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Delta cutting some CVG nonstop flights

Delta Air Lines Inc. will suspend nonstop flights from Cincinnati to Frankfurt, Germany, and London Gatwick as part of broader efforts to cut expenses.

The airline announced Thursday it will shave additional capacity later this year as it warns that more than \$6 billion in benefits it expected from lower fuel prices, its merger with Northwest Airlines and previous capacity reductions will be overtaken by declining revenues.

Among the capacity reductions, Delta will:

- Suspend nonstop service from Atlanta to Seoul and Shanghai and instead route customers for those flights over Detroit or Tokyo, or on nonstop partner flights.

- Suspend nonstop flights from Cincinnati to Frankfurt, Germany, and London-Gatwick.

- Reduce weekly frequencies connecting Atlanta and Detroit to Mexico City and postpone some previously planned seasonal service between non-hub cities and Mexican beach destinations due to the impact of the swine flu virus on customers' travel plans.

Delta said it is still adding more than 20 new markets to its international network in 2009.

Delta said staff levels will be down more than 8,000 jobs by the end of 2009 compared with spring 2008.

It was not immediately clear if that was the total of previously announced cuts involving Delta and Northwest, or if it includes yet to be announced cuts.

Cincinnati.com, June 11, 2009

Delta launches mobile check-in at CVG

Delta continued its rollout of mobile check-in at U.S. airports, launching the technology at its Cincinnati hub on Tuesday (June 9th) through a partnership with the U.S. Transportation Security Administration.

Customers flying from CVG can now use Web-enabled mobile devices to check in and receive an electronic boarding pass. The option is available for domestic travel on nonstop Delta, Northwest and Delta Connection flights departing from Cincinnati.

CVG customers traveling in the U.S. may download their boarding pass to their mobile devices via delta.com or nwa.com and proceed directly to the airport security checkpoint. TSA will scan the electronic boarding pass, check the customer's ID and process the customer through security. The customer can then proceed to the gate and present their electronic boarding pass to the gate agent.

Other airports offering mobile check-in to Delta and Northwest customers include Atlanta, Las Vegas, Memphis, Minneapolis-St. Paul and Salt Lake City; Detroit and Indianapolis (Northwest only); and New York-LaGuardia (Delta only).

U.S. airlines plan further capacity cuts

Two major U.S. airlines, Delta Air Lines and American Airlines, will slash capacity this year as the recession erodes travel demand, the carriers said Thursday.

The cuts, which were broadly expected, are likely to be matched by rivals. US Airways Group and Continental Airlines also signaled plans to cut the number of seats available for sale.

The airline industry has barely digested last year's deep capacity cuts. But experts say more are needed to bolster fares and help compensate for rising oil prices and weak demand.

"We think fourth-quarter (capacity) will be down at least 12% over last year. Maybe even 15," said airline consultant Michael Boyd.

"Right now, capacity has not fallen to match decline in demand," he said.

Delta said it plans to trim system capacity by 10% this year, with reductions beginning in September. Previously, it said its system capacity would be down 6% to 8%.

Delta also said it plans to cut international capacity an additional 5% on top previously announced cuts, for a total reduction of 15%.

"If you can't recover the cost of oil, it's going to necessitate more dramatic capacity reductions as we get to the end of the year," Delta President Ed Bastian told a Bank of America-Merrill Lynch conference.

AMR, parent of American Airlines, said it would cut available seat miles by 7.5% this year, compared with a previous forecast of a 6.5% decline.

Murky outlook

US Airways said it expects further capacity cuts in its TransAtlantic flying but could announce "marginal reductions" in domestic routes, too.

"The truth is, we don't have a very reliable outlook beyond 30 days," US Airways President Scott Kirby told the Merrill Lynch conference.

Continental Airlines Inc said Thursday it would outline further capacity moves in July, when it has a clearer picture of the status of business traffic.

Carriers have been hit hard as the weak economy has caused consumers and businesses to curtail spending on travel. Demand has also been hurt by this year's outbreak of the H1N1 virus, and rising fuel prices are now also pressuring costs.

Delta told investors that second-quarter revenue could drop by \$150 million to \$200 million because of reduced travel due to the virus.

The International Air Transport Association, the voice of more than 200 global airlines, has repeatedly warned of a grim year for carriers amid the recession. This week, the Geneva-based airline lobby nearly doubled its forecast for industry losses this year, to \$9 billion.

"Based on the trends we're seeing in June, I don't expect things to get any better," Southwest Airlines Chief Executive Gary Kelly told the Merrill Lynch conference.

Glenn Tilton, CEO of United Airlines parent UAL, told reporters after the company's annual meeting that capacity cuts announced on Thursday will underscore the need for industry downsizing.

"I think it'll put the issue squarely in front of the marketplace," Tilton said.

"We are certainly willing to adjust our capacity," he said. Delta also said it would accelerate the merger integration of Northwest Airlines and keep tight controls on costs and spending. It said its latest capacity reductions meant it would need to "reassess staffing needs," but added it would try to avoid involuntary layoffs.

Also Thursday, plane maker Boeing cut its global outlook for aircraft demand, saying it now expects 29,000 new planes to be ordered worldwide in the next 20 years, down from its forecast of 29,400 a year ago. But Boeing expects recovery over the longer term.

Delta shares erased deep losses earlier in the session and were up 10 cents to \$6.65 in afternoon trading. Standard & Poor's equity research reiterated its "buy" rating on Delta after the capacity cut announcement. AMR shares were down 3 cents at \$4.61. The Amex airline index was up 1%.

USAToday.com, June 12, 2009

WHO Raises H1N1 Outbreak Status to Phase 6

The ongoing outbreak of H1N1 flu continues to expand across the globe. Today, the World Health Organization (WHO) updated the status of the H1N1 flu outbreak from that of a Phase 5 to a Phase 6, meaning that H1N1 is now officially a pandemic. This upgrade should not be taken to mean that the H1N1 is more virulent; rather, it refers to its geographic spread.

According to WHO, "Phase 5 is characterized by human-to-human spread of the virus into at least two countries in one WHO region." WHO goes on to describe the current Phase 6, the pandemic phase, as being "characterized by community level outbreaks in at least one other country in a different WHO region, in addition to the criteria defined in Phase 5" meaning that the virus has now appeared in two WHO world regions. WHO's global regions are: Africa, Eastern Mediterranean, Europe, the Americas, SouthEast Asia and the Western Pacific.

WHO goes on to explain that "a pandemic carries no connotation of severity. It means a global epidemic (i.e., an unusual upsurge in cases) of a disease. A pandemic can be severe or mild. It can start mild and become severe, or start severe and become mild. It can also start mild and stay mild, or start severe and stay severe.

CDC is not recommending that people avoid travel. However, if you have clients planning travel to affected areas, you are encouraged to counsel travelers on the spread of this disease and to provide recommendations that may prevent health risks when traveling. Travelers can protect themselves and others by continuing to follow simple prevention practices that apply while travelling and in daily life. Regular handwashing, normal cough etiquette, avoiding contact with people suffering from acute respiratory infections, these are a few of the steps travelers can take.

The CDC's Travel Health Warning recommending against non-essential travel to Mexico, in effect since April 27, 2009, has now been downgraded to a Travel Health Precaution for Mexico.

ASTA is a member of the Tourism Emergency Response Network (TERN), the worldwide travel community that is working closely with the World Health Organization and sharing views on a regular basis. This ensures that the special situation of travelers is taken fully into account by WHO and that the industry is able to provide the best and most accurate advice to travelers. Member alerts will be provided as the situation evolves.

ASTA.org, June 11, 2009

Delta integrates international offerings

Delta Air Lines Inc. is integrating its international in-flight service options with the choices aboard its Northwest Airlines subsidiary, the company said Tuesday.

Delta said it would standardize this month the services offered passengers aboard Delta and Northwest international flights.

"June marks another major milestone in our merger with Northwest as we introduce high-quality products on board Delta and Northwest aircraft operating internationally," Joanne Smith, senior vice president of in-flight service, said in a statement. "We continue to bring together the best of both airlines to create one best-in-class experience for customers traveling with us worldwide."

Atlanta-based Delta (NYSE: DAL) said services would be integrated aboard all long-haul international aircraft with BusinessElite cabins (formerly known as "World Business Class" aboard Northwest jets).

BusinessElite passengers on both carriers can choose from meals created by celebrity chef Michelle Bernstein and wines picked by master sommelier Andrea Robinson.

Delta also plans to roll out amenity kits by Greek skincare company Korres Natural Products.

Economy passengers will be offered complimentary beer and wine on Delta and Northwest international flights. Liquor and signature mixed drinks by Rande Gerber will be available for \$7 each.

Economy passengers will also be offered an upgraded hot breakfast on international flights longer than 3,800 miles.

The new international offerings are a continued step in the integration of the two carriers into the world's largest airlines.

Among the changes customers have seen since Delta's acquisition of Northwest last October:

- integrated service offerings on domestic flights
- rebranding of more than 175 stations worldwide
- painted more than 80 former Northwest planes in Delta livery
- linked Delta's code to the vast majority of Northwest flights for improved connectivity
- inked a new joint venture agreement with Air France/KLM Group
- merged frequent flier programs

bizjournals.com, June 9, 2009