

A BUSINESS TRAVEL UPDATE FROM HESS CORPORATE TRAVEL 150 NORTH MAIN STREET BOUNTIFUL UT 84010 – (801) 292-8687

Airlines

Passenger Airlines Have Most Profitable Quarter Since 1999

A group of 20 selected passenger airlines reported a system operating profit margin of 8.2 percent in the third quarter of 2007, the highest third quarter profit margin since 1999 and the first time since 2000 that airlines have had six consecutive profitable quarters, the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation has reported. The 20-carrier group consists of the seven largest network, low-cost and regional carriers based on operating revenue. (Source: DOT press release).

MAXjet Folds, But Discount Premium Transatlantic Model Still Flies

Two-year-old MAXjet declared Chapter 11 on Christmas Eve, leaving planes on tarmacs and stranding some passengers at the start of the holiday. The carrier cited fuel prices and their impact on the credit climate for airlines, but some analysts said that competition from American Airlines on one of MAXjet's crucial routes, its JFK-Stansted service, was also a factor. The airline offered all-premium flights between London and New York, Las Vegas and Los Angeles. The carrier contracted with Eos Airlines for seats on Eos' scheduled all-Premium service to accommodate passengers awaiting a return flight between New York and London. Meanwhile, Jack Williams, president and CEO of Eos, said it was doing well, setting record passenger numbers, adding 12 new flights in October and taking delivery of its fifth and sixth aircraft. The carrier recently secured \$50 million in equity capital from institutional and private sources. Meanwhile, both British Airways and Virgin Atlantic were reportedly planning their own all-premium class service. Lufthansa has been flying its own all-business class service, Business Jet, between Newark and Frankfurt, for about two years. (Source: MAXjet, Eos press releases, ModernAgent.com).

Lufthansa Acquires 19 Percent Stake in Jet Blue

Lufthansa is making a minority equity investment in JetBlue, the first significant investment by a European air carrier in a U.S. point-to-point air carrier. Lufthansa is buying approximately 42 million newly issued common shares of JetBlue, or 19% of JetBlue's equity. Dave Barger, JetBlue's CEO, said the deal was an endorsement of JetBlue's growth plans and would also improve the airline's balance sheet and give it more financial flexibility. (Source: JetBlue press release).

Spare Lithium Batteries No Longer Allowed in Checked Baggage

Loose lithium batteries in checked luggage are no longer allowed under new Department of Transportation safety rules. Lithium batteries are allowed in checked baggage if they are installed in electronic devices, or in carry-on baggage if stored in plastic bags. Common consumer electronics such as travel cameras, cell phones, and most laptop computers are still allowed in carry-on and checked luggage. However, the rule now limits you to only two extended-life spare rechargeable lithium batteries, such as laptop and professional audio/video/camera equipment lithium batteries in carry-on baggage. Lithium batteries are considered hazardous materials because they can overheat and ignite in certain conditions. Safety testing conducted by the FAA found that current aircraft cargo fire suppression system would not be capable of suppressing a fire if a shipment of non-rechargeable lithium batteries were ignited in flight. The DOT's Pipeline and Hazardous Materials Safety Administration is working to create public awareness of the issue. (Source: DOT press release).

South African Airways Announces "Buy-One-Get-One-Free"

South African Airways has launched a "Buy-One-Get-One-Free" program for its flights from New York or Washington, D.C., to Johannesburg, Cape Town or Durban, South Africa, for travel from Jan. 15 through March 1, 2008. Now when travelers buy one airline ticket on South African Airways, they can receive the second ticket free. The fare, available for purchase through Jan. 22, 2008, is \$1,350 for the first passenger and free for the second passenger. Taxes and fuel surcharges apply and travel must be completed by March 14, 2008. (Source: SAA press release).

Hotels

New Hyatt Regency Dallas to Open Next Month

The 342-room Hyatt Regency North Dallas/Richardson in Richardson's telecom corridor will open in North Dallas in February. Formerly the Richardson hotel, the property recently underwent an \$8 million renovation and is getting another \$6.4 million in enhancements before it opens. The 17-story hotel has state-of-the-art technology and sophisticated business and leisure facilities. It has 13,000 square feet of meeting and banquet space, including the 7,800-square-foot Texas Ballroom. (Source: Hyatt press release)

Hotel Indigo in Brooklyn in 2010

One of the first Hotel Indigos in New York will be scheduled to open in Brooklyn in 2010. The 164-room hotel, which will also have more than 15,000 square feet of retail space, will be in the Downtown Brooklyn area, which includes the New Fulton Mall and the Atlantic Yards projects, as well as a host of new construction and development in the residential, commercial and retail sectors. (Source: InterContinental Hotels press release).

Car Rental

Avis Launches Online Tools for Business Travelers

Avis Rent A Car has added a new function to its Where2 portable GPS navigation system. Before picking up your rental car, you can go to myWhere2.com and save destination information found there, or anywhere else on the Web onto a memory card that can be transferred to the Where2 unit when you pick up their rental vehicle. To use this, you must first download a plug-in available at www.avis.com/mywhere2 and create a bookmark to send addresses of places you want to visit to their personal SD card. Then you can use any Web site or tool to find an address or point of interest and save the addresses directly to your SD memory card, and then transfer that to your Where2 unit. The Where2 site also features "Avis Quick City Guides." (Source: Avis press release)



Spotlight On.....

What 2008 Holds for Air Travel

Airline expert Terry Tripler has made his New Year's predictions for air travel.

- *There will be fewer fare increases, but airlines will reduce the number of seats they offer at lower fares—meaning you'll pay more.*
- *A la carte ticketing will increase. That is, more airlines will charge for items such as soft drinks, checking bags, seat assignments and more.*
- *More airlines will offer special coach seating, a la Northwest Airlines' and United Airlines's Premium Plus, which give better seats and more choice—for more money*
- *More airlines will experiment with inflight internet service—for a fee. (Source: Terry Tripler)*