



## Airlines

### Transcon Battle for the Front of the Plane

JetBlue Airways' introduction of a premium service with lie-flat beds on flights between New York and Los Angeles and San Francisco are the latest evidence of airlines investing in the product that earns them the most: premium seating. Jet Blue's CEO Dave Barger said that transcon routes have high premium fares that "we believe we can beat." Since American Airlines, Delta Air Lines and United Airlines have all improved their premium product on these routes that are popular with business travelers, it could presage a battle for the "Rolls-Royce" crowd, says industry analyst Robert Mann. (Source: press release, interviews).

### Emirates Launches Private Jet Service on A319s

In another indication of how airlines are investing in high-end service, Emirates, one of the world's most luxurious airlines, is launching private jet service. It is offering private jet service aboard Airbus 319s, which can hold from 124 to 150 passengers. The private charter service is for up to 19 passengers. The planes offer private suites and a large lounge. Up to 12 passengers can sit in a dining and executive lounge at the front of the aircraft, which has a work area and a rest zone. There are two large sofas and two 42-inch LCD screens. Another area holds 10 private suites with lie-flat seats, flat-screen TVs and a full-height shower. The airline said the new service in in response to an increasing demand for private travel, particularly in the Middle East, Europe, India, Russia and China. (Source: Emirates press release).

### TSA Opens up Pre Check to Wider Audience

The Transportation Security Administration is expanding the TSA PreCheck program, which expedites the trip through airport security for low-risk, already vetted travelers, to allow infrequent flyers. Currently, travelers could only qualify for the PreCheck program via a participating airline's frequent flyer program or if they were members of the Customs and Border Protection's Global Entry program or the Sentri or Nexus trusted traveler programs. Expanding the program enables the TSA to focus on the travelers it knows the least about, making screening more efficient and effective, according to John Pistole, TSA administrator. Approved travelers receive a known-traveler number to enter when they make an airline reservation. There is not a 100% guarantee that PreCheck members will always be expedited through security because the TSA will conduct random security measures. The program will cost \$85 for five years. (Source: TSA press release).

### Asia to Dominate the World's Top Airports in Three Years

Beijing will become the world's largest airport in terms of seat capacity in three years, according to OAG, which provides aviation intelligence. Asian airports will account for half of the world's top ten airports, according to OAG's growth forecast. It projects that Atlanta, currently the world leader, will be overtaken by Beijing, now number two. Jakarta, Singapore and Hong Kong will enter the global top 10, joining Beijing and Tokyo's Haneda airport in the current top ten. The U.S. will see its share of the global top 10 from four to two airports. Europe will drop from three to two. (Source: OAG).

### First Quarter Domestic Airfares Hold Steady

First quarter domestic fares held steady year over year, rising just 0.1% to \$379 over the first quarter of 2012 measured in 2013 dollars, according to the Department of Transportation. Looking farther back in history, Q1 2013 fares in 2013 dollars were down 19% from the average fare of \$499 in 1999, the highest of any first quarter when adjusted for inflation. From 2000 to 2013, inflation-adjusted fares have declined 18.1%, while consumer prices over all have increased 36%. (Source: DOT).

## Hotels

### Guest Satisfaction with Hotels Improves

The J.D. Power 2013 North America Hotel Guest Satisfaction Index has hit its highest level in seven years, improving by 20 points over last year to 777 on a 1,000-point scale. The study measures eight hotel categories ranging from luxury to budget and including extended stay hotels. The study measures satisfaction in a variety of areas, including reservations, checking in and checking out, rooms, food and beverage, service, hotel facilities, costs and fees. The improved satisfaction is good news for an industry that has been failing to meet guest expectations for the past few years, said Rick Garlick, head of the hospitality practice at J.D. Power. He said hotels are benefitting from long-term investments they've made in staffing, rooms and facilities. The more guests interact with the staff, the higher their satisfaction level, the study found. (Source: J.D. Power).

## Car and Rail

### Amtrak Tests Electric Locomotives That Will Start Service in Fall

Amtrak is putting the new Cities Sprinter electric locomotives through a rigorous testing program before putting them into service on the northeast corridor this fall. Siemens manufactured the 70 next generation engines that will operate on intercity trains on the Northeast and Keystone corridors. The new locomotives will replace equipment that is 25 to 35 years old. The new locomotives will run at speeds of up to 125 mph on the Washington-New York-Boston route and up to 110 mph on the Philadelphia-Harrisburg, Pa. route. (Source: Amtrak).



### Spotlight On...

## U.S. Business Travel Outlook

*Business travel spending should continue to climb for the rest of this year, driven in large part by increases in domestic travel spending, according to the Global Business Travel Association's BTI (Business Travel Index) Outlook. This is change from the past, when companies had to look for new business abroad because of a sagging U.S. economy. Now, a healthier domestic economy, as evidenced by steady job gains and higher consumer confidence, is encouraging companies to increase their investment in domestic travel.*

- *The GBTA projects spending to total \$273.3 billion this year, up from its previous forecast of \$268.5 billion.*
- *Growth per trip is expected to increase 1.3% this year, up from just 0.3% last year.*
- *International inbound business travel is expected to grow 3% to 33.1 billion. That is somewhat down from earlier projections due to softening economies in key U.S. export markets like China and the Euro-zone.*
- *Group travel spending should grow by 5.3% although the number of person-trips may dip slightly due to some continued corporate constraints on meetings activity.*

Source: GBTA

*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.*