

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

## *Airlines*

### ***Airlines Up Change Fees, Institute Minimum Stay Requirement***

In airlines ongoing quest for additional revenues in the face of \$120-a-barrel oil, several network carriers have upped their change fees and reinstated Saturday night stay and/or minimum stay requirements. United Airlines increased its change fees by 50 percent to \$150 and added a Saturday night stay requirement on routes in about 65 percent of its markets. Continental upped its change fee to \$150 for domestic and \$250 for international flights. US Airways upped the cost of its change fees by \$50, to \$150 for domestic and \$250 for international flights. In some instances, top customers, such as elite members of airline loyalty programs, are exempt from these fees. In addition, United, Delta Air Lines, American Airlines, Northwest Airlines and Continental have instituted minimum stay requirements on all or many of their routes. Meanwhile, most network carriers and some low cost carriers, including Jet Blue and Air Tran have added fees for checking a second bag; fees range from \$10 to \$25. (Source: airline press releases).

### ***Compensation Doubles for Involuntary Bumping***

If you're involuntarily bumped from your flight, you'll get twice as much as you used to get. Effective this month, if you're bumped you can receive up to \$400 if you're rescheduled to arrive within two hours of your original arrival time on domestic flights, four hours on international flights, and up to \$800 if you're not rerouted within that time frame. The rule now covers aircraft seating 30 people or more; it previously covered flights with 60 seats and up. Reimbursement is determined by the price of the ticket, its refundability and the length of the delay. (Source: DOT press release).

### ***DOT, FAA Announce Plans Designed to Ease Congestion***

Even though airlines are reducing their domestic capacity, many by as much as five percent, aviation congestion remains a problem. The Department of Transportation and the Federal Aviation Administration have announced a new routing alternative that will provide an "escape route" into Canadian airspace so that aircraft can fly around summer thunderstorms and high winds. And, the FAA is opening a second westbound route for aircraft, which will provide a parallel route along a heavily traveled corridor, which should cut westbound delays out of New York. The DOT has also proposed auctioning off a limited amount of slots—the number of flights airlines can operate in a single day—at LaGuardia. The Air Transport Association, an airline trade group, is opposing such market-based solutions, saying that the DOT doesn't have the authority to institute auctions and congestion pricing and that they are inconsistent with international practices. (Source: DOT, ATA press releases.)

### ***Fare Expert Finds Majority of Airline Attempts to Hike Fares Are Sticking***

When Delta Air Lines and Northwest Airlines announced their proposed merger, they said that stratospheric oil prices have fundamentally changed the economics of aviation. Oil prices are fueling mergers and other alliance, bankruptcies (more than a half dozen this spring, with the latest being the premium transatlantic carrier Eos), capacity reductions and ongoing fare hikes. Rick Seaney, CEO of the airfare monitoring site FareCompare.com, has been tracking airline fare increases and reports that the airlines have attempted 14 price hikes so far this year; nine have been successful. Summer demand and soaring fuel prices are making airlines comfortable with these increases, meaning travelers need to lock in summer travel now. (Source: FareCompare.com)

### ***Virgin Atlantic Adds Second Dulles-London Flight for Summer***

Virgin Atlantic has begun a second daily flight between Washington Dulles International and London Heathrow. The flight will operate until October 26. (Source: Virgin Atlantic press release).

## *Hotels*

### *Avenue Hotel Opens in Chicago*

The Avenue, a contemporary, post-modern hotel, has opened just a half block east of Chicago's Michigan Avenue. It has 150 one-bedroom and junior suites and 200 guest rooms. It has Special Tech rooms with iMac, dedicated T-1 Internet connection and color printer for business travelers and kid-friendly rooms with games and child-oriented décor. It has more than 18,000 square feet of meeting space. It also has "Stay for the Cure" packages; ten percent of proceeds go to the Chicago Affiliate of Susan G. Komen for the Cure and an "Eco Avenue" program supporting environmental and conservation initiatives. (Source: Avenue press release).

### *aloft Hotel to Open at Dulles Next Spring*

Starwood Hotels & Resorts has broken ground on the aloft Dulles South, which will open near Dulles International Airport next spring. It will be in the heart of the technology corridor and close to corporate offices in aerospace, technology and telecommunications as well as Westfields business park. Aloft hotel rooms have loft-like, nine-foot ceilings, oversized windows, wireless internet, one-stop connectivity solutions for multiple electronics including PDAs, cell phones, mp3 players and laptops. (Source: Starwood press release).



## *Spotlight On.....*

### *What You Paid to Travel in 2007*

*American Express has analyzed North America-based domestic and international air, hotel and car rental rates for 2007 and found that international rates saw increases across the board, while domestic fares and rates were stable.*

- *Average international fares increased a record 8 percent*
- *Since 2004, the average international airfare has increased by 21 percent*
- *Domestic fares stabilized—but that was after a 7 percent jump from 2005 to 2006*
- *The expansion of low fare carriers and passengers booking farther in advance helped domestic fares*
- *International hotel rates increased, domestic rates flattened*
- *Car rental rates increased 4.4 percent—firms re dealing with high operating costs*

*Companies can achieve savings in this kind of environment with a well-managed, dynamic travel program and by clearly communicating policy changes with travelers, according to Hervé Sedky, vice president and general manager for American Express Business Travel. (Source: American Express)*