



## MARCH 2007

8:00 a.m. – 8:30 a.m. Continental Breakfast

8:30 a.m. – 9:30 a.m. Economic Outlook

### **Christopher Thornberg**

Founding Partner, Beacon Economics

Dr. Thornberg briefs us on the economic outlook for 2007. Thornberg is an expert in the study of regional economies, real estate dynamics, labor markets and business forecasting. He has been involved in a number of special studies measuring the impact of important events on the economy, including the NAFTA treaty, the California power crisis, port security, California water transfer programs and the September 11th terrorist attacks.

**9:40 a.m. – 10:40 a.m. The Power of Words: Making Sure Contract Language (or Lack Thereof) Doesn't Come Back to Haunt**

### **Stephen Yamaguchi, Esq.**

University Counsel, University of Southern California

An interactive session aimed at demystifying standard contract language and understanding the value of legal advice. Mr. Yamaguchi will analyze business scenarios and provide sample contract language from key travel sectors: How does force majeure protect?; What are the legal differences between a formal, signed addendum versus e-mails and informal understandings?; and answers to audience questions and examples.

**10:50 a.m. – 12:15 p.m. Keynote Speaker**

### **Creating a Culture of Innovation and Maximizing Relationships**

#### **Dr. Jerald Jellison**

Author, *Managing the Dynamics of Change*

In a highly competitive environment, innovation must be part of an organization's culture. But many are at a loss for practical tools to make this happen. Learn simple ways leaders, at any level of an organization, can foster and environment of continual innovation and maximize internal and external relationships.

**12:30 p.m. – 1:30 p.m. Lunch / Keynote Speaker**

### **Making Change Happen – Fast: New Tools for Implementation**

#### **Dr. Jerald Jellison**

Author, *Managing the Dynamics of Change*

Learn a new model for implementing change and gain skill at using a set of practical tools you can put to work immediately to speed the process of any change.

**1:45 p.m. – 2:45 p.m. Climate Science and Business Risk - How to Create Truly Effective Decision Tools that Link Science of the Environment to the Business Decision Process**

**Dr. Anthony Michaels** is the Director of USC's Wrigley Institute for Environmental Studies and president of the National Association of Marine and Great Lakes Laboratories (NAML). Professor Michaels' current research interest includes environmental risks and how the science of risk is used to make decisions in business and society. This started with the understanding of hurricane-climate patterns and how they affect the reinsurance of catastrophe losses and now includes stakeholder-driven, consensus-based approaches to managing coastal fisheries. Additionally, Dr. Michaels is working with universities around the United States and abroad to try to improve the quality and stature of academic environmental programs through the creation of the Council of Environmental Deans and Directors.

**3:00 p.m. – 4:15 p.m. Business Travel Risks: What You Need to Know**

#### **Bob Cohen**

Global Account Director, iJET Intelligent Risk Systems

The escalation of terrorism, infectious diseases, and unforeseen natural disasters has forced multinational organizations and their employees to re-evaluate their perception of risk. Such events are often beyond a company's control, yet corporate liability and responsibility to employees and assets continues to increase. As a result, corporations need a fresh approach and new set of tools to meet the operational risk management demands in today's business environment.



## Bios

### **CHRIS THORNBERG**

Christopher Thornberg is a founding partner of Beacon Economics. Dr. Thornberg is an expert in the study of regional economies, real estate dynamics, labor markets and business forecasting. He has been involved in a number of special studies measuring the impact of important events on the economy, including the NAFTA treaty, the California power crisis, port security, California water transfer programs and the September 11th terrorist attacks. Prior to launching Beacon he worked with the UCLA Anderson Forecast where he regularly authored the outlooks for California, Los Angeles and the East Bay as well as performing a number of specialized forecasts for regions and industries.

Dr. Thornberg lectures on a regular basis at a variety of public and private events, has appeared on CNN, Fox News and CNBC and is widely quoted in the press. He received his Ph.D in Business Economics from The Anderson School and his B.S. in Business Administration from the State University of New York at Buffalo. He specializes in International and Labor Economics. Dr. Thornberg continues to teach in the MBA program at UCLA and previously held a faculty position in the economics department at Clemson University.

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### **STEPHEN YAMAGUCHI**

Steve Yamaguchi is University Counsel in the Office of the General Counsel at the University of Southern California and handles a wide variety of business transactions, contract negotiations and dispute resolution matters for various schools, departments and institutes within the university. He teaches Contract Drafting and Negotiation for Foreign Lawyers as an adjunct professor at USC Law.

Prior to joining USC, Mr. Yamaguchi practiced in Los Angeles and Tokyo with Paul, Hastings, Janofsky & Walker, LLP and also spent two years working for the Tokyo law firm of Komatsu & Koma (now Asahi Koma). Mr. Yamaguchi holds a B.A. in Political Science and Japanese from Stanford University and a J.D. from Columbia Law School with a Certificate in International Law.

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### **JERALD JELLISON**

Dr. Jerry Jellison has been a full professor of social psychology at the University of Southern California in Los Angeles for over 30 years. He held previous appointments at Duke University, the University of Missouri, and the University of Texas, Austin. Jerry has received multiple teaching excellence awards. Jerry has been teaching his practical techniques for implementing change to business professionals throughout the world for the past 25 years. He has extensive experience consulting with all levels of management. His book, *Overcoming Resistance*, published by Simon & Schuster, was a Fortune Book Club selection and was named a top business book of 1993. McGraw Hill published *Managing the Dynamics of Change* in July 2006.

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### **BOB COHEN**

Responsible for customer relationships in our Western United States and Asia-Pacific Region, Bob has over 25 years of information technology, security, and risk management experience.

Bob's work covers projects such as supply chain security, VIP travel risk, global risk assessment, information technology privacy, intellectual property protection, and computer forensics. Prior to coming to iJET, Bob was Vice President of Business Development at Global Compliance Services, a regulatory compliance solution provider, and the Western Regional Director at Pinkerton Consulting and Investigations.

During his 20 years at Hewlett-Packard, Bob's responsibilities included Information Technology outsourcing, product management and strategic partner management.

An active member of ASIS International, the world's leading professional security society, Bob is also a member of the National Association of Corporate Directors and the Risk and Insurance Management Society. He holds a position on the Board of Directors of a start-up Internet services company and has taught business communications at California junior colleges.

Bob lives in Los Alamitos, California with his wife and spends his spare time bicycle riding and gardening



## VENUE

### Welcome To Education Day 2007

March 14, 2007  
UCLA Faculty Center  
480 Charles Young Drive  
Los Angeles, CA 90095  
310-825-0877



Registration and continental breakfast:  
8:00 a.m. - 8:30 a.m.

Program:  
8:30 a.m. - 4:00 p.m.

An attractive and comfortable private club, the UCLA Faculty Center offers its members a wide variety of services extending far beyond the traditional noontime meal. Enjoy the relaxing ambiance in an intimate gathering place for mingling with colleagues and friends.

The Hotel Angelino is offering LABTA a \$149 if you need a room. Call the hotel at 1-866-ANGELENO and ask for the LABTA rate for March 13th.  
170 N. Church Lane  
Los Angeles , California 90049  
[www.hotelangelino.com](http://www.hotelangelino.com)

### PARKING INFORMATION

The Parking kiosk is adjacent to the Faculty Center and Parking is in Lot #2 just across the street. There should also be parking staff at the entrance to Lot #2 in the morning to expedite entry (no need to go to the kiosk). Parking is \$8.00 for the day. For a map of the location and the parking structure go to:  
<http://www.transportation.ucla.edu/maps/eventmap/eventmapnew.html> and click on "Faculty Center".

### MAP AND DIRECTIONS

UCLA's main campus is bounded by Sunset Blvd. on the north and Le Conte Ave. on the south; the east border is Hilgard Ave. and the west border is Gayley Ave.



## Thank You

Craig Banikowski, Hilton Hotels Group for donating cases of hotel amenities to our Community Outreach Committee for Veteran facilities in Southern California.

February Corporate Sponsors: Expedia, Nancie Paquin, Corporate Consulting Manager and Kjarsten Phillipsen, District Sales Manager

The Tower Beverly Hills, Rex Harding Bergstrand, Sales Manager

Stephen Chavez, Director of Sales, Hotel Angeleno for hosting the LABTA Board Retreat and Jason Brannan, Catering Manager

Sara Best, Transient Sales Manager, Loews Santa Monica Beach Hotel for hosting the board dinner

## New Members

Brems, Ryan  
LimoLink  
Client Account Manager

Choy, Mirna  
Sabre Holdings  
Hotel & Car Senior Consultant

Reed, Carol  
Balboa Travel Management  
Regional Sales Manager

Rubin, Michelle  
Personality Hotels  
Sales Consultant

Ruth, Lenny  
Harman International Industries, Inc.  
Consultant

Sapir, Vahid  
TourCoach Charter & Tour  
Managing Director

Sokolovski, Pauline  
Academy Limousine and Car Service  
Director of Sales, Supplier Sales

Soleymani, Lilya  
American Express  
General Manager

Sweeney, Tom  
Travelport  
Sales, General Manager

Vargas, Jackie  
Holiday Inn Los Angeles International  
Airport  
Sales Manager

Wallace, Tammie  
California WellBeing Institute  
Sales Manager, Supplier  
Sales/Marketing

Walsh, Betsy  
SuperShuttle  
Director of Sales



## Photo Gallery





## Releases

### **BA, GDSs Still Talking: Business As Usual Despite Much-Hyped Contractual Expiration**

By Jay Boehmer & Amon Cohen

MARCH 05, 2007 -- British Airways' contracts with global distribution system providers expired last Thursday without service interruption or BA immediately pursuing a substantially new course, as some in the industry had feared.

BA CEO Willie Walsh, in Tokyo during a Oneworld event last Thursday, would not detail the specifics of GDS discussions or the possibility of surcharges, but said he is "confident we'll get these issues resolved" and that "we continue to talk to the GDSs."

"We've got to have a structure that works," Walsh continued. "When you look at the value chain in the airline industry, we've struggled to generate levels of profitability that would be deemed acceptable. Other parts of the value chain, including the GDSs, have made operating margins in the double digits, and that shows me that something is wrong. We need to see a structural change, and I'm confident it will be resolved." Walsh noted that BA has been able to "significantly reduce" the cost of distribution in recent years, "but there remains more to be done."

"We have fares in our European operation at £29—inclusive of everything," Walsh said. "When you consider the rack rate for some of these GDSs, they can be as high as \$7.50 or about £4. As a percentage of a fare, when you strip out all the taxes and charges, we're left with a fare of about £2 and you have a GDS charge that does not make sense."

BA executive vice president of the Americas Robin Hayes last week, prior to BA's global distribution system contract deadline, told BTN, "I'm almost certain we won't get deals with all of them, but we might get deals with some. I can't say whom. We want to have agreements with all of them, but we're only prepared to do that if we can find deals that make sense."

Hayes said for those distributors with which BA may not reach an accord, the carrier's content still would be distributed, but the carrier would be charged standard rates by the GDS. Additionally, Hayes said, "We'd be free to make decisions on how we're distributed and whether we'd charge a surcharge, or whatever you want to call it." If mutual terms are met, Hayes said, the possibility of surcharges goes away.

The outcome of BA's GDS negotiations has been considered an important indicator of how relations between other European carriers and GDSs will develop following last year's overhaul of the distribution model in the United States. In recent weeks, theories circulated suggesting BA is insisting on a non-negotiable discount from the GDSs of 50 percent because the airline would prefer to withdraw many fares and distribute them exclusively through its own Web site. A source involved in the talks said: "The scaremongering going on is predominantly fiction."

Meanwhile, the Business Travel Coalition last week sent a letter signed by 117 BA corporate customers to BA CEO Walsh, expressing concern about BA's "intentions to undermine the existing corporate travel procurement process by imposing new surcharges and withholding content from the global distribution systems."

A well-informed senior source said he anticipated BA and the GDSs compromising on the airline's original pricing demands. As a result, the GDSs will recoup some of their price cuts by implementing a surcharge to travel management companies. "I expect a U.S.-style type of resolution," he said. "BA can't do without the GDSs. They have agreed to the bones of it. They are just sorting out the details."

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If so, TMCs inevitably would pass on the surcharges to their corporate clients. BA has indicated that it would ease some of this burden for its leading customers.

Corporate clients rallied by the Business Travel Coalition threatened to withdraw business from British Airways should new global distribution agreements result in booking surcharges. As signatories to a letter to BA's Walsh, such companies as McKesson, Oracle, Philips Electronics and PricewaterhouseCoopers would shift business to other airlines "that build their distribution programs around our preferences," if British Airways elects to withhold content and levy new charges. "We are writing to express our profound concern about your airline's reported intentions to undermine our existing corporate travel procurement process by imposing new surcharges and withholding content from the global distribution systems and the travel management companies and corporations they serve," the letter states.

BTC, the U.K. and Ireland's Institute of Travel Management and U.K.'s Guild of Travel Management Companies have urged BA to keep customers in mind when coming to new GDS terms.

"This could be an additional distribution cost, which we as the customer will have to bear," said one of the signers of the letter, Nicky Spence, ITM board director and commercial manager of travel for Smith & Nephew, a manufacturer of medical devices. "It is already difficult to manage corporate travel. This puts buyers and TMCs in a position where travelers could move back to booking on the Internet."

"If content is fragmented and travelers can't book through one medium, this could affect our whole program. We have responsibility to know where people are," said Alison Johnston-Ralph, global travel manager for Air Products, who also signed the letter. "The airlines should make sure all content is accessible through the GDSs. I am worried this may be a ploy to persuade corporates to book direct through BA.com. We won't do that because we want our TMC to be able to capture all of our data."

Meanwhile, the European Commission has issued a fresh consultation paper on whether to deregulate its computer reservations system code of conduct. Responses to the nine questions in the document are invited by April 27.

Isabelle Leroy, legal adviser to the European travel agents' association ECTAA and the Guild of European Business Travel Agents, said travel buyers should respond to the document. The response "will form the main basis of the Commission's opinion," she said, "because they don't seem to have fixed ideas on this subject."

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### **NBTA Media Briefs – March 1, 2007**

#### **2008 NBTA Hotel RFP Available for Download**

The National Business Travel Association (NBTA) Hotel Committee is pleased to announce the release of the NBTA 2008 Modular Hotel Request for Proposal (RFP). The changes made to the RFP for the 2008 pricing season are aimed at providing more clarifications for fields within the RFP. These enhancements are the result of feedback and collaboration between corporations, hotels and third-party vendors in a continued effort to promote a common standard throughout the hotel industry.

To provide the supplier community with adequate time to make adjustments for the next pricing season, the NBTA Hotel RFP is released in the first quarter of each year. The NBTA Hotel Committee's goal in releasing the annual RFP is to increase adoption of a standard RFP that enables both buyers and suppliers to realize incremental time savings and improved data quality throughout the negotiation process.

The NBTA Hotel RFP is available free of charge to the association's members. Reporters interested in obtaining a copy of the NBTA 2008 Hotel RFP should contact [pr@nbta.org](mailto:pr@nbta.org).



## **DHS Launches Traveler Redress Inquiry Program – DHS TRIP Provides a Central Gateway for Travel-Related Issues**

Press Office

Transportation Security Administration

February 21, 2007

TSA Media Inquiries Only – (571) 227-2829

All Other Inquiries – (866) 289-9673

WASHINGTON, D.C. – The Department of Homeland Security announced today the launch of the DHS Traveler Redress Inquiry Program (DHS TRIP). Travelers can now seek redress and resolve possible watch list misidentification issues with any of the department's component agencies at an easy to use and easy to access online location at <http://www.dhs.gov/trip> "We're making travel more efficient and secure by offering a convenient redress process," said Homeland Security Secretary Michael Chertoff. "This is a win-win program. Eliminating false-positives makes the travel experience more pleasant for legitimate visitors, and it frees up our front-line personnel to apply even greater scrutiny of those individuals who truly present safety and security risks."

DHS TRIP provides a way for legitimate travelers to address situations where individuals believe they have been incorrectly delayed, denied boarding, identified for additional screening, or have otherwise experienced difficulties when seeking entry into the country. The program also facilitates redress information sharing among the department's component agencies and creates internal performance measures to monitor progress.

DHS TRIP enables travelers to outline their concerns in a single request via a secure Web site. The information received will be shared with applicable DHS component agencies, such as the Transportation Security Administration and U.S. Customs and Border Protection, as well as with the Department of State and when appropriate with airport and airline operators. Information will be shared in accordance with the provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), and as established in the Privacy Impact Assessment published for DHS TRIP.

In addition to offering DHS TRIP, the department has taken a number of other steps to make the screening process more efficient and secure, to include the recent completion of a name-by-name review of the No-Fly list to ensure that only individuals currently posing a threat are included.

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## **US, EU reach tentative 'open skies' pact**

By Andrew Bounds in Brussels

Published: March 2 2007 14:09 | Last updated: March 2 2007 14:09

US and European Union negotiators concluded a fresh draft deal to deregulate the transatlantic airline market on Friday, amid scepticism over whether it would be approved.

The European Commission said it would submit the agreement to EU governments this month after "a breakthrough" in meetings in Brussels. However, there is expected to be fierce debate when transport ministers meet on March 22, as the US has given little ground on loosening restrictions on foreign ownership of its airlines.

The quest for an "open skies" agreement has eluded the two sides since talks were launched four years ago. A 2005 deal foundered in December last year because of congressional opposition to ending a bar on non-US citizens owning a controlling stake in domestic airlines, which the EU made a condition of the deal.

Foreign companies and individuals can own only 25 per cent of voting stock and a further 24.9 per cent of non-voting equity.

The draft agreement merely sets out in writing existing US policy, critics say. In 2004 the Commission sent a similar deal for EU approval, only to see resistance from the UK and Germany sink it.

The UK has in the past been determined to resist the loosening of restrictions on the lucrative market between London's Heathrow airport and the US, without reciprocal US concessions. Only British Airways, Virgin Atlantic Airways, United Airlines and American Airlines have the right to use the route.

The UK has 40 per cent of the transatlantic market. Its Transport department refused to comment on Friday.

Jacques Barrot, EU transport commissioner, said the deal was worth it. "In economic terms, this unprecedented agreement would represent a step change – it could be worth up to €12bn in economic benefits and up to 80,000 new jobs [and]...could be a centrepiece for a reinvigorated transatlantic relationship."

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The US has offered EU airlines the ability to fly between the US and countries with an open skies agreement with it, such as Norway. They could also establish subsidiaries to carry domestic traffic if they met stringent requirements and flew cargo via the US to points beyond.

The EU has also won the right to restrict US investment in its airlines, and to carry passengers financed by the federal government under the "Fly America" programme, although not on routes between big cities.

The Association of European Airlines, which represents scheduled carriers, gave cautious backing to the deal. "Our initial reaction is that there seems to be a substantially improved balance in the wording of the agreement," said Ulrich Schulte-Strathaus, secretary-general.

The need for an agreement is pressing, since the European Court of Justice has ruled that the network of bilateral deals is illegal. If the talks failed airline alliances would lose their protection under antitrust law. Smaller EU countries, such as Ireland, favour a deal. If ministers do back it, it would come into force in October 2007.

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## **LOS ANGELES INTERNATIONAL AIRPORT GETS HIGH NATIONAL RATING WITH ITS ENERGY-THROUGH-RECYCLING PROGRAM**

(Los Angeles, CA – March 2, 2007) Los Angeles International Airport (LAX) saved enough energy through recycling in 2004 to power 502 households, according to a report released by the National Resources Defense Council, a nationwide organization dedicated to protecting public health and the environment.

In the study, entitled "Trash Landings: How Airlines and Airports Can Clean Up Their Recycling Programs," researchers looked at 30 airports across the country and found most are not taking advantages of all possibilities to cut waste at their facilities. The study identifies opportunities and barriers to recycling, and spotlights top performers as examples for other airports to follow.

Another bright spot in the report was the fact that LAX saved enough energy to power 502 households and reduced greenhouses gas emissions by an amount equal to removing 2,228 passenger cars from the road for a year.

The report went on to note that LAX experienced 29 million passenger departures during 2004, the year in which the study was conducted. Total waste generated by these passengers amounted to 19,000 tons, or approximately 1.313 pounds of waste per passenger.

In all, LAX recycled 12 tons of aluminum, more than 2,021 tons of cardboard, 89 tons of newspapers and 527 tons of office paper. It also recycled 17 tons of glass products, 9 tons of plastic beverage containers, 913 tons of plastic film and 271 tons of food waste.

These examples, along with those from other airports, provide case studies and a comprehensive reference for other airlines and airports to enable them to begin taking advantage of similar savings opportunities

"While Portland, Seattle-Tacoma and Ft. Lauderdale airports were also used in the report as successful examples of good recycling programs, LAX's program is considered the most successful of its kind in the country,' stated Roger A. Johnson, deputy executive director of Environmental Services for Los Angeles World Airports.

The study states as a final conclusion that airport and airline recycling programs are underdeveloped and achieve minimal environmental benefits. It says that if recycling waste programs were implemented at all U.S. airports, the reduction in emissions could equal the removal of 80,000 cars from the road.

Recommendations for implementing and improving airport recycling programs range from giving priority to buying products made from recycled materials to designing new terminal space with recycling in mind.

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"The report provides some good recommendations for improving airport recycling programs," Johnson said, "and we will be incorporating many of these suggestions into our existing program."

LAX is one of four airports owned and operated by Los Angeles World Airports, a City of Los Angeles department. The others are LA/Ontario International Airport (ONT), LA/Palmdale Regional Airport and Van Nuys Airport (VNY).

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### **NBTA Lauds Measure to Enhance Visa Waiver Program**

Amendment Would Tighten Security, Expand Number of Participating Countries

Alexandria, VA (March 1, 2007) – The National Business Travel Association (NBTA) today applauded the passage of the amendment being offered by Senator Dianne Feinstein (D-CA) to expand the Visa Waiver Program (VWP) to consider the addition of more countries. VWP currently allows travelers from 27 nations to travel to the United States for 90 days or less for business or pleasure without undergoing a formal visa interview, enabling the free flow of commerce between the United States and its most important business and trade partners around the world.

This legislation would allow the Secretary of Homeland Security to consider countries for admission to VWP if they meet a set of criteria related to the visa refusal and overstay rates. The bill would also require VWP countries to meet a series of new security measures to maintain their participation in the program.

"The passage of the Feinstein amendment is an excellent example of using technology to tighten our border security while allowing for the free conduct of commerce," said Bill Connors, NBTA Executive Director & COO. "NBTA has long advocated for the expansion of VWP with appropriate security concerns addressed. This measure will potentially expand the healthy conduct of commerce between our country and its key trading partners."

The National Business Travel Association is the source for critical information on the business travel industry. For more than 35 years, NBTA has dedicated itself to the professional development of its members through advocacy, education and training, and networking opportunities. NBTA represents over 2,700 corporate and government travel managers and travel service providers, who collectively manage and direct more than \$170 billion of expenditures within the business travel industry. For more on NBTA, visit [www.nbta.org](http://www.nbta.org).

### **TSA Unveils Backscatter Technology Testing at Phoenix Sky Harbor Airport**

Press Office

Transportation Security Administration

February 23, 2007

TSA Media Inquiries Only – (571) 227-2829

All Other Inquiries – (866) 289-9673

PHOENIX – The Transportation Security Administration today unveiled an operational test to evaluate backscatter technology at Phoenix Sky Harbor Airport (PHX). This new technology can detect weapons, explosives and other metallic and non-metallic threat items concealed under layers of clothing without physical contact, and TSA has applied multiple protections for passengers' privacy.

"Privacy and security are not mutually exclusive, and backscatter has potential to be a valuable tool in our layered security approach," said TSA Administrator Kip Hawley. "There will be opportunity for continued public dialogue as we see how this technology works in the airport setting."

During test operations, passengers will participate on a voluntary basis only. In addition to usual effectiveness and suitability assessments, TSA will examine operational issues, including throughput, privacy considerations, training, safety of use and perceptions by the traveling public.

Passengers volunteering to participate in the operational test will be asked to stand for two separate scans, one facing the system and one facing away. A Transportation Security Officer will guide the passenger through the process, and each scan will take less than 10 seconds. The entire screening process will take less than a minute.

TSA's privacy-filtered image looks like a chalk outline of the person's body, and shows any concealed items including weapons, explosives and other metallic and non-metallic threat items. The officer attending the passenger will not view the image, and as an additional measure, the officer viewing the image will be remotely located and unable to associate the image with the passenger being screened. Once viewed remotely, the image cannot be stored, transmitted or printed.

X-ray backscatter technology uses a narrow, low intensity x-ray beam, scanned over the body's surface at high speed. The amount of x-ray radiation used for backscatter technology is equivalent to approximately 15 minutes of exposure to naturally-occurring background radiation from sources such as the sun's rays.



## JetBlue To Pay Bill Of Rights

By Jay Boehmer

MARCH 05, 2007 -- Following a Valentine's Day massacre of a storm that caused delays and cancellations affecting more than 100,000 customers, JetBlue Airways last month issued what it calls its Customer Bill of Rights and announced contingency plans for similar situations in the future. Analysts, buyers and consultants expect other airlines to offer similarly upgraded policies to help thwart—or ease—traveler inconveniences due to delays or cancellations, and the U.S. House and Senate are expected to weigh bills that would federally mandate airlines to adopt further measures to mitigate the woes of stranded passengers.

With flights restored and attempts to mend its reputation in progress, JetBlue is striving for the customer bill of rights—not the debacle itself—to be its legacy. JetBlue CEO David Neeleman called the customer bill of rights an "accountability document" that he said would be retroactive to Feb. 14 and instituted in the event of future uncontrollable events. JetBlue's program of customer promises and monetary compensation goes beyond current federal requirements to offer customers on canceled flights full refunds or reaccommodation as well as vouchers for future travel.

It took nearly a week for JetBlue to begin operating at full schedule and reinstate more than 1,000 canceled flights, but following the snafu the carrier said bookings remained on track with prior estimates. Calyon Securities airline analyst Ray Neidl said it likely was a one-time event, and "the airline was caught off guard and reacted poorly to the crisis." Neidl added: "It was a combination of bad weather, bad luck, bad handling and bad PR."

"If there's anything that came out of this debacle with JetBlue, it's that so much focus is being put upon this that maybe the airlines will take care of it," Sybase Inc. manager of purchasing, global card and travel Patricia Carlin said. "The thing JetBlue is doing is useful as a marketing tool. If that draws business, maybe the other airlines will follow so they're not left out in the cold. They can leave their passengers out in the cold—but they won't be."

The Air Transport Association of America said each of its airline members, including American, Continental, Delta, Northwest, Southwest, US Airways and United, "will continue to review and update policies to assure the safety, security and comfort of customers." ATA said it is working with the Federal Aviation Administration to allow "long-delayed" flights to return to the gate without losing the aircraft's spot in the departure queue if passengers wish to disembark. ATA also asked the Department of Transportation to review airline and airport contingency plans to "effectively address weather emergencies in a coordinated manner and provide passengers with essential needs."

Calyon Securities' Neidl said JetBlue's new policy is causing domestic carriers concern, as they now feel compelled to follow with comparable protections and recompense, "which could turn out to be much more costly than expected." Carriers are concerned that if they don't do it themselves, Congress will force them, he said.

In the days following the JetBlue debacle, Rep. Mike Thompson (D-Calif.) and Sen. Barbara Boxer (D-Calif.) said they plan to introduce such bills. According to Thompson, the passenger bill of rights would hold some of the same concepts outlined by ATA, but with the stamp of government regulation—a move the airlines, including JetBlue, do not support. Like the airline lobbying group, Thompson called for passengers to have means to exit a plane if a flight is grounded for more than three hours, and that necessities—"food, safe drinking water, sanitary bathroom facilities, adequate ventilation and a reasonable temperature"—should be standard on delayed flights. The bill also would mandate airlines to "frequently" update passengers on status and cause of delays, to disclose information on "chronically delayed or canceled flights at the time of ticket purchase, to return checked bags to customers within 24 hours and "to make information on the lowest fares readily available to the traveling public."

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ATA president and CEO James May said, "A rigid, national regulation would be counterproductive, and could easily result in greater passenger inconvenience."

Neeleman said proposed congressional legislation that forces airlines to allow customers to disembark after three-hour departure delays would create more problems than it would solve and not serve customer interests.

E. Christopher Murray, an attorney with Reisman, Peirez and Reisman, a Garden City, N.Y., law firm, said that U.S. carriers likely would preemptively adopt higher standards on their own—without government interference. "As Congress is revisiting the issue of regulating the airlines and how they operate," he said, "I would expect all airlines to voluntarily adopt a customer bill of rights like JetBlue to avoid direct government action."

Sybase's Carlin said there should be a standardized course of action that an airline takes when travelers are inconvenienced by delays, cancellations or being grounded on the tarmac. Carlin said decisions of customer care in such times largely are left to gate agents at the airport or the flight crew.

"Right now, it's totally subjective," she said. "I give advice to travelers on what to do, but it seems the only way they're taken care of is if they're pushy. If you're someone who's uncomfortable being confrontational, then you're going to be left sitting in the airport. It needs to stop being subjective. It needs to stop being about who you know or how well you talk."

JetBlue is taking away some of that subjectivity by standardizing procedures. The new policies distinguish between arrival and departure delays, and will award compensation if an airplane lands and takes more than 30 minutes to reach the gate as a result of decisions by JetBlue.

For arrival delays, customers will receive vouchers applicable to the purchase of future flights for \$25 for delays of up to one hour and \$100 for one to two hours. They will receive the cost of one-way ticket identical to the one purchased for a two-to-four hour delay and the cost of a roundtrip ticket for delays of more than four hours.

JetBlue will pay a customer a \$100 voucher for departure delays of three hours, will issue a voucher for a new trip after four hours and will remove people from the airplane after five hours.

JetBlue also will provide customers \$1,000 in cash, rather than the \$400 the federal government requires, if they are ever denied boarding.

However, there remains a lot to be desired from a compensation programs or vouchers—particularly for corporate travelers. David Hillman, a corporate travel consultant with Consulting Strategies, said it's difficult to quantify the true cost of inconveniences to travelers.

"The price of plane fare is not the big factor," Hillman said. "It's the cost of doing business, loss of time, the inability to get to a meeting. There's a whole list of things that you can't possibly put a price tag on that an insurance company wouldn't accept."

Sybase's Carlin agreed. "I don't want a voucher," she said. "I lost my trip, the business meeting happened without me. I'm not going to be going back there. I may never have an opportunity to get on JetBlue again, because the places I normally go aren't served by them. If they really wanted to do something useful, they would provide a monetary return that is not tied to future travel."