



## AAA Corporate Travel Newsletter October 2, 2009

### **Merger milestone: Northwest WorldPerks give way to Delta SkyMiles**

Say "so long" to Northwest's WorldPerks frequent-flier program. The Associated Press writes "Delta Air Lines has completed the integration of its frequent-flier program with that of its subsidiary, Northwest Airlines, CEO Richard Anderson said Thursday. The combined program has more than 70 million members." In a message to employees, Anderson said the changeover took place Wednesday night. "It's all SkyMiles now," Anderson said. "We have a single frequent flier program now, with a single database with a single technology platform."

For customers, AP says that "means that Northwest frequent flier members have had their WorldPerks converted to SkyMiles and will have SkyMiles issued to them in the future for eligible travel and credit card purchases, Delta spokesman Paul Skrbec said. He said frequent flier members would be notified, and that process would continue through October." The *Detroit Free Press* writes "the Web site [www.nwa.com](http://www.nwa.com) will stay active through early 2010, when the merger is complete. But its WorldPerks section will vanish earlier, replaced by a SkyMiles page."

Elsewhere, William Lentsch - Delta's senior vice president for Minnesota operations - tells AP that the company has painted 138 of the 250 NWA aircraft that are set to get Delta paint job. AP says "that doesn't count smaller planes for Northwest's regional operations Compass and Mesaba airlines. Northwest planes that are being retired, such as some of its aging DC-9s, aren't getting the Delta colors, he said."

Lentsch also reaffirmed Delta's commitment to Minnesota, which had been home to NWA's headquarters until it was acquired by Delta. He said that Delta has about 13,000 workers in the state, above the 10,000 that Delta has committed to keeping in Minnesota. He also said Delta is meeting its commitment to operate 400 daily flights at its Minneapolis/St. Paul hub.

*USAToday.com, October 2, 2009*

### **Southwest's airfare sales not the usual big bargain**

Airfares are starting to inch back up, signs indicate, even on the prices of tickets on sale. Southwest, the nation's leader in low-cost flying, this week introduced a sale on fares with prices on some routes higher than the lowest fares customers have come to expect.

They included a \$118 round trip between Phoenix and San Diego and \$296 between Baltimore and Los Angeles. While "not really that bad," Tom Parsons of BestFares.com says, the fares are higher than the historical range of Southwest's sale prices.

Southwest traditionally has set the floor on coast-to-coast fares that are on sale at \$99 one way and \$198 round trip. The airline's website now lists new coast-to-coast bottom fares at \$149 and \$298, respectively.

Frontier and AirTran, Southwest's low-cost competitors, have also increased sale fares on some routes by \$10 each way. Parsons says the days of rock-bottom fares appear to have ended.

"The writing is on the wall," says Parsons, whose website monitors prices. "We had nine months of great travel bargains in 2009. Air travelers will be paying much more (in 2010) than they did in early 2009, as much as 50% more."

Many Southwest fares remain lower than the current discounts being offered. But the new fare sale is a far cry from some of the deep discounts offered over the summer.

In July, Southwest lowered fares to \$30 for short-haul flights and coast-to-coast flights \$80 each way. Behind stable or higher fares: Airlines say they're starting to see the prospect of an increase in demand for travel at the same time they're cutting supply by offering fewer seats to cut costs.

North American carriers saw international travel demand fall 2.5% from a year ago compared with a 3.2% year-over-year decline in July, according to the International Air Transport Association. At the same time, airlines scheduled 6% fewer seats on domestic flights in August compared with a year ago, according to OAG-The Official Airline Guide OAG.

*USAToday.com, October 1, 2009*

## **TSA to expand use of body scanners**

The Transportation Security Administration plans to install 150 security machines at airport checkpoints that enable screeners to see under passengers' clothes.

The installation will vastly expand the use of the controversial body scanners, which can reveal hidden bombs and knives. But the devices have been labeled as intrusive by some lawmakers. The House of Representatives in June overwhelmingly passed a measure that would restrict their use by the TSA to passengers flagged by other types of screening, such as metal detectors. The measure is pending in the Senate.

TSA spokeswoman Kristin Lee said the machines are "critical" to stopping terrorists with homemade bombs that may elude metal detectors. The agency hasn't decided which airports will get the machines, Lee said.

The \$100,000 scanners shoot low-intensity X-rays that penetrate clothing, bounce off a person's skin and create images that show solid objects as dark areas. The TSA machines have privacy additions to create images that look like etchings. Screeners view them on a monitor in a locked room near a checkpoint and delete them immediately after viewing.

"Body imaging is a total invasion of privacy," said Rep. Jason Chaffetz, R-Utah, who proposed the restriction. "You don't need this kind of scrutiny."

Although the machines use X-rays, a 2003 report by the National Council on Radiation Protection & Measurements, which Congress created to develop radiation guidelines, said people can safely be scanned by the machines up to 2,500 times a year.

"Imaging technology is safe," Lee said.

The TSA used \$25 million from the federal stimulus package to buy the scanners from California-based Rapiscan Systems. The agency is using an additional \$22 million to buy 500 upgraded machines that scan bottles for liquid explosives.

The TSA has been testing scanners since early 2007, mostly on passengers who set off a metal-detector alarm and are taken aside for additional screening. The new scanners will be installed beginning early next year and will be used in place of metal detectors at checkpoints.

Passengers may choose to avoid the scanners and be screened by a metal detector, but those who do will be pulled aside for a pat-down, Lee said.

American Civil Liberties Union lawyer Christopher Calabrese said using the scanners in place of metal detectors "is unquestionably a step in the direction of having these machines be mandatory."

*USAToday.com, October 1, 2009*

## **Sen. Boxer predicts passenger rights provisions will pass**

Sen. Barbara Boxer (D.-Calif.) said at a Washington hearing last week that she expects airline passenger protection provisions included in an FAA funding bill will pass Congress and become law.

The provisions would give passengers the right to deplane after an aircraft is stuck on the ground for three hours, and would mandate certain minimum standards for passenger care during such delays, like providing food, water and clean toilets. Boxer said that the Congressional leadership is determined to keep the passenger provisions in the FAA funding bill because they know it's a popular issue among constituents.

The measures have been roundly opposed by the airline industry through its trade group, the Air Transport Association. But at last week's hearing, one prominent industry figure - former American Airlines chairman Robert Crandall - spoke out in favor of the bill. Crandall said he thought the airline industry could live with its provisions, especially if the time limits on tarmac delays started out at four hours and were gradually reduced to three. This would give airlines an opportunity to phase in new procedures for dealing with deplaning passengers after long tarmac delays, he said, adding that he thought new regulations could be adopted without compromising safety or significantly increasing carriers' costs.

*Executive Travel SkyGuide e-Alert, September 28, 2009*

## **Is swine flu covered by travel insurance?**

When CNN medical correspondent Sanjay Gupta came down with H1N1, or swine flu, in Afghanistan last month, he blogged about being "the sickest I've ever been." And with the federal Centers for Disease Control reporting that a second wave of the flu is spreading widely across the nation, USA TODAY's Laura Bly answers questions on whether travel insurance covers H1N1.

**Q: What is a typical travel insurance policy cost, and what are the major coverage areas?**

A: Most travel insurance packages cost 4% to 8% of a journey's total value and encompass trip cancellation/interruption refunds plus medical care and evacuation.

**Q: I'm not sick now, but I'm worried about getting the flu at my destination. If I have insurance, can I cancel before I leave and get my money back?**

A: Not unless you've purchased "cancel for any reason" coverage, which is sold as an add-on to existing policies or as a stand-alone waiver by cruise lines and other travel companies. A "cancel for any reason" upgrade is more expensive (40%-50% higher than a basic policy), typically covers 70%-100% of prepaid trip costs (all of which must be insured), and requires trip cancellation at least two days before departure, says Peter Evans of the insurance comparison site InsureMyTrip.com.

**Q: Does the World Health Organization's June declaration of H1N1 as an official pandemic void the terms of my travel insurance policy?**

A: In most cases, no. But a few companies do have pandemic exclusions that would keep you from collecting if you get the flu before you leave or during your trip, says Chris Harvey of Squaremouth.com, another travel insurance comparison site.

**Q: Assuming pandemics aren't excluded, will I be covered if I'm quarantined at my destination and have to skip part or all of my itinerary?**

A: Generally, yes. But you'll have to study the fine print. Some carriers, including Travel Guard and Access America, will reimburse costs associated with a quarantine – but only if you are sick, not if you are a part of a larger group detained because of possible exposure to an infected traveler.

**Q: If I catch the flu and can't travel, will insurance cover the cost of medical care, additional hotel nights and airline penalties?**

A: In many cases, yes. Access America, for example, covers emergency medical costs, "reasonable" lodging and other out-of-pocket expenses, and transportation costs associated with getting you back home. But you'll need a doctor's verification of your illness, and no policies will cover you for lost work days if you're forced to extend your stay because of illness.

**Q: So, do I really need insurance if my main concern is catching swine flu?**

A: Perhaps not. Gupta's high-profile example notwithstanding, most cases of H1N1 flu have been mild and a vaccine is expected to be widely available by the end of the year, though it takes up to two weeks to become fully effective. Some airlines will waive change fees for passengers with a doctor's documentation that they are unable to fly.

*USAToday.com, October 2, 2009*