

# ***ITandT Business Travel Solutions***

## **Business Travel News Bulletin**

June 2008

### **BRIEFING AMERICA**

#### **Airlines Charge Multiple Fees For Excess Baggage**

Today, picking the right airfare may not be the overall cheapest airfare, especially if you are checking bags, need to make a change to your ticket, are flying kids solo or if you're planning to bring your favorite pet on your trip. Fees can add up quickly.

One of the biggest fees is for oversized checked luggage. This can be up to \$150, 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 will be 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 will charge \$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 will be dropping 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 May 27, 2008. Please note that fees and policies are subject to change at any time.

***Please Note: American Airlines is currently the only airline, other than Spirit Airlines, that we know of that will be charging \$15 for the first checked bag effective on flights after June 15, 2008. If no other airline matches this fee increase, then American Airlines may be forced to roll back this fee.***

Airline	1st Checked Bag	2nd Checked Bag	3rd-5th Checked Bag	Overweight Bag Fee (50-70 lbs)	Overweight Bag Fee (71-99 lbs)	Oversized Bag Fee (62-80")
American	\$15	\$25	\$100	\$50	\$100	\$150
Air Canada	\$0	\$25	\$100	\$50	\$50	\$50
Air Tran	\$0	\$20	\$50	\$29	\$69	\$29-\$69
Alaska Air	\$0	\$25	\$100	\$100	n/a	\$100
Continental	\$0	\$25	\$100	\$50	n/a	\$100
Delta	\$0	\$25	\$80	\$80	\$150	\$150
Hawaiian Air	\$0	\$25	\$100	\$50	n/a	\$100
Northwest	\$0	\$25	\$100	\$50	n/a	\$100
Southwest	\$0	\$0	\$25	\$25	\$50	\$50
United	\$0	\$25	\$100	\$100	\$100	\$100
US Airways	\$0	\$25	\$100	\$50	\$100	\$100
Alaska	\$0	\$25	\$100	\$50	\$50	\$50-\$75
Frontier	\$0	\$20	\$50	\$75	\$75	\$75
JetBlue	\$0	\$20	\$75	\$50	\$100	\$75
Midwest	\$0	\$20	\$100	\$50	\$65	\$80
Spirit	\$20	\$20	\$100	\$50	\$100	\$100-\$150
Virgin America	\$0	\$25	\$50	\$25	\$50	\$50

## **Hurdles Block Path To Airline Mergers**

As the bid by Delta Air Lines to take over Northwest begins its long journey through legislative hearings, members of the House and Senate are as concerned about mergers that have yet to be announced as they are about the combination at hand. Delta and Northwest are selling their proposed combination as a non-overlapping one that will cost no jobs and will not reduce service, and much opposition has centered on possible or likely mergers undertaken in response. But concern is with other deals, including a possible linkup or merger between United and US

Airways. While neither carrier have commented publicly about the possible combination, it is widely believed that negotiations are advanced. And other deals may well be in the offing, leading many to believe that a merger of this magnitude will in all probability lead to at least one more merger of similar size. United turned to US Airways only after Continental decided to remain independent.

## **U.S. To Test International Trusted Traveler Program**

U.S. Customs and Border Protection this summer plans to launch an international “trusted” traveler program for U.S. citizens who are frequent international travelers. A pilot program is scheduled to begin on June 10<sup>th</sup> at New York JFK (terminal 4), Houston Intercontinental and Washington Dulles International airports. For those who agree to undergo a background check, provide biographical and biometric data (fingerprints), allow themselves to be photographed and pay a \$100 nonrefundable fee, the program would provide an expedited process that allows them to “bypass the regular passport control line”. CBP plans to add more airports to the program after assessing the initial results of the pilot.

Upon arriving at a participating airport’s federal inspection area from another country, Global Entry enrollees would use dedicated kiosks, where they would insert their passport (a machine-readable one required), scan their fingerprints, answer standard U.S. entry questions and be photographed. The kiosks will then produce a receipt that would be presented to a CBP officer at an exit point. All enrollees still would be subject to “random” secondary examinations.

Meanwhile, if program participants are carrying a certain amount of commercial merchandise, more than \$10,000 or restricted items, they would be directed “to the head of the line” at the nearest open passport control station.

CBP is now accepting applications from U.S. citizens, nationals and lawful permanent residents online @ [www.cbp.gov](http://www.cbp.gov). Interested travelers would submit name, date of birth, address, citizenship, proof of citizenship and residency information, which would be used for “rigorous” background checks (and may be shared with other law enforcement and government agencies in the United States in accordance with applicable laws for the purpose of assessing your application). Payable online, the non-refundable application fee is \$100.

After CBP reviews and approves an application (those denied can seek redress), the applicant would be interviewed by CBP officers at one of the first three participating airports. During that interview, applicants would provide fingerprints and be photographed. CBP also will continue to conduct periodic checks for all enrolled members to ensure that CBP can quickly take action should new information be made available that would disqualify the participant.

## **Continental Joins Trend Of Reductions**

Continental on Thursday became the latest large airline to announce a sweeping restructuring plan to cope with soaring fuel prices. The plan calls for the elimination of 3,000 jobs, or nearly 7% of its 45,000 employees, and the reduction of about 11% of large-jet domestic capacity compared with last year, starting in September. This means that the airline will operate 733 flights daily, vs. 831 last year. In April, Northwest said it was cutting fall domestic capacity by 5% more than previously expected and suggested further cuts were possible. The same month, US Airways said it would reduce July-December capacity by about 3% vs. 2007.

## **Know Your Rights If Flight Gets Cancelled**

Here's what some airlines say they will do for you in their contract:

**American Airlines** - Will put you on its next flight with available seats. If it doesn't get you to your destination the same day, it will provide lodging "subject to availability"

**Delta Airlines** – Will fly you on the next flight that has a same-class seat available; flights on other carriers are booked at its discretion. If you paid for business class but only a coach seat is available, you can get a partial refund. If the next seat available is in business class, and you paid for coach, Delta can put you in coach and upgrade a frequent flier. If your flight is delayed for more than four hours, Delta will give you vouchers for meals. If you're stuck between 10 p.m. and 6 a.m., Delta will give you vouchers for a hotel – if there's room at ones they work with – and ground transportation.

**Continental Airlines** – Will fly you in premium class, if that's all that's available on the next flight out and it gets you there earlier than the next flight with a coach seat. If you're delayed more than two hours, it will switch you to another airline – if you request it. If you're stuck for more than four hours, between 10 p.m. and 6 a.m., Continental will provide a hotel and a second meal. It will provide food if the delay "will extend beyond Norman meal hours".

**United Airlines** – Will fly you on the next flight in the same class of service. If it can't arrange transportation "that's acceptable to the passenger", it will fly you out on another airline in the same class of service. If you paid premium class and the only seat available is in coach, United will refund you the difference. If you're stuck more than four hours between 10 p.m. and 6 a.m., United ways, it will provide lodging.

**Northwest Airlines** – Will fly you on the next flight in the same class of service or higher if that's all that's available; if it can't, it will put you on another airline in the same class. If you paid for a premium seat and there's room only in economy, you're entitled to a partial refund. If you're stranded overnight, Northwest "will make every effort" to provide lodging and a voucher for meals.

**US Airways** – Will fly you out on another of its flights; if it can't, it may fly you out on another airline. If you're stranded overnight, UD Airways says it will put you up in a hotel, provide ground transportation and give you breakfast. If you're delayed for four hours or more during meal times, you can get food vouchers.

## **BRIEFING EUROPE**

### **Premium Carriers Falter**

The viability of the all-premium business model is again being questioned after Eos files for bankruptcy and ceased operations at the end of April. The exit of Eos leaves only two all-premium carriers: UK-based Silverjet and France's L'Avion. In May, Silverjet achieved something that Eos and before that Maxjet failed to do – secure a new investor. UAE-based Viceroy Holdings injected \$25 million into Silverjet in exchange for a 28% stake and may inject another \$100 million. Eos ran out of cash after a planned \$50 million transaction that was due to close at the beginning of May fell through. Eos only operated one route, connecting New York JFK with Ondon Stansted, but had been planning to add service to Newark and Dubai from Stansted over the coming months. Maxjet dropped out in late December after it failed to close on a new round of financing.

## **New Dutch Carrier**

Dutch start-up Amsterdam Airlines aims to launch operations in late June with a leased Airbus A320. The carrier, which was founded by former Denim Air chief executive Matthijs Boertien, will operate its first flight to Ankara in Turkey on a charter basis for Tourjet. Amsterdam Airlines aims to increase its fleet to three aircraft by 2009. British Airways and Virgin Atlantic were allowed to fly between the USA and Heathrow. Now, four more U.S. carriers are preparing to land at the congested, delay-prone airport. Delta, Northwest, Continental and US Airways will offer service there from eight U.S. airports, including three that now have no Heathrow flights. In addition, Air France is launching the first non-stop service between Heathrow and the USA by a carrier that is neither British nor American. Its new Heathrow-Los Angeles service will be part of its new trans-Atlantic joint venture with Delta.

## **Carriers Swoop In On Italy**

As uncertainty over Alitalia's future continues to loom large, other carriers are beginning to boost their presence and make changes to the way they operate in the Italian market. After talks over a potential acquisition of Alitalia by Air France-KLM collapsed, the Italian government in May threw the drowning carrier another life belt in the form of a \$480 million bridging loan, and newly elected prime minister Silvio Berlusconi made it clear that he wants a group of Italian investors to take the reins. Airlines are looking closely at the Alitalia situation, which will lead to lots of changes in the Italian market in the next year or so.

## **BRIEFING MIDDLE EAST/AFRICA**

### **More Expansion For Emirates**

Airbus A380 delivery delays are not keeping Emirates from expanding its long haul network. It has unveiled plans to begin service to Los Angeles at the beginning of September and San Francisco in October, giving the carrier four cities in the USA after New York and Houston. It will also add its third destination in South Africa, Durban, at the beginning of December.

### **United Adds Dubai**

United Airlines has unveiled plans to launch flights to Dubai from its Washington Dulles hub. The new route, which will be served daily from late October with Boeing 777s, will be its second route to the Middle East after Kuwait, which it began serving from Dulles in 2006. United also code shares on Qatar Airways' flights to Dulles from Doha.

### **Hainan Does Africa**

China's Hainan Airlines is preparing to launch services to Johannesburg and Cairo. Hainan has applied for traffic rights to serve Cairo from Beijing thrice-weekly with Airbus A340s and to serve Johannesburg via Guangzhou twice-weekly with A340s. It plans to launch both services in August, pending regulatory approvals.