

## AAA Corporate Travel Newsletter

November 2, 2009

### Delta cuts more flights at Cincinnati hub *Company cut flights to make hub more profitable*

**COVINGTON, Ky.** -- Delta Air Lines is cutting another 10 percent of its flights at Cincinnati/Northern Kentucky International Airport, further worrying local officials who are concerned about the airline's diminishing presence.

The Atlanta-based company said Friday its cutting 25 flights from its daily schedule and eliminating service entirely to Charleston, S.C., Savannah, Ga., Tulsa, Okla., and Huntsville, Ala. Once the cuts are made in January, the Cincinnati hub will have its fewest number of Delta flights in at least 15 years.

The cuts will leave 190 daily Delta departures at the Cincinnati airport. The airline already cut 13 percent of its flights in Cincinnati in early September, leaving local flying and passenger counts down by more than half in the past three years.

Delta said it's trying to keep the Cincinnati hub profitable.

"We are taking every step we can to return the hub to profitability, and this is a supporting change in that direction," Delta spokeswoman Kristin Baur said.

Local officials worry that Delta is slowly shrinking the hub out of existence.

"The business community is certainly disappointed at additional loss of service at the CVG airport," said Doug Moormann, vice president in charge of economic development for the Cincinnati USA Regional Chamber, the area's largest chamber of commerce. "We continue to have service to the top business destinations, but again we're concerned at this erosion of the service at our airport."

Aviation experts believe the cuts are a result of greater competition with other airports in places such as Detroit and Minneapolis, as Delta continues to merge with Northwest Airlines.

"Anyone looking at these series of cuts can see the writing on the wall," said Mike Miller, owner of the Orlando-based airline consultancy The Miller Air Group. "This is just my opinion, but with what has happened in the last few years, and with Atlanta down the road and Detroit up the road, Cincinnati appears to be the odd man out. Whether or not you call it a hub, this is probably not the last cut."

The last time Delta had fewer daily departures out of the airport was in 1994, when it operated 171, according to the federal Bureau of Transportation Statistics. Those numbers do not include flights by Comair, the regional airline that had yet to start reporting its results but which was associated with Delta.

Delta lost \$161 million in the third quarter. It said it would have turned a \$51 million profit if not for expenses incurred with its ongoing merger with Northwest Airlines and severance costs incurred from an ongoing work-force reduction.

*WLWT.com, October 24, 2009*

### Delta details new overseas routes for 2010

As part of "the first fully consolidated schedule published following Delta's merger with Northwest," Delta has unveiled plans to add several international routes for summer 2010, beginning around the first week of June. Across the Pacific, Delta said it will begin Seattle-Beijing service five times a week, and daily Seattle-Osaka flights, both using 767-300s; from Detroit, the schedule calls for new Detroit-Hong Kong and Detroit-Seoul service, both running five times a week with 777-200s. In addition, Delta said its Detroit-Shanghai service will increase from five to seven flights a week and New York JFK-Tokyo will be upgraded from a 777 to a 747-400; the LAX-Tokyo operation will expand from seven flights

a week to 11. New transatlantic routes will include daily service from New York JFK to both Copenhagen and Stockholm, with 757-200s; JFK-Tel Aviv service will use a 747-400 instead of the current 767-300; and Seattle-Amsterdam service will increase to 10 flights a week from seven. In addition, Delta will begin non-stop 767 flights three times a week from JFK to Abuja, Nigeria (currently served with one-stop 757 service); and from Atlanta to Accra, Ghana.

Delta said the new transpacific service from Seattle will be timed for easy connections not only with domestic Delta flights but also with code-share partner Alaska Airlines' operations. The carrier also plans to revive seasonal Salt Lake City-Tokyo flights five times a week, as well as extra summer flights between Atlanta-Tokyo. Delta will also seek to leverage its joint venture with Air France-KLM across the Atlantic, resuming seasonal service on a dozen routes, e.g., Atlanta-Athens, ATL-Venice, JFK-Zurich and Detroit-Rome. Delta said the three-carrier joint venture is expected to handle 25 percent of the entire transatlantic market next summer.

*Executive Travel SkyGuide e-Alert, October 26, 2009*

## **Bradley International welcomes nonstop service to Denver International on Southwest Introductory fares start at \$79 each way\***

WINDSOR LOCKS, CONNECTICUT (October 22, 2009) - Spring skiers and snowboarders, business travelers and vacationers to the West can rejoice: nonstop service to Denver returns this March to Bradley International Airport (BDL).

Southwest Airlines today confirmed plans to begin nonstop service to Denver International Airport (DEN) starting March 14 at an introductory fare of \$79.

One flight per day Sunday through Friday will depart Bradley at 8:10 a.m., arriving to Denver International Airport at 10:30 a.m. (WN 1317). This morning arrival is timed to allow passengers to connect with Southwest cities throughout the western U.S. The return flight (WN 1292) leaves Denver at 3:45 p.m., arriving at Bradley at 9:30 p.m. The Saturday flight (WN 1335) leaves Bradley at 9:05 a.m., arriving 11:25 a.m. Another Saturday flight (WN 1033) leaves Denver at 11:20 a.m., arriving at 5:05 p.m. to Bradley.

Passengers aboard the flights will enjoy the comfort and convenience of Southwest's all premium leather seats and plenty of legroom with a young all-Boeing 737 fleet.

Southwest Airlines is now serving Bradley passengers with 17 daily nonstop flights to seven cities. The new service will provide travelers with the only nonstop flight between Denver and Hartford since 2007.

"Southwest's confidence in Bradley Airport and its ability to support this service is the latest encouraging news that travel for business and pleasure is on the upswing," said Governor M. Jodi Rell. "It's certainly welcome news for residents of New England who vacation in the West, and business travelers coming to New England."

Adds Southwest Airlines Chairman of the Board, President and CEO Gary Kelly, "This daily service will give passengers flying out of Bradley low-cost access to world-class skiing, the thriving Denver business community, and connections to dozens of Southwest's destination cities in the U.S.


"We think Denver is a vibrant market for Bradley Airport with both business and leisure customers. It also makes sense in our schedule for customers going coast to coast or anywhere east to west," Kelly said.

*Bradleyairport.com, October 22, 2009*

## **Air France and KLM add fee for second checked bag**

Following the lead of other major transatlantic carriers like Delta, British Airways, Virgin Atlantic, American, United, Continental and US Airways, the giant joint-venture company Air France-KLM said its two airlines will institute a fee for a second checked bag on flights between the U.S. and Europe.

The new fees also apply to flights from the U.S. beyond Europe to Tunisia, Morocco and Algeria. Effective November 1, economy class passengers will pay \$50 for checking a second bag on flights from the U.S. to Europe, and 50 euros (about \$75) on flights from Europe to the U.S. What's more, the fee for overweight checked bags (50 to 75 pounds) will go up from the current \$50 or 50 euros to \$100 or 100 euros. Business class passengers can still check two pieces for no fee, as can silver, gold and platinum members of the airlines' Flying Blue program and SkyTeam Elite and Elite Plus members.



So far, Lufthansa and its partners SAS and Swiss are still permitting economy class passengers to check two bags for no fee.

*Executive Travel SkyGuide e-Alert, October 26, 2009*

## Hilton HHonors will increase award costs in January

As leading hotel companies continue to struggle with declining rates and occupancies - particularly at higher-end hotels – it might come as no surprise that one of the biggest hotel loyalty programs is planning to charge more for “free” nights in 2010. Hilton HHonors is advising members that the point cost of a one-night award stay will increase by 14 to 25 percent effective January 15, 2010, depending on the category of the property selected.

The program is also revising its reward categories. For example, a former Category 1 hotel award night that cost 10,000 points will become a Category 2 property at 12,500 points per free night; at the higher end, a former Category 6 hotel for 40,000 points per night becomes a Category 7 at 50,000 points for a one-night stay. Members who book award stays by January 14 will be protected at the current award levels, even if their stay is after that date. Hilton said it also updated the redemption rates for Silver, Gold and Diamond VIP members, and added a new benefit of four- and five-night VIP rewards. Members will still be able to earn both points and miles, and HHonors' “no blackout dates” policy will continue.

*Executive Travel SkyGuide e-Alert, October 26, 2009*

## US Airways cuts jobs, flights

Reagan National Airport will play a key role in US Airways latest realignment, which includes job cuts, crew base closings and eliminating dozens of flights.

The airline will cut its Las Vegas flights from 64 to 36 daily departures, pull out of Colorado Springs and Wichita, and close crew base stations in Boston, New York City and Las Vegas. It will also suspend European service from Philadelphia to Birmingham, London, Milan, Shannon, Ireland, and Stockholm, and temporarily return its Philadelphia to Beijing flight authority to the Department of Transportation, but retain the right to reapply for that route later.

US Airways' latest restructuring will mean 1,000 jobs cuts, including 600 airport passenger and ramp service jobs, 200 pilots and 150 flight attendants.

The airline says it will focus on its core network strengths, which includes hubs in Charlotte, Philadelphia and Phoenix, as well as its operations at Reagan National, which US Airways calls a “focus city.” Those four airport operations, as well as its hourly shuttle service between Washington, New York and Boston, “will serve as the cornerstone of the airline’s network,” representing 99 percent of its available seat miles by the end of 2010, compared to 93 percent today.

“These are difficult decisions to make because of the impact on some of our fellow employees,” said chief executive Douglas Parker in a letter to employees. “They are, however, the right decisions. By focusing on our strengths and eliminating unprofitable flying we will increase the likelihood of returning U-S Airways to long-term profitability.”

At Reagan National, US Airways currently operates 230 daily flights to 60 destinations. As part of its latest realignment, it will increase its presence at National by adding nonstop service to eight additional cities. It will also add more jobs at National, and will ultimately have a staff of 550 there, it says.

US Airways has 6,000 employees each at Philadelphia and Charlotte, and 8,700 employees in the Phoenix area, also its corporate headquarters.

*Washington.bizjournals.com, October 28, 2009*

## Airport Completes Screening Checkpoint Expansion

New Flight Info Displays Also Part of Recent Enhancements

**Roanoke** - The Roanoke Regional Airport has completed expanding the security checkpoint from one lane to two lanes. This expansion will allow for two lines of passengers to be screened at once during busier times. An unused gate area



was converted into an expanded checkpoint area, creating more room. The total cost of the checkpoint expansion is \$237,400.

Another passenger-oriented improvement is the recently installed new Flight Information Display screens combined with a new public address system. The Roanoke Airport has installed new, high definition flight information display screens throughout the terminal. The new high definition LCD screens are easier to read and allow for integration with a new public address system that allows for visual and audio messaging to better accommodate all passengers, including those with hearing or vision related disabilities. The total project cost was \$807,198.

## **SkyBonus and Biz Perks Integration Update**

### **The Northwest Biz Perks program will be integrated into the Delta SkyBonus Program effective January 31, 2010**

On January 31, 2010, Delta will launch a new SkyBonus program that brings together the best features of the Biz Perks program and the best features of the SkyBonus program.

Until the two programs are fully integrated, Biz Perks members will continue to earn and redeem their points as usual. After integration, Biz Perks points previously earned are safe and will continue to be valid for use in the SkyBonus program.

Not only that, the airline merger brings even more opportunities to earn points and exciting destinations to travel to using your rewards. With the world's largest airline, you will have access to 350 destinations in 66 countries.

### **Just a Friendly Reminder**

Until the two programs are fully integrated, the current terms and conditions of the Biz Perks program will be in effect. Because Biz Perks points expire on December 31<sup>st</sup>, three years after the year earned, members should log into their account and determine if there are any points scheduled to expire this year. If so, we encourage members to redeem any expiring Biz Perks points for awards before December 31, 2009. Once redeemed, Biz Perks flight award certificates are valid for one year from the date of issue and are valid on all Delta flights. Please note that any expired points will not be reinstated.

### **Stay tuned for future program integration information**

For program enhancements, integration updates, and the latest news on the development of the new SkyBonus program please visit [skybonusnews.delta.com](http://skybonusnews.delta.com). For questions regarding these changes, or for account assistance, please contact the Biz Perks Service Center at (877) 832-5211 or email [bizperks@nwa.com](mailto:bizperks@nwa.com). All SkyBonus and Biz Perks program rules apply to SkyBonus program and Biz Perks program, respectively. To review the rules, please visit [delta.com/skybonus](http://delta.com/skybonus) and [nwa.com/bizperks](http://nwa.com/bizperks). Offers and benefits subject to change without notice. Other restrictions may apply.

