

## AAA Corporate Travel Newsletter

November 23, 2009

### 3 airlines extend, raise surcharges for busy days

The \$10 and \$20 surcharges that air travelers are paying this Thanksgiving, Christmas and New Year's are generating so much extra money that three airlines are extending them - and increasing them up to \$50 - all the way to Memorial Day.

A fourth airline, US Airways, is imposing a different new surcharge equal to 5% of the fare price on all domestic flights starting May 8.

United began the new round of surcharges, and Delta and its subsidiary, Northwest, have matched them.

Most surcharges extending into the spring range from \$10 to \$30. Many are in March or April, which would coincide with Easter or spring breaks.

The \$50 surcharge applies to tickets only on one day: Monday, Feb. 8, the day after the Super Bowl. Major airlines began imposing \$10 surcharges on heavy travel days around fall and winter holidays in September. Since then, many have doubled them. Last week, the new ones began to be extended to a total of 41 days between Thanksgiving and Memorial Day.

Fare-tracker Tom Parsons at BestFares.com noticed them on Tuesday and began ringing the alarm for consumers. "This is a shocker," Parsons says. "In 2008, at the height of the fuel price surge, I remember Southwest putting on a \$30 fuel surcharge that all the others (airlines) matched. I don't ever remember there being a \$50 surcharge on a domestic ticket, even in the worst of times."

United spokeswoman Robin Urbanski says her airline introduced the new surcharges to match a conventional fare increase imposed by Southwest.

So far, only Delta and Northwest have matched United - leaving open the possibility for consumers that the surcharges could be rescinded if other airlines don't rush in, too.

How can airlines charge more when fewer people are traveling because of the recession?

Carlos Bonilla, a consultant at AirlineForecasts.com, says that carriers have reduced the number of seats and flights available to match fewer people flying. "Now, they can charge more," Bonilla says. "It's basic economics."

Despite the rising fares, average prices remain relatively low historically and below the break-even point of some airlines. U.S. airlines are expected to lose about \$4 billion this year.

Most analysts don't expect all carriers to return to reasonable profitability until 2011, when they expect business travel to rebound sufficiently to cover airlines' rising operating and fuel costs.

*USAToday.com, November 18, 2009*

### US Airways overhauls Dividend Miles award levels

US Airways announced that effective January 6, 2010, members of its Dividend Miles frequent flyer program will see a new awards chart. Instead of the current two-tier air travel awards - capacity-controlled Mileage Saver awards or last-seat availability Standard awards - the new "GoAwards" system will feature four tiers of award tickets, with the mileage cost determined by the level of demand for the travel dates being requested.

On the plus side, the new system eliminates capacity controls for all award travel, so that any unbooked seat is available for even the lowest-cost award tickets. But the new system also raises the mileage costs for some travel, especially during periods of peak demand. The four new tiers are labeled simply Off-peak, Low, Medium and High.

US Airways noted that members will be able to combine different types of award travel on a single ticket, depending on what's available. Currently, a domestic Mileage Saver roundtrip ticket costs 25,000 miles in economy or 50,000 miles in first class, while a Standard award would cost 50,000 coach/100,000 first class.

Under the new system, "Off-peak" domestic awards are not available, and the price of a domestic award ticket in coach will be 25,000 miles on days of low demand, 40,000 for medium demand, and 60,000 for high demand; a first class award ticket will cost 50,000, 80,000 or 100,000 miles. For economy class award travel to Hawaii, a ticket that now costs 35,000 miles for Mileage Saver or 70,000 for Standard will cost 40,000 to 90,000 miles, depending on demand. To Europe, the current mileage costs are 50,000 Mileage Saver/100,000 Standard for economy, or 80,000/160,000 for business class. Under the new system, the mileage cost for a Europe roundtrip ranges from 35,000 to 125,000 for economy, or 60,000 to 350,000 for business class.

*Executive Travel SkyGuide e-Alert, November 16, 2009*

## How much to tip at hotels, and when: A primer for guests

Though he's a seasoned business traveler, Kevin O'Connor isn't sure what to tip at hotels.

"I am always unsure, so frequently I don't tip when I probably should," says O'Connor, a Toronto-based consultant who has spent about 130 nights in hotels since the beginning of last year.

O'Connor isn't the only frequent business traveler who's uncertain about who to tip and how much to tip at hotels.

That's not surprising, says Michael Lynn, a professor at Cornell University's School of Hotel Administration who has conducted two national tipping surveys.

A third of the country doesn't know to tip 15% to 20% at a restaurant, so it's understandable that many people are unsure what to tip in a hotel, he says.

To try to eliminate uncertainty, USA TODAY asked etiquette and hospitality experts and hotel companies for advice on what to tip at hotels in the USA. Their responses aren't consistent in every instance, but there's a consensus for some common tipping situations:

- Valet parking staff.** Don't tip a hotel staff member who opens a guest's car door at the hotel entrance or parks the car in a valet lot. The valet who retrieves the car from the parking lot should be given \$2 to \$5.
- Bellmen.** The common tip is \$1 to \$2 per bag. More can be given if the bags are heavy or the bellman provides other services.
- Maids.** They should receive \$1 to \$5 daily. "The tip should be paid daily to ensure it goes to the person that took care of your room," says etiquette expert Patricia Rossi.
- Concierges.** No tip is needed for directions, restaurant recommendations or answers to simple questions. A \$10 to \$50 tip is recommended for a concierge who obtains hard-to-get event tickets or a table at a popular premier restaurant.

Despite such suggestions, hotel guests "should expect great service, and there is no obligation to tip," says Vivian Deuschl, a vice president for luxury hotel chain The Ritz-Carlton. "However, most people do, understanding that hourly wage employees really appreciate gratuities, especially during a time when business is not as robust as past years," she says.

### 'Don't tip out of guilt'

"It is not the guest's responsibility to make up for a drop in a hotel employee's earnings during a recession," says Roberta Nedry, president of Hospitality Excellence, which provides concierge and guest service training for hotels and other clients.

"Tipping should not be a result of guilt, status or ego," she says. "I believe tips should not be automatic, but earned and deserved."



Civility expert P.M. Forni says hotel guests must first understand that there are two basic reasons to tip: to acknowledge that a personal service was provided and to reward excellence in providing such service. Acknowledging the personal service "is essentially obligatory," but it's up to each traveler to decide whether the service received "deserves reward on top of acknowledgment," says Forni, who is a Johns Hopkins University professor and author of *The Civility Solution: What to Do When People Are Rude*.

There's no doubt a hotel guest should tip a bellman who takes luggage to a room, and \$5 may be appropriate, Forni says.

"But if that employee has helped you with the thermostat, pulled the curtains, explained to you how to operate the safe and given you information on the airport shuttle service and the whereabouts of the closest pharmacy, you may want to add five more dollars as a reward tip," he says.

### **Carry lots of \$1 bills**

The amount to tip depends on "the level of the hotel" - such as luxury, midpriced or budget - and "the level of service," says Jacqueline Whitmore, author of *Business Class: Etiquette Essentials for Success at Work*.

Guests should carry a sufficient amount of dollar bills to tip "just about every hotel staff member you come into contact with," says Whitmore, who founded a consulting firm, The Protocol School of Palm Beach.

Frequently handing out greenbacks can pay off, says Jeff Weinstein, editor in chief of the trade publication *Hotels* magazine.

"If you want to get great service, tip freely," he says. "It never hurts to be generous, especially if you plan on coming back. The staff will remember and take better care of good tippers."

But there's a flip side. Hotel guests should "never be uncomfortable to not tip or tip well," says Roger Bloss, president and CEO of Vantage Hospitality Group, the parent company of Americas Best Value Inn and the Lexington Collection.

And guests shouldn't be intimidated by hotel staff aggressively pushing for tips, Forni says.

"Do not let anybody bully you into giving a reward tip," he says.

Hotel employees also "should not show favoritism to guests who tip more and be aloof, distant or unresponsive to those that don't," Nedry says.

*USAToday.com, November 17, 2009*

## **Airlines bid to keep JAL within their alliances**

Delta Air Lines offered \$1 billion in aid to beleaguered Japan Airlines on Wednesday, a proposal that American Airlines quickly said it would top as the world's biggest air carriers escalated a war for influence.

Though saddled with debt, Japan Airlines is attractive to both American and Delta because of its strong place in the tricky Japanese market and in the rest of Asia. U.S. airlines have also been looking to shore up their global alliances, both as a growth strategy and as a means of self-defense in an industry where mergers and acquisitions are increasingly common.

Delta and American, however, are also engaged in a delicate balancing act. Too aggressive an overture toward JAL, they fear, could give the Japanese government reason to try to rescue its once-proud flagship carrier without foreign assistance.

At a news conference in Tokyo on Wednesday, Delta Airlines' president, Edward Bastian, said the carrier and other members of the SkyTeam alliance were ready to offer JAL a generous aid package worth \$1 billion if it would defect from rival American Airlines' OneWorld alliance.

Mr. Bastian's remarks came after JAL's president, Haruka Nishimatsu, said last week that it would be easier for the debt-ridden company to remain within the OneWorld alliance, seemingly giving American a lead over Delta for a stake in the Japanese carrier.

"It is clear that SkyTeam is by far the strongest partner for Japan Airlines," Mr. Bastian said. The offer includes \$500 million in capital from SkyTeam members, \$300 million in guarantees on any revenue loss from the switch and \$200 million in asset-backed financing, according to Delta.



Sze Hunn Yap, a Japan Airlines spokesman, told The Associated Press that the company was aware of Delta's offer but could not comment. The defection of Japan Airlines to SkyTeam would give that alliance a considerable edge over OneWorld in the number of passengers and daily flights. Figures from May show SkyTeam's 11 members carried 384 million passengers annually, compared with the 330 million carried by OneWorld, including 53 million carried by JAL.

"We stand ready to make a significant investment in JAL, superior to anything a competitor will offer," Theo Panagiotoulas, American Airlines' vice president for Asia and the Pacific, said in Tokyo on Wednesday.

Mr. Panagiotoulas said American would offer JAL an equity investment on top of the approximately \$500 million that the Japanese airline is currently reaping annually from its participation in the OneWorld alliance. That, he said, would make American's offer more financially attractive to JAL, because some of Delta's proposed aid package would go to pay financial penalties the airline would incur for switching alliances. Finances at JAL, which is the largest Asian carrier by revenue, have been battered by a drop in passenger traffic in the wake of the global economic crisis. Huge pension obligations, an aging fleet and dozens of unprofitable routes have also weighed heavily on JAL's bottom line.

The airline posted a loss of ¥32.2 billion yen, or \$361 million, in the latest quarter and said it was in new talks to suspend loan payments as it awaited formal approval for a government-led bailout.

*NYTimes.com, November 18, 2009*

## Roam4Less reduces international roaming fees by up to 90%!

If you are a business owner or if you are the travel manager for your company, you know how important it is to lower corporate travel costs. International travel - be it business or pleasure - has one big drawback. It is both expensive and difficult to be in touch with home. The most common strategy for corporations is to negotiate a cellular agreement for the overall organization and add on a world plan to reduce roaming rates a little further.

Roam4Less offers a service that works in conjunction with your regular wireless provider as a travel add-on.

### Overview: Roam4Less World Phone

The Roam4Less World Phone Provides corporate travelers with mobile phone service in 200+ countries around the world with up to 90% savings over regular roaming charges.

### How it works:

Roam4Less has negotiated volume discounts with network providers around the world to provide low cost, high quality service in over 200 countries...all from one Phone.

In addition, their Seamless Call-Connect™ routes all outbound calls in a unique way to avoid excessive roaming charges. A call is placed in the normal manner and then within seconds there is a ring which signals that a connection has been made.

### Choose your own number:

The Roam4Less World Phone comes with a phone number from your home area code that can be used around the world. This will allow you to forward your home, office and cell numbers to your Roam4Less phone without incurring any long distance or roaming charges.

### Pricing Model: Pay as you go

Only pay for the airtime (minutes) used. No contracts! No Monthly fees! No hidden charges!

For Rates and options click [here to visit the website](#), or contact senior account executive Jamie Davidson at 1.877.447.6264 ext 242 or [jdavidson@roam4less.com](mailto:jdavidson@roam4less.com).

