



AAA CORPORATE TRAVEL NEWSLETTER

June 29, 2009

United ends card transactions by agents

Airline accused of shifting costs

United Airlines has ended the rights of some US travel agents to process credit card transactions from next month.

In a letter to selected agents this week, the airline said they will "no longer have continued access to United's credit card merchant agreements, effective July 20."

The airline said the ruling applied to but was not limited to: Visa, MasterCard, American Express, Discover, Diner's Club and JCB cards.

The agents were told to process cards under their own merchant agreements or settle in cash with United. The carrier, one of the largest in the world and a leading member of the Star Alliance with Lufthansa, has been accused by agents in the US of trying to shift its distribution costs.

The American Society of Travel Agents (ASTA), in a letter to its members said United had confirmed its action. It added that it was "not clear" why United had targeted only selected agents.

The letter said the implication was that agents would have to absorb "United's cost of doing business."

Abtn.co.uk, June 25, 2009

AAA note: *AAA has not received any communication from United, so no immediate changes are anticipated for any of our customers. We are, however, very concerned about the precedent this action may set and will keep you informed of any updates.*

More on Clear Registered Traveler shutdown-what happens to customers persona?

Many CLEAR members, saddened to apparently lose a service they found valuable while traveling, have been deeply concerned about the safekeeping of their personal information, which includes extensive financial and personal data collected as part of the background check process.

Personal data submitted to CLEAR is held by Lockheed Martin Inc. and can be reclaimed by the Transportation Security Administration, according to Steve Brill, CLEAR's founder.

Mr. Brill, who left the company in February, said that under the rules established for registered traveler programs, TSA can quickly reclaim the data. In addition, under CLEAR's contract with members, data cannot be used for any other purpose than an airport security clearance program if there is a change in control of the company.

Mr. Brill cautioned that those contractual rules with members could have changed since he left the company, but not without notice to members so any change seems unlikely. Under the contract, the data can't be sold to a marketing firm, for example.

In an interview, Mr. Brill said he didn't want to speculate on the reasons for CLEAR's collapse. The company said its parent, Verified Identity Pass Inc., was unable to negotiate an agreement with its senior creditor to continue operations.

Mr. Brill did note that the Department of Homeland Security has yet to name an administrator for TSA and so the much-needed action for the registered traveler effort hasn't happened. He still believes the nation needs a smarter security regime with programs like CLEAR as part of aviation security.

Like many customers, Mr. Brill just recently renewed his CLEAR membership and those of two family members. It's unclear for now what becomes of that. Some have suggested disputing the charge with your credit card company if you recently renewed. It's unknown whether another company will step in and pick up CLEAR's locations and members, or even if there will be a bankruptcy case for Verified Identity Pass. Typically in a bankruptcy, subscribers would simply become creditors. If enough money is left in the company or assets sales raise cash, some payout might be made through the court process.

WSJ.com, June 23, 2009

Airports react to Clear's demise; Delta to honor SkyMiles for Clear customers

Customers of Registered Traveler program Clear aren't the only ones financially hurting from its demise. Airports that have collected rent and a share of revenue from Verified Identity Pass, which operated Clear until Monday, will have to scratch them from their future budgets.

Verified Identity was by far the largest of three companies operating Registered Traveler, with operations at 18 airports nationwide and more than 250,000 customers willing to pay up to \$200 to get front-of-the-line privilege at security checkpoints.

Orlando International, which was the launch airport for the program in 2005, says it has received about \$2.5 million in revenue from its contract with Clear. In the current fiscal year, it had collected about \$790,000, exceeding the initial budget forecast. "It has been a very good customer service element," says airport spokeswoman Carolyn Fennell.

But the airport was uncertain about Clear's future and didn't budget money from it for the next fiscal year that starts on Oct. 1. "It was unknown," she says.

The airport will use the lane designated for Clear as a Black Diamond lane - used by TSA at airports to speedily process experienced travelers -- or merge it with other lanes.

Fennell says the airport hasn't had time to consider if it will take bids from Verified Identity's competitors about another Registered Traveler program at Orlando International. Atlanta Hartsfield, the world's busiest airport, shrugged off Clear's absence, saying that its reshuffling of the main checkpoint and addition of new lanes have cut down wait-time for most customers.

Meanwhile, airlines, which have been vigorous opponents of Registered Traveler, aren't sorry to see Clear go. David Castelveter, spokesman for the Air Transport Association, says Registered Traveler is a customer convenience service and not a true security program and that many airlines already offer speedy lanes for its elite customers.

Delta was one of the few airlines that had supported Clear, with designated lanes at New York JFK, New York LaGuardia and Boston Logan for its customers. Delta also offered frequent flier miles for new Clear customers. The Atlanta-based carrier says it will honor those miles. "We are working to obtain the full list of CLEAR members who enrolled with SkyMiles mileage offers and will be contacting them in the coming days," Delta says.

Some Clear customers have expressed concerns regarding private data that Verified Identity collected in conducting background checks, such as thumb prints and iris scan images. On its website, the company writes that "applicant and member data is currently secured in accordance with the Transportation Security Administration's security, privacy and compliance standards. Verified Identity Pass will continue to secure such information and will take appropriate steps to delete the information."

USAToday.com, June 24, 2009

American, United airlines raise domestic fares

American Airlines increased prices on domestic fares Wednesday \$10 to \$20 round-trip on "a significant number of U.S. routes," according to Farecompare.com.

United Airlines matched AA's hike Wednesday night across the bulk of its domestic route system, it says, adding the industry is deviating from its usual pattern of hiking fares on Thursday evenings.

But United also filed Wednesday a small number of fire sale airfares to Honolulu from various competitor hubs-\$250 to \$275 round-trip (including taxes and fees) from Dallas, Houston, Newark, Atlanta, Minneapolis and Salt Lake. "These tickets would typically be three times that amount," says Rick Seaney, CEO of Farecompare.com, in an e-mail.

It's the second round of hikes for the U.S. airlines this year, following a systemwide hike two weeks ago participated by all legacy airlines and low-cost carrier Southwest.

"I have been cautioning consumers for the past month that they procrastinate on purchasing airline tickets at their own risk," Seaney says. "Two airfare hikes in the past few weeks is the strongest signal I have seen that the bottom is either here or near."

USAToday.com, June 25, 2009

Airline policies juggle larger passengers

You pay for checking your baggage, for snacks and for extra legroom. Word is one airline has even toyed with charging you to use the toilet. So it makes perfect sense to some fliers that heavier passengers should pay for spilling over into the next seat.

Frequent flier Ross Murphy, 54, has been sandwiched between larger fliers in coach, and he believes they should have to shell out for a second seat.

"They have a right to sit in the seat next to me," said Murphy, who travels crosscountry at least 15 times a year to watch his sons' sporting matches. "But they don't have a right to sit in my lap."

A growing number of airlines are forcing bigger passengers to pay more as they cope with the costly and uncomfortable quandary that arises when obese passengers cannot squeeze into a single coach seat.

With airlines trimming flight schedules -- meaning fuller passenger loads this summer -- the issue is bound to spur some awkward encounters.

U.S. obesity rates have mushroomed during the last 25 years, but the width of a coach airplane seat has changed little, remaining between 17 and 18 inches in most commercial planes. More than one-third of Americans fall into the obese category, according to the Centers for Disease Control and Prevention. This makes traveling in tight spaces vexing for airlines trying to bolster profits by selling the maximum number of seats.

The Federal Aviation Administration does not regulate seat width, but it does require passengers be able to sit belted and with both arm rests down to comply with safety standards.

Most U.S. airlines have a policy or plan for dealing with heavier passengers, though some are not formalized. Officials worry heavier passengers squished into one seat may pose a safety hazard when a plane must be evacuated during an emergency.

Southwest Airlines has had a "customer of size policy" for more than 20 years, requiring passengers to buy a second seat on a full plane if their body crosses the armrest boundary. The company will issue refunds if unoccupied seats are available, which they say is the case 97 percent of the time.

Airlines with open seating policies such as Southwest find it easier to relocate passengers in need of an extra seat. On all airlines, passengers can buy first-class or business-class seats, which are wider. But those tickets cost more than a coach seat.

Experts at Boeing Company, an aircraft manufacturer, say 17-inch seats can accommodate 95 percent of the

traveling public. They say studies have found most seat space invasions happen because of wider shoulders and not derrieres.

Still, some larger passengers who need more than one seat believe being charged extra is discriminatory and the airlines are not accommodating the growing American waistline.

"The airlines need to be making bigger seats," said Peggy Howell, a spokeswoman for the National Association to Advance Fat Acceptance, a group based in San Francisco, California. "It's not safe to be cramming us into two seats."

Lawsuits have been filed by heavier passengers and by those who complain about large passengers encroaching on their space. The courts have ruled the airline policies are within their rights. In the United States, there aren't any discrimination laws to protect obese people, attorneys say. (In some employment discrimination cases, attorneys have been able to win by proving obesity was a genetic disease beyond the person's control.) In 2003, the issue of passenger weight surfaced when a commuter plane crashed on takeoff from Charlotte, North Carolina, because of excess weight and a maintenance error. The accident prompted the FAA to increase the estimated weight per passenger by 10 pounds, including 20 pounds of carry-on luggage. For example, the average weight for a passenger traveling in the summer (including carry-on luggage) went from 180 pounds in 1995 to 190 pounds in 2003.

"We realized after that accident that the weights we were using probably didn't reflect the current state of the American traveling public," said Les Dorr, a spokesman with aviation safety at the FAA.

In 2004, a CDC scientist studied the effects of obesity on the airline industry. The scientist calculated his findings based on data revealing the average weight of an American had increased by 10 pounds in the 1990s. He estimated the extra weight cost airlines \$275 million extra for fuel in 2000. The figures are likely higher today, with fuel costs rising.

Some larger passengers don't mind paying for the second seat. Other heavier fliers argue while tall passengers pay a fee for leg room, the fees are only a fraction of the price of an entire seat. Air France offers obese passengers booking a second seat up to 33 percent off the ticket price, depending on the type of seat and availability.

CNN.com, June 26, 2009

Incentives Motivate People . . . People Motivate Business

When you choose travel as a reward vehicle for successful achievement of goals during an incentive campaign you not only please your participants by offering them what they desire, you also create the opportunity to really get to know your top achievers.

An incentive travel reward that is implemented professionally and flawlessly creates a memory that will motivate the participants to reach new goals. Before your participants return to the workplace they'll want to know what's in store for the following year. It lets your achievers know how much your company appreciated their efforts.

An incentive travel destination can be anywhere worldwide and the key to success is the quality that must be built into each and every detail of the program. If budget limitations preclude a grand trip to Paris for instance, an action-filled weekend in Quebec City or Montreal with all the incentive amenities will meet your needs while the participants will derive a very highly perceived value.

Success is in the details . . . Destination Success has you covered. (513) 763-3073

New flight service in Cincinnati

Over the past three years, Ultimate Jet Charters has utilized its fleet of 30-seat Dornier 328 Jets to operate eight Corporate Shuttles for Fortune-ranked companies. They are now ready to apply the valuable experience they have gained from providing their high-quality, private service on thousands of corporate shuttle flights to the public charter service they are offering out of Lunken. Because these flights will be operated as public charters, participating companies will not have to make long-term commitments to take advantage of this convenient, cost-effective, and reliable service. Additionally, tickets for one-way or roundtrip flights between Lunken and Morristown can be purchased quickly and easily online through PublicCharters.com via AAA Corporate Travel Services.

Schedule: Depart Lunken at 6:30 am ET every Monday Thursday
Arrive Morristown at 8:00 am ET every Monday Thursday

Depart Morristown at 5:15 pm ET every Monday Thursday
Arrive Lunken at 7:00 pm ET every Monday Thursday

Total Cost: Roundtrip - \$499.00
One-way - \$299.00

Ground Transportation: Ultimate Jetcharters has arranged for ground transportation from Morristown Airport to Grand Central Station in Manhattan. The round-trip cost of this service is \$49.95 and can be booked through AAA. The return time from Manhattan is 4:00 pm.

Start Date: Monday, June 29, 2009

Benefits of using Ultimate Jetcharters for you New York areas trips:

- No baggage fees
- No flight cancellation or ticket change fees
- Complimentary food and beverage service on all flights
- Arrive at the airport 15 minutes before scheduled departure
- No hassle security checks
- Free, close parking at easily accessed airport facilities
- Quick, convenient check-in process
- On-time departures
- No cancelled flights 100% back up service
- Shuttle service performed on state of the art 30-seat jets
- Ground transportation easily arranged to Manhattan
- Convenient, same day travel eliminates additional costs of hotel stays, meal, etc.
- Increased productivity due to convenience and time savings

**Open house Wed, July1 from 1:00pm-3:00pm at Lunken Airport
Contact Karly Ash for more details at 513-763-8848**