



APRIL 2007

Seeing Green: Travel and Environmental Responsibility

Globalization and industrialization are changing our planet with headlines warning us of the perils associated with global warming. How does the travel industry impact this process and what benchmarks are being set by companies to institute and support green programs?

Join us for an educational discussion aimed at raising awareness of the issues at hand, and a look at evolving trends like carbon offset services which provide a solution for individuals and companies to reduce their impact on the environment.

Speaker Bio

Tom Arnold

TerraPass, Chief Environmental Officer

Tom is a 2005 Honors MBA graduate of the Wharton School. At Wharton, he was co-chair of the Wharton Technology Conference and a VP in the Wharton Technology Club and Wharton Outdoor Club. He also participated in the first Wharton Leadership Venture to Antarctica where he learned first hand the impact of global warming on higher latitude ecosystems. Tom is a recovering technologist. Prior to Wharton, Tom held Senior Manager positions at Redback Networks and spent two years on strategic technology issues at Mercer Management Consulting. In addition to his professional pursuits, Tom is also active in the community, most recently as a business advisor for Pacific Community Ventures, a non-profit organization offering capital and services to low-income businesses in California. Tom is also an avid outdoorsman, athlete, and cyclist. Notable accomplishments include a solo walk across Spain (800km) and a 10:32 double century. Tom holds an AB in Economics from Dartmouth College.

Thank You's

Belinda Borden, UCLA for the Education Day Venue

Daniel Palm and the Program Committee for their work on Education Day

New Members

Griesser, Bill
Frontier Airlines
Sales Manager, Corporate Accounts

Smolin, Yuki
Keiko Plaza Hotel Tokyo



VENUE

The Portofino Hotel & Yacht Club

April 11, 2007
Seeing Green: Travel and Environmental
Responsibility
The Portofino Hotel and Yacht Club
260 Portofino Way
Redondo Beach, CA 90277



Registration:
5:30 p.m.

Program:
6:45 p.m.

Parking:
Hosted

Minutes from Los Angeles, this private peninsula overlooking King Harbor Marina and the Pacific Ocean feels worlds away. Welcome to The Portofino Hotel & Yacht Club—where crashing surf, graceful sails and exhilarating sea breezes set the stage for the perfect getaway.

DIRECTIONS

From the Los Angeles International Airport
Exit right lane to Sepulveda Boulevard South, which becomes Pacific Coast Highway. Continue six miles and turn right on Beryl Street, which becomes Portofino Way. Continue on Portofino Way to hotel entrance.



Photo Gallery





Releases

Airport groups oppose TSA plan

By Thomas Frank, USA TODAY

WASHINGTON — Three major airport groups, in a joint letter, are protesting a government proposal that they say could make terminals less secure by weakening the authority of airport police.

The groups ask the Transportation Security Administration to drop a proposal they say would undermine security by barring airport police from closing checkpoints in emergencies. Giving closure authority only to the TSA "may compromise the safety and security" of travelers, says the letter obtained by USA TODAY.

"Police shut down streets, they shut down buildings. You don't have time to wait around" for the TSA, said Tim Kimsey, president of the Airport Law Enforcement Agencies Network, a group of airport police departments. "If you have a person breach the checkpoint with a gun, you don't want another 200 people going through screening that could become hostages."

The network detailed its concerns in a four-page letter to the TSA written with the American Association of Airport Executives and the Airports Council International, which represent airport managers and directors. The February letter — the second or third that Kimsey said the groups have written jointly to the TSA — protests the agency's ongoing efforts to force security measures on airports.

"It's frustrating having them come down with directives that we feel are contrary to good law enforcement practices, that are extremely expensive and that impact airport operations," Kimsey said.

FIND MORE STORIES IN: TSA

Charles Chambers, head of security for the airports council, said TSA leaders are also "going beyond their regulatory authority" with a separate proposal to require airports to prevent their stores from selling items barred from airplanes.

TSA Administrator Kip Hawley said the proposals would not weaken security but acknowledged extra cost and responsibility for airports. "It's a heck of a lot of money they're putting up, and they want to be sure their money is for effective security," he said.

The TSA is considering airports' comments and plans to finalize the proposal by May.

Hawley said the proposal aims to strengthen security, as the terrorism threat level for the airline sector has been high since August, when authorities said they had foiled a plot to bomb U.S.-bound planes. Hawley said he wants police and TSA security directors working together on decisions such as closing checkpoints.

The airport groups said security might also be weakened by a TSA proposal that they say would require airports to give written details about where and when their police patrol each day.

"That really flies in the face of basic law enforcement," Kimsey said. Police need to be unpredictable, and if they have to follow a schedule, "bad guys can figure out routines," Kimsey said.

Hawley said the TSA wants to avoid duplicating airport police actions. "To coordinate," he said, "we have to know what they are doing."



Travel Organization Created as Australasian BTA Merges with NBTA

New Regional Business Travel Organization Created as Australasian BTA Merges with NBTA

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Sydney, Australia (March 30, 2007) -- The Australasian Business Travel Association (ABTA) officially will become the Asia Pacific subsidiary of the U.S.-based National Business Travel Association (NBTA) beginning April 2, 2007, after ABTA members overwhelmingly supported a merger at an Extraordinary General Meeting in Sydney today.

Glenn Buckingham, said the formation of NBTA-Asia Pacific was an exciting initiative that would expand the services and reach of both organizations in the Asia Pacific region, and enhance professional development and networking opportunities for members.

"With many of our member organizations being regionally or globally focused, and facing increasing competitive challenges, the ABTA Board investigated options to build a stronger regional presence and generate the additional income such progressive initiatives require," Buckingham said.

Carole Murphy, co-founder of ABTA, said "We decided – and our members agreed – that an alliance with the world's largest business travel association was by far the most advantageous arrangement to secure our longevity, build our influence and expand our member services far into the future."

NBTA President and CEO, Suzanne Fletcher, said her association is delighted with the merger and the opportunities for expansion that it brings.

"The addition of NBTA-Asia Pacific to the NBTA structure will make NBTA a stronger organization globally and enable us to better serve all NBTA members," Fletcher said. "We see the Asia Pacific region as critically important to our future expansion into China and India, particularly in assisting our members to tap into the significant business opportunities available in these growth markets. ABTA's solid foundations, its impressive membership base and its aspirations for the future were all an excellent fit for what we were seeking in a regional partner."

Fletcher said NBTA-Asia Pacific would maintain its local identity and a local board, while tapping into the global networking and resources of NBTA, a model utilized successfully with NBTA-Canada.

"NBTA-Asia Pacific's agenda will be driven by NBTA-Asia Pacific members," she said. "The larger NBTA organization will lend support in terms of infrastructure and expertise to help make the organization more successful, while also broadening the opportunities for professional education and networking around the world," she said.

According to Buckingham, NBTA-Asia Pacific will continue to serve existing members with Asia Pacific-focused networking, education, resources and advocacy, while also expanding membership through the region.

"At the same time, members will gain opportunities to take advantage of benefits offered by our new parent organization at member rates, and NBTA will expand its global platform for sponsors to reach corporate and government travel buyers," Buckingham said.

ABTA will be wound up as a solvent entity and begin operating as NBTA-Asia Pacific from April 2, 2007, and a new NBTA-Asia Pacific Board will be put in place, reporting to the NBTA Board.

In addition to the new name, the association will have a new logo (at right) and a new website – www.nbta.org.au (launching 5 April).



FOR IMMEDIATE RELEASE:
April 3, 2007

NEWS MEDIA CONTACT:
Chelsea Fallon: (202) 418-7991

FCC TERMINATES PROCEEDING ON THE USE OF CELLULAR PHONES ONBOARD AIRCRAFT

Washington, D.C. – Today, the Federal Communications Commission (FCC) released a Memorandum Opinion and Order (Order) that terminates its proceeding on the use of cellular phones on airplanes. In December 2004, the FCC adopted a Notice of Proposed Rulemaking (NPRM) to examine the existing rule that requires cellular phones to be turned off once an aircraft leaves the ground in order to avoid interfering with cellular network systems on the ground. Federal Aviation Administration (FAA) regulations also restrict the use of cellular phones and other portable electronic devices (PEDs) onboard aircraft to ensure against interference with the aircraft's navigation and communication systems.

The comments filed in response to the NPRM provide insufficient technical information on whether the use of cellular phones onboard aircraft may cause harmful interference to terrestrial networks. Further, because airlines, manufacturers, and wireless providers are still researching the use of cell phones and other PEDs onboard aircraft, the FCC found that it would be premature to seek further comment at this juncture. Therefore, the FCC determined that its proceeding on this issue should be terminated at this time. It may, however, reconsider this issue at a later time if appropriate technical data is available.

Action by the Commission on March 28, 2007, by Memorandum Opinion and Order (FCC 07-47). Chairman Martin and Commissioners Copps, Tate, and McDowell, with Commissioner Adelstein concurring.

For additional information, contact Cyndi Thomas at (202) 418-2018 or Cyndi.Thomas@fcc.gov , or Linda Chang at (202) 418-1339 or Linda.Chang@fcc.gov.

Rental Car Giant Enterprise To Bolster Corp. Role With Vanguard Buy (from btnmag.com)

APRIL 02, 2007 -- Enterprise Rent-A-Car's surprise announcement late last week of plans to acquire Vanguard Car Rental Group could provide renewed strength to corporate travel player National Car Rental, although analysts said it's still too early to know ramifications on pricing and positioning.

St. Louis-based Enterprise, the largest car rental company in North America, said late Friday that it had entered a definitive agreement to purchase the Tulsa, Okla.-based Vanguard, parent of the National and Alamo Rent A Car brands. Pending regulatory approval, the deal is expected to close in the third or fourth quarter of this year.

"As the dynamics of our industry continue to evolve, it's clear to us that the future belongs to the service providers who offer the broadest array of services for anyone who needs or wants to rent a car," Enterprise chairman and CEO Andrew Taylor said in a prepared statement.

The news caught some analysts off guard, as many in the industry speculated that Vanguard and Dollar Thrifty Automotive Group would merge, with Vanguard as the dominant player (BTN, March 5).

Vanguard's two brands and Enterprise all have different primary focuses. National does a large share of corporate negotiated rentals, Enterprise long has dominated the off-airport replacement market and Alamo serves primarily the leisure on-airport market. Neil Abrams, president of Purchase, N.Y.-based Abrams Consulting Group, said a merged company would be wise to keep its three brands focused on their respective niches. Enterprise has been making headway in penetrating the corporate market, but Vanguard—unlike competitors Avis Budget Group and Hertz—has not been making significant moves toward building an off-airport presence, he said.

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LOS ANGELES INTERNATIONAL AIRPORT OPENS NEW SOUTH RUNWAY TO IMPROVE AIRFIELD SAFETY; MILESTONE REACHED ON TIME, UNDER BUDGET

(Los Angeles, California – April 2, 2007) Los Angeles Mayor Antonio R. Villaraigosa was joined today by airport and federal aviation officials to welcome the first flight to land on the newly opened Runway 25 Left/7 Right located on the south side of Los Angeles International Airport (LAX). The project, which began last July, was completed on time and 5.7 percent under budget.

Completion of the new \$250-million runway is a major milestone in an overall \$333-million South Airfield Improvement Program, which seeks to improve airfield safety by reducing the number and severity of runway incursions that occur at LAX. The Federal Aviation Administration (FAA) defines runway incursions as any occurrence at an airport involving an aircraft, vehicle or object on the ground that creates a collision hazard or results in a loss of separation with an aircraft taking off, landing or intending to land. For the four-year period from 2000 through 2003, LAX experienced the highest number of runway incursions of any U.S. commercial airport. In 2006, LAX experienced eight runway incursions, of which two were classified by the FAA as having had the serious potential to result in an accident. This year, LAX has experienced two runway incursions, of which the FAA classified neither as serious. "Los Angeles International Airport is the U.S. West Coast's gateway to the world," said Mayor Villaraigosa. "Opening Runway 25 Left, as well as the future completion of the South Airfield Improvement Program, will benefit the traveling public with improved airfield safety and reduced aircraft taxi and idle time – thereby reducing harmful emissions into the air. In addition, LAX will be better able to efficiently handle the next generation of aircraft, such as the Airbus A380 and Boeing 787 Dreamliner, that are coming into service in the near future."

"Today we complete the first phase of modernizing LAX by taking a giant step towards improving the efficiency and safety of runway operations," Los Angeles City Councilmember Bill Rosendahl said. "This project is a great example of our partnership with the surrounding community, and demonstrates that we can and should work with local residents as we continue to modernize our airport."

Los Angeles Board of Airport Commissioners President Alan Rothenberg said, "I congratulate the hard work and dedication of the team of staffers from Los Angeles World Airports, the Federal Aviation Administration, and the airlines in reaching today's milestone. We start on an even more challenging phase of the South Airfield Improvement Program – the construction of the center taxiway between two active runways. We are confident that this solid partnership will allow us to complete the next phases successfully."

"Los Angeles World Airports is proud of our partnership with the airlines and the Federal Aviation Administration to successfully complete the demolition and reconstruction of Runway 25 Left on time and under budget, and with minor impacts to the traveling public in terms of delays and with minor environmental impacts to our airport neighbors," said Samson Mengistu, LAWA acting executive director.

Today's runway opening follows an eight-month period during which the former Rwy 25L was demolished, relocated 55 feet south, and reconstructed to the same 11,095-foot long and 200-foot wide measurements as the previous runway. Construction also included the relocation and replacement of all navigational and visual aids, as well as utilities, lighting, signage, grading - and drainage. The runway portion of the overall South Airfield Improvement Program cost approximately \$250 million, or 5.7 percent under the \$265 million budgeted for the runway. Funding sources for the entire \$333-million South Airfield Improvement Program include airline landing fees; \$108.3 million from FAA airport improvement funds; and airport operating revenues and capital improvement funds.

Construction will now begin on a center taxiway to run parallel and between the two south runways, followed by constructing taxiways linking the two runways to the new center taxiway. These next phases of the South Airfield Improvement Program will take 18 months to complete.

LAX has spent tens of millions of dollars since the late 1990s to enhance airfield safety with redundant signage and markings. While these new measures have resulted in a significant reduction in runway incursions, adding the new center taxiway is expected to reduce the possibility of human error by requiring aircraft landing on Rwy 25 Left to exit the runway and travel down the center taxiway and then hold until authorized by air traffic controllers to cross the inner Rwy 25 Right to reach the passenger terminal gates. In a joint study with LAWA, the FAA and NASA Ames Research Center's FutureFlight Central, air traffic controllers found that the center taxiway offered an effective solution to the primary cause of the most severe types of runway incursions experienced at LAX.

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The runway project, as well as the overall South Airfield Improvement Program, incorporated several innovative practices to reduce environmental impacts from construction on areas in and around LAX. The South Airfield Improvement Program is the first of the LAX Master Plan "green lighted" projects. As part of the LAX Master Plan Environmental Impact Report, and in accordance with Los Angeles City and California state regulatory requirements with and consultation community leaders, Los Angeles World Airports developed several measures to minimize construction impacts, including:

- Recycling 100 percent of all the materials from the old runway into the new runway and taxiway
 - Placing concrete mixers and other equipment on-airport, thus reducing the number of trips service vehicles must take to and from the construction site
 - Designating specific routes that service vehicles must use when traveling to and from the site
 - Retrofitting equipment and machinery to reduce noise and emissions
 - Continually dampening the work area to reduce dust
- Of note during the demolition phase, workers excavated a 1,000-foot length of the original runway which dated back to the 1950s-1960s, when jet air service first began at LAX. The discovery and removal of the old runway set the construction schedule back by 23 days, but the days were made up by workers accelerating other parts of the project. The FAA reported that while Rwy 25L was under construction, air traffic controllers and airlines were able to maintain relatively normal flight schedules using the two northern runways and remaining southern runway. Air traffic controllers at LAX report that only 0.4 percent (less than ½ of one percent) of all flights into and out of LAX was delayed due to the runway closure. Minimal delays had been expected because LAX is operating at approximately 1,800 daily operations, which is 25 percent fewer than the 2,200 daily operations prior to Sept. 11, 2001, when LAX airlines operated more flights that were less full. In 2000, LAX handled 67 million passengers and last year handled 61 million. The 25 percent reduction in flights allowed the airport to absorb the 25 percent reduction in runway capacity.
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EU Opens Skies: With U.S. Approval To Come, Way Is Clear For First Phase To Begin Next Year

By Jay Boehmer (btnmag.com)

APRIL 02, 2007 -- European Union transportation officials last month unanimously approved an Open Skies agreement that sets the course to liberalize transatlantic air travel. Aviation experts expect U.S. approval of the agreement to send ripples through the industry for years, prodding European airline consolidation, lowering transatlantic fares, expanding antitrust immunity among airline alliances and opening more routes and frequencies between Europe and the United States.

The agreement, to be signed later this month and go into effect in March 2008, gives carriers greater access to foreign money and markets, and promises to increase competition. However, the treaty could crumble yet as some of the most contentious issues between the United States and the European Union remain up in the air until later-stage negotiations.

While analysts said benefits to corporate travel buyers likely won't come into play until at least next year when the deal is implemented, lower fares and increased transatlantic air services are in the pipeline, Standard & Poor's managing director of ratings services Phillip Baggaley told corporate travel buyers last week during the National Business Travel Association Financial Forum in New York.

The deal would spark lower fares "across the Atlantic," he said, as new services take to the skies. "You'll see a period where some big airlines will try some new routes, and there will be a shaking-out period of lower fares," Baggaley said.

Director of Ohio State University's Aviation Institute Darryl Jenkins said downward pressure on fares would affect leisure and business class fares disproportionately, causing a greater decrease on the leisure side.

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"This Open Skies agreement paves the way for much-desired increased service between the United States and Europe," Air Transportation Association president James May said in a statement. "It has the potential to provide enormous benefits to our respective customers and economies."

Although major moves toward consolidation among major U.S. carriers appear to be on hold following the collapse of US Airways' bid for Delta, experts suggest the new agreement would propel merger moves within Europe. "We think consolidation will accelerate in Europe," Baggaley said last week.

The likeliest candidates, Baggaley noted, are smaller national carriers throughout Europe. Under the air treaty, European airlines now can operate flights to the U.S. from any EU country, as opposed to just from their home country.

"Smaller European airlines—all these little flag carriers flying from a protected home market to the United States—now may have a British Airways or Lufthansa march into their market," Baggaley said.

Among the largest gains for several U.S.-based carriers is access to Heathrow, "which is a crucial connecting point for flights globally and considered the best airport for Europe's financial capital," Calyon Securities analyst Ray Neidl said. Authorities no longer will afford protected positions at the airport for such carriers as British Airways and American Airlines.

Continental president Jeff Smisek last week during the NBTA Financial Forum didn't miss a chance to plug the carrier's plans to enter Heathrow next year, and other carriers are expected to follow. Delta CEO Gerald Grinstein said, "A key focus for Delta has been to obtain meaningful access to London's Heathrow International Airport." Baggaley noted that "take off and landing slot restrictions" would remain at Heathrow, but "there are a lot of slots to be traded around."

In addition to competition caused by new service and frequencies, a new level of cooperation could be on tap. The agreement sets forth "new cooperation arrangements between competition authorities with a commitment to promote compatible regulatory approaches to alliance agreements and other cooperative arrangements between airlines." Antitrust issues—faced in at least some markets by all alliances—have made it difficult to structure singularly priced alliance deals for corporate travel buyers (BTN, Jan. 22).

One SkyTeam member carrier told BTN that the alliance likely would seek another round of transatlantic antitrust immunity in light of the new agreement. SkyTeam's most recent attempt was not as successful, as carriers in 2005 withdrew their request for antitrust immunity following resistance from DOT. The alliance partners said they would, at a later date, pursue their request (BTN, Jan. 23, 2006).

Meanwhile, American Airlines chairman, president and CEO Gerard Arpey last month, prior to the deal's EU passage, told BTN, "We're very hopeful that we'll eventually get there with British Airways and others" in the Oneworld alliance.

Other terms of the agreement remove "restrictions on pricing on all routes between the EU and U.S., but with a derogation to maintain the prohibition on price leadership by U.S. airlines on intra-EU." The deal provides unlimited codesharing "between EU, U.S. and third-country airlines," while also setting forth allowances to harmonize air security policies and safety procedures, among others.

The agreement only resolves some of the issues between the parties. The second stage must begin within 60 days of enactment, and EU transport officials could suspend the deal if the U.S. declines further concessions.

Foreign ownership rules—the sticking point that caused prior negotiations to collapse—remain largely unresolved. The first-stage agreement allows foreign ownership stakes in U.S. airlines to exceed 50 percent, while European countries would have "the right to limit U.S. investments in EU airlines reciprocally to 25 percent voting equity."

"U.S. ownership was the key issue that blocked Open Skies before," Standard & Poor's Baggaley said. "There's only a very modest change in terms of how much economic ownership, if not voting control, European airlines might take."
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The lack of new provisions on foreign ownership prompted Ohio State's Jenkins to call the deal "Open Skies Lite."

European Commission vice president Jacques Barrot said, "This first phase of our transatlantic agreement is not a dead end. I am confident that the process we have started today will continue onwards to deliver greater freedom for investors in aviation, even closer cooperation between the two sides and a healthier air transport industry in general, not just across the Atlantic, but in due course with other countries all over the world."

Neidl said, "It appears to us that the U.S. obtained almost everything that the negotiators wanted, while the EU received a minimum of their requests, which included more ownership possibilities in U.S. airlines, the opening of domestic service in the U.S., abolishing the Fly America program for U.S. government employees and fifth freedom rights."

Neidl noted doubts on the "termination clause" being invoked, but "it does remain a potential threat to the agreement and the airlines that we consider to be winners from the agreement."

Industry Update

LAX Runway Reopens

The southernmost runway at Los Angeles International Airport reopened Monday following an upgrade project. The \$170 million project was completed 7 percent under budget and just one week late, said airport officials. A more dangerous project to build a 1.8-mile-long taxiway between two working runways commenced on the airport's south side.

Passenger Complaints Rise in Feb.

February was the worst month for U.S. airline on-time performance in six years, according to a report released this week by the Department of Transportation. Just 67.3 percent of flights during the month were on time, among the twenty airlines that report these statistics to the department. The number of cancelled flights more than doubled in February compared with February 2006.

Though foul weather was to blame for 42 percent of delays, the number of flights delayed by weather dropped 9 percent year-over-year, according to the report. Other factors led to the increase in delays, including a 0.5 percent rise in aviation system delays compared to a month earlier, a nearly 2 percent rise in late-arriving aircraft and a 1.5 percent rise in delays caused by factors within an airline's control such as maintenance problems.

Traveler complaints rose by more than 50 percent for the month over the same period last year. The DOT said it had received 823 complaints about airline service from consumers in February. The rate of mishandled baggage was 8.23 complaints per 1,000 passengers, compared to 6.10 reported a year earlier.

JetBlue Airlines had the most passenger complaints in February among all reporting carriers. The carrier cancelled more than 1,100 flights beginning Feb. 14, and travelers were stranded on some planes for hours.

Dean Headley, associate professor of marketing at Wichita State University, told Reuters that the airline system is stressed and that it would be "difficult to change" the trend toward lower quality service. Headley co-authored an annual airline quality service survey released Monday by the aviation institute at the University of Nebraska-Omaha. Among the findings, the report showed that the overall number of airline complaints has finally stabilized.

"The 2007 Airline Quality Rating study once again focuses on the symptoms rather than the root causes of passenger and airline frustrations," said James C. May, president and CEO of the Air Transport Association in a statement released Monday in response to the report. "The vast majority of customer service issues arise from weather and congestion flight delays that lead to misconnected flights, lost luggage and related complaints. These delays are inextricably linked with the government's outdated and inefficient air traffic control system."

The U.S. Senate Commerce Committee said on Monday that it would hold a hearing on April 11 to review the complaints and consider legislation to improve airline service quality.

Courtesy of HRG Synopsis