

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

## *Airlines*

### ***Repercussions of February Storms Reverberate Through Airline Industry***

Repercussions from February snowstorms that disrupted flights and left some passengers stranded in aircraft on the tarmac for hours are reverberating throughout the industry. Airlines, airline industry groups and the government are taking various initiatives to prevent repeats. JetBlue has instituted a passenger Bill of Rights that includes reimbursing customers for delays. The Air Transport Association has called for a meeting of government agencies, airlines and airport authorities to discuss better ways to deal with weather emergencies. The U.S. Secretary of Transportation Mary Peters has asked the Department of Transportation's Inspector General to review two incidents in which passengers were stranded for hours aboard aircraft and also requested recommendations about what to do to avoid such incidents in the future. The ATA has called on the Federal Aviation Administration to work with airlines to allow long-delayed flights to return to terminals in order to offload passengers who choose to disembark -- without losing that flight's position in the departure sequence. It also asked the DOT to review airline and airport weather emergency contingency plans to make sure passengers have what they need--food, water, lavatory facilities and medical services. (Source: JetBlue, ATA and DOT press releases).

### ***American Airlines Launches New York Initiative***

American Airlines is adding routes and offering special promotions in the New York area. It has introduced additional international service (a new daily flight from John F. Kennedy International to Rome's Fiumicino/Leonardo da Vinci International Airport), special offers giving international business or first class passengers free flights and first class upgrades to business class passengers. It is adding to San Francisco, Las Vegas, Cincinnati, Raleigh/Durham, Louisville, Ky., and to the Caribbean and South America. (Source: American Airlines press release).

### ***Air Service Worsens, But Passengers Complain Less***

U.S. air travelers experienced more flight delays and mishandled bags in 2006, according to the Department of Transportation Air Travel Consumer Report. Overall, 2006 ranked 10<sup>th</sup> out of the past 12 years. However, passengers filed fewer complaints with the government about airline service than they did in the previous year. The 20 airlines reporting on-time performance with DOT recorded an on-time arrival rate of 75.4 percent in 2006, down from their 77.4 percent mark in 2005. These carriers also recorded a rate of 6.73 reports of mishandled baggage per 1,000 passengers last year, up from 2005's rate of 6.64. However, complaints were down 4.8 percent from 2005. The report also includes airline reports of involuntary denied boarding, or bumping, for 2006 and the fourth quarter of last year. In 2006, the U.S. carriers that report on-time performance, mishandled baggage data and bumping totals had a bumping rate of 1.01 per 10,000 passengers, up from the 0.88 rate for 2005. For the fourth quarter of 2006, the carriers recorded a bumping rate of 0.89 per 10,000 passengers, up from the 0.83 rate recorded during the fourth quarter of 2005. (Source: DOT Bureau of Transportation Statistics press release).

### ***Swiss International Moves Terminals at JFK***

Swiss International Airlines is moving to Terminal One at JFK from Terminal Four this month. The move is part of a step toward closer cooperation with its Star Alliance partner, Lufthansa. The airline described Terminal One as the newest, most efficient and user-friendly passenger facility at JFK. (Source: Swiss International press release).

### ***Southwest to Return to San Francisco International***

Southwest Airlines plans to resume service out of San Francisco International Airport. It pulled out of the airport in 2001, after serving it for nearly 20 years. SFO is a more cost-efficient airport now, Gary Kelly, Southwest's vice chair and CEO, said in a press release, and Southwest is a bigger airline. Kelly said that in 2001, facility and runways constraints meant Southwest could not compete and be profitable out of the airport; it had more profitable routes to serve. It's now in discussions with the airport with a goal of returning to SFO by fall. (Source: Southwest press release)

## *Hotels*

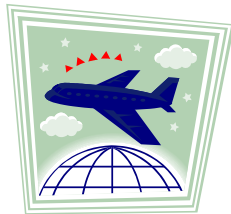
### ***Hilton Introduces New Rewards Category***

Hilton Hotels has introduced a new awards category, Experience Rewards, for Hilton HHonors members. Experience Rewards program offers a range of activities that HHonors members can redeem with their HHonors points. Through a partnership with Signature Days, which specializes in experience gifts, HHonors members can redeem points for a selected range of experiences, from sky diving and hot-air balloon rides to private yoga lessons and wine tasting. Members can also redeem points for a Signature Voucher, a gift card giving members access to all that is available at [www.signaturedays.com](http://www.signaturedays.com). Hilton has also partnered with EagleRider, the only organization licensed to rent Honda and Harley Davidson motorcycles, and Intrawest Destination Resorts, a destination resorts and leisure travel company. (Hilton press release)

## *Car Rental*

### ***Avis Offers e-Receipts***

Avis Rent A Car System now offers e-receipts, a paperless alternative to rental receipts. Customers who have provided an email address in their rental profile and have used their Avis Wizard number at the time of rental will now have a record of their transaction automatically e-mailed to them within 24 hours from the time of the vehicle's return. (Source: Avis press release).



## ***Spotlight On.....***

### ***Airline Outsourcing***

*The March 2007 issue of Consumer Reports calls the outsourcing of aircraft maintenance “an accident waiting to happen. The article quotes Rep. James Oberstar (D-Minn.), House transportation committee chairman, as saying that outsourced aircraft maintenance isn’t being “done with oversight.” According to the story:*

- *Airlines that outsource more tend to have more delays*
- *Much of the outsourced work is being done by unlicensed mechanics*
- *Arrests at some outsourced shops have snared terrorism suspects and undocumented workers*
- *Outsourced aircraft repair shops have less oversight than-house*

*Steve MacFarlane, assistant national director of the Aircraft Mechanics Fraternal Association, says that the report validates concerns that the AMFA has been warning both the government and the public about for years. (Source AMFA press release).*