to pay processing fees for a free ticket besides the normal taxes and fuel surcharges that were all ready being imposed.

Don't even think about calling the airlines to redeem your miles for a frequent flyer ticket, you will pay up front \$10-\$40 to cash in miles for an almost free ticket.

Below are some fees being charged by the major carriers:

Guide to Frequent Flyer Fees

Airlines	Award Ticketing Fee	Over the Phone Fee	Rush Fee for Awards Issued 21 Days Before Departure	Awards Ticket Change Fee	Ticket Cancellation / Mileage Redeposit Fee
Airtran	\$0 + Taxes	\$10	\$0	\$75	\$75
Alaska	\$0 + Taxes	\$15	\$0	\$100	\$100
American	\$5 + Taxes	\$20	\$50- \$100	\$150	\$150
Continental	\$0 + Taxes	\$15	\$25-\$100	\$150	\$150
Delta	\$25-\$50	\$25	\$75-\$150	\$100	\$100
Frontier	\$25	\$25	\$75	\$75	\$75
Hawaiian	\$0 + Taxes	\$10-\$20	\$0	\$30-\$50	\$30-\$150
Jetblue	\$0 + Taxes	\$15	\$0	\$100	Lost Value
Midwest	\$0 + Taxes	\$25	\$50	\$50	\$50
Northwest	\$25-\$100	\$25	\$0	\$50	\$50
Southwest	\$0 + Taxes	\$0	\$0	\$0	\$0
Spirit	\$0 + Taxes	\$0	\$0	\$70	\$70
United	\$0 + Taxes	\$25	\$75-\$100	\$150	\$150
US Airways	\$25-\$50	\$30-\$40	\$50-\$75	\$150-\$250	\$150-\$250

As always rates are subject to change. The above fees were valid as of October 24, 2009. Please check with your frequent flyer program for the most up to date information.

US AIRWAYS PLANS TO CHARGE FOR PILLOWS, BLANKETS

Flying in comfort will soon cost more at US Airways, thanks to the airline's plans to start charging for pillows and blankets. Despite falling oil prices that are expected to save airlines much more money in fuel costs, US Airways, Charlotte's dominant carrier, expects to charge passengers about \$7 for pillows and blankets on planes, according to the latest US Airways employee newsletter. JetBlue began charging for pillows and blankets in August. No date has been set for the US Airways' new fee, which is the carrier's latest move toward "a la carte pricing" – charging fees for services and amenities once covered by the ticket cost. US Airways this year started charging fees for soft drinks and other non-alcoholic beverages on flights. The carrier also charges additional fees to check bags and to reserve more desirable seats on planes.

WHY CAN'T I BOOK MY OWN TRAVEL

Strategic management magazine FastCompany.com recently published an article entitled "Why Can't I Book My Own Travel?" To review the article and the eight good reasons why it's important to utilize a travel management company please **click on the following link** - <http://www.fastcompany.com/resources/travel/cswt/060605.html>

CONTINENTAL'S LONDON SERVICE MOVES TO HEATHROW

Continental Airlines is shifting its London service to Heathrow from Gatwick in a series of moves that will also increase its U.S.-London capacity. The airline will begin operating two daily flights between Houston and Heathrow and three daily flights between Newark and Heathrow, with no service this winter at Gatwick. The airline will also increase capacity by replacing a 767-200 aircraft with a 777 for the Houston service. That means Continental will fly two 777's on that route. For now, Continental plans to keep its summer seasonal flight between Cleveland and Gatwick, although the airline has made no final decision on that route as of yet.

Continental which gained access to Heathrow this year for the first time, also operates nonstop services from Newark to Belfast; Dublin and Shannon, Ireland; Birmingham, Bristol and Manchester, England; and Edinburgh and Glasgow, Scotland. Continental and Virgin Atlantic Airways code-share on several Virgin Atlantic-operated flights to London Heathrow and London Gatwick .

CONSOLIDATION SPURS RYANAIR AMBITIONS

The recent rush of airline merger and acquisition activity in the region is prompting Ryanair to step up its campaign to capture rival Irish carrier Aer Lingus. The carrier launched an audacious takeover bid for Aer Lingus in late 2006, initially buying some 16% of the airline shortly after the flag carrier was privatized by the Irish Government. The bid failed after Ryanair struggled to secure Aer Lingus shareholder support for the move.

EUROPE MAY LIFT LIQUID RESTRICTIONS ON FLIGHTS IN 2010

The limits on the amount of liquids allowed on flights from EU airports will be lifted in 2010 provided new scanners are in place to distinguish liquid explosives from harmless substances. The new technology that can tell the difference is being tested in the U.S., Britain and France. European Commission spokesman Jens Mester said they are confident that using the new technology at airports will be possible by 2010.