

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

Airfares Up, But Travelers Buy the Lowest They Can

Average air fares in the fourth quarter of 2006 reached the highest fourth-quarter level since 2000, rising 3.4 percent from the fourth quarter of 2005, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported last month. But fourth quarter fares were down from third quarter 2006 fares. A separate measure of fares, the BTS Air Travel Price Index (ATPI) reached the highest fourth-quarter level recorded in the 11-year period measured by the index, 2.2 percent higher than the previous fourth quarter high in 2000. But even as fares rise, more passengers are using lower airfares. The different results from the fourth quarter of 2000 to the fourth quarter of 2006 demonstrate that ATPI and average fares, while similar, measure air fares in two different ways. ATPI measures the rise in airfares and average fares show the increased use of lower fares. The varying results reflect trends in the airline industry that have resulted in more passengers using lower air fares even though fare levels continue to rise. (Source: BTS press release).

Northwest Lowers Fee for Same-Day Flight Changes

Northwest has expanded its FlyNow options, which permits confirmed flight changes within three hours of scheduled travel for a \$25 fee, to now include flights throughout the entire day of departure. Previously, customers wishing to confirm day of departure changes for flights departing outside of the three hour window had to pay a \$100 change fee. (Source: Northwest press release).

New Entrant Skybus Starts Service May 22

New entrant Skybus Airlines will start flying May 22 out of Columbus. Its initial flights – all nonstop on full-size Airbus A319 jets – will begin May 22 and serve: Los Angeles, through Burbank's Bob Hope Airport; Boston, through Portsmouth International Airport in Portsmouth, N.H., Kansas City and Richmond, Va. (beginning May 23). On May 29, Skybus will add service to: Seattle, Wash., and Vancouver, British Columbia, through Bellingham International Airport in Bellingham, Wash.; Ft. Lauderdale, and Greensboro/Winston-Salem, N.C. On June 12, Skybus will begin service to San Francisco, Oakland and the Bay Area, through Oakland International Airport, and add a second daily nonstop flight to Los Angeles/Burbank. (Source: Skybus website).

US Airways Launches Service Initiative

US Airways has announced new customer service initiatives designed to improve reliability and meet its customers' needs. It's increasing airport staffing, improving re-accommodation capabilities and introducing state-of-the-art kiosk technology and other product enhancements. It is hiring more than 1,000 new employees this summer, some to fill open slots, others to help the airline to get ahead of normal summer attrition. Passenger Operation Control staff monitor all inbound hub flight activity and identify customers who are on flights that for whatever reason, (weather, air traffic congestion, etc.), might miss connecting flights. They then work to rebook passengers who may misconnect even before the inbound flight lands. It is replacing 600 kiosks and expects in June to waive the \$25 standby fee at the airport for Preferred Dividend Miles members. (Source: US Airways press release).

Jet Blue Expands in Boston

JetBlue Airways continues to expand. It has launched service from Boston to Bermuda, Charlotte, San Diego and Aruba.. It has added flights out of Salt Lake City, launching new daily service to San Diego and San Francisco. (Source: JetBlue press release).

Continental Introduces Cleveland- Quebec Flight

Continental Airlines is introducing nonstop scheduled service between the airline's Cleveland hub (CLE) and Quebec's Jean Lesage International Airport (YQB). The flights will enhance Continental's existing service to Quebec from its New York hub at Newark. Continental Express, the regional carrier for Continental Airlines, is operating the new flight utilizing a 50-seat Embraer ERJ-145 regional jet. (Source: Continental press release).

Hotels

Choice Hotels Goes Smoke Free

Choice Hotels International has made all 433 of its domestic Comfort Suites smoke-free. Other 100 percent smoke-free hoteliers include Marriott International, Westin and Heartland Inn hotels. Approximately ten percent of the United States' 53,000 hotels have gone 100 percent smoke free.. A directory of smoke-free hotels worldwide can be found at www.FreshStay.com. (Source: Choice Hotels press release).

Cars

Hertz Launches Hourly Rental Program in New York City

Offering 'No Strings' Short-Term Rental Options is now available at three Manhattan locations. With no fuel charge, no application fees and no fees for canceling or changing a reservation, Hertz Hourly Rentals are truly the easiest way to rent a car on an hourly basis. As with all Hertz rentals, Hertz Hourly Rentals also include unlimited mileage and 24-hour and Emergency Roadside Assistance. Hertz Hourly Rental rates start as low as \$12.00 per hour, midweek and includes one-year complimentary membership in Hertz #1 Club Gold, Hertz's top-rated membership program (a \$50 value). Hertz Hourly Rentals can be reserved* by calling 888-HERTZ-HR (888-437-8947)

Dollar and Thrifty Give Free Upgrades

Dollar Rent A Car and Thrifty Car Rental are awarding customers who rent three or more consecutive days with a free upgrade when paying with their American Express Card. In addition, they will receive a \$25 American Express branded rewards card when renting a compact through full-size car (with a maximum upgrade to a premium car) at any participating Dollar or Thrifty Car Rental location in the U.S. The promotion is effective with 24-hour advance reservations made now through June 30. To take advantage of the offer, use Promotion Code AX25. (Source: Dollar Thrifty press release).



Spotlight On.....

Aviation Safety

Last year was the safest aviation year on record, according to the International Air Transport Association's annual Safety Report. There was the equivalent of one accident for every 1.5 million flights, a 14 percent improvement on 2005. There were 77 accidents in 2006, compared to 111 in 2005. Of these 77 accidents, 46 involved jet aircraft and 31 involved turbo-props. Not all regions of the world saw the same level of safety. Russia and other members of the Commonwealth of Independent States had the highest accident rates. Africa is improving, but its accident rate remains the second highest in the world.

The study pinpointed contributing factors:

- ***Forty-three percent of accidents occurred during bad weather***
- ***38% involved flight crew communication issues, either between pilots or between pilots and air traffic control***
- ***33% involved flight crew safety training issues***

(Source: IATA press release)