

A BUSINESS TRAVEL UPDATE FROM **SPRINGDALE TRAVEL** 958 MONTLIMAR DRIVE, MOBILE, ALABAMA 36609 800-874-0550

Airlines

State Department Issues Summer Long Foreign Travel Alert

The State Department's worldwide travel alert issued after U.S. Special Forces units killed Osama bin Laden advises Americans to exercise caution if they're in areas more prone to anti-American violence. It suggests that travelers overseas enroll in the State Department's Smart Traveler Enrollment Program (STEP) for travel updates, information and security issues. It's important to note that support for Osama bin Laden in the Arab world has fallen sharply, according to two highly respected sources, the ABC News Polling Unit and the Pew Research Center. (Source, State Department press release, ABCNews.com)

Issues New DOT Rules Give Passengers a Break

New Department of Transportation rules have brought sweeping changes to the way airlines deal with you. Airlines now must disclose hidden fees, pay back your baggage fee if they lose your bags and pay you more for bumping you—as much as doubling the amount in some instances. Airlines now must let you cancel reservations at no charge within 24 hours of making that reservation as long as it is at least seven days before departure. (Some airlines already do this). The new rule also expands the ban on lengthy tarmac delays. What it doesn't do, however, is to require airlines to display full fee information on any platform selling airline fees. Right now, it only requires airlines to provide all fee information on their own websites, but not to travel agencies (online or brick and mortar) or travel management companies (TMCs). That makes it tough to do comparison shopping when you're trying to find the least expensive flight. (Source: DOT press release, Global Business Travel Association press releases).

Airlines Add Employees

For the third month in a row, passenger airline employees increased, by one tenth of a percent. Three network airlines cut employees--American Airlines, Alaska Airlines and United Airlines, according to the Department of Transportation. Low-cost carriers Virgin America, Spirit Airlines, Allegiant Air, JetBlue Airways, AirTran Airways and Southwest Airlines increased employees. Low-cost carrier Frontier Airlines reported a 3.1 percent decrease in employees. (Source: DOT press release).

Air Revenues Are Up 13 Percent

Although airlines are battling high fuel costs, the Air Transport Association reported that passenger revenue rose 13 percent in March 2011 compared to the same month in 2010, marking the 15th consecutive month of revenue growth. U.S. domestic revenue grew 12.5 percent, fueled in large part by an 11.5 percent yield increase. Trans-Atlantic revenue grew 7 percent from a year ago, but represented the smallest increase of the four major regions tracked by ATA, largely due to a softer pricing environment. Trans-Pacific revenue rose by 14 percent despite a 10 percentage point drop in load factor. Routes to and within the Pacific region posted the largest yield increase (16 percent) of any region. (Source: ATA press release).

Airlines Increase Capacity to Meet Demand

Planes are flying full, airline revenues are up, so carriers are adding capacity, according to the OAG Frequency Capacity Trend Statistics. Airlines are adding 17.9 million seats, a 6 percent increase, a percentage point ahead of the 5 percent monthly capacity increase so far this year. The Asia Pacific and Middle East are showing the most growth, intra European routes are next. China is now the second largest domestic market, second only to the United States. (Source: OAG press release).

Hotels

Summer Prospects Are Looking Up For U.S. Hotels

U.S. hotels should see occupancy and rates increase modestly this summer, according to STR, a major hotel consulting company. STR predicts that occupancies will increase 1.7 percent to 66.7 percent and average daily rates will increase 4.1 percent to \$103.01. Demand should recover in earnest this summer, according to STR, but rising fuel costs could dampen that. (Source: STR press release).

U.S. Hotel Occupancies Up 6.1 Percent in Spring

The U.S. hotel industry is building momentum. March occupancy and rate numbers were up 6.1 percent and 3.8 percent respectively, according to STR. That's a sign of an ongoing recovery, according to the hospitality consulting company. Major markets showing rate increases are San Francisco, up 12 percent, Oahu, up 9 percent, and New Orleans, up 8.9 percent and Chicago, up 7 percent. (Source: STR).

Car Rental

Hertz Repositions Fun Cars and Green Collection

Hertz has renamed two of its collections. The Fun Collection is now the Adrenaline Collection, which features muscle cars such as the Camaro SS, the Mustang GT Premium and the Challenger RT. All will come with free Sirius XM radio. The Green Collection is now the Green Travel Collection and is made up entirely of hybrid, plug-in hybrid electric vehicles (PHEVs) and electric vehicles (EVs). By the end of the year, Hertz expects to have hundreds of EVs on the road. (Source: Hertz press release).



Spotlight On.....

New High for Business Travel

Business travel hit a post-recession high at the end of the last quarter of 2010, according to the Global Business Travel Association (GBTA). The GBTA Business Travel Index (BTI) is at its highest level since the recession began in 2008. This is good news for the economy, since GBTA Foundation research shows that increasing business travel spending is a leading indicator of future job growth. Stronger economic growth and the expectation of slightly higher prices drove the BTI higher.

- * ***The GBTA revised the index upward from 108 for Q4 2010 to 112, its highest since Q3 2008***
- * ***That represent \$1.9 billion more in business travel spending than originally forecast***
- * ***For the year, total U.S. spending on business travel grew 3.2 percent***
- * ***Business travel spending for 2011 is now expected to be up 6.9 percent for the year, up from the original 5 percent forecast***
- * ***Travel costs are starting to increase, going up 2.5 percent in 2010 and projected to increase by 2 to 4 percent this year.***

Source: GBTA press release.

Springdale Travel is committed to providing you with useful information on the latest developments in the travel industry. The above information has been compiled from a variety of sources and is updated monthly.