

TRAVERSING THE GLOBE

Volume 5, Issue 3

by Debbie Gulliver, University Travel Manager

May 2008

Airline Mergers:

Northwest Airlines and Delta Air Lines...

If you've been keeping up with the latest airline news, I'm sure you've heard that Northwest and Delta have agreed to merge into one airline. The new name: Delta Air Lines. Headquartered in Atlanta, together these two airlines will become the largest airline in the world.

The airlines have a few challenges ahead of them, not the least of which is obtaining the support of their unions, particularly Northwest Airlines' pilots. In addition, the airlines will have to convince the U.S. Department of Justice and the U.S. House Committee on Transportation and Infrastructure that this merger will benefit our economy and travelers. The onus is on these two airlines to show that they will not have a monopoly on the U.S. airline industry if they were to combine into a super airline.

According to leadership of both airlines, the current hubs of both airlines will remain. Current routing of Northwest and Delta includes 800 routes. Of these, there are only 12 overlaps.

Concern is that service into and out of Capital City Airport will be diminished. The marriage of Northwest and Delta airlines could negatively impact our airport and local economy. As MSU's Travel Manager and a member of the Capital Region Travel Trust's executive board, I am and will remain in contact with our Northwest Airline's representatives.

According to both Delta and Northwest Airlines officials, the merger could mean billions of dollars in economic benefits for Michigan. Plans are that Detroit Metropolitan Airport will serve as the premier hub in the Great Lakes region. To keep track of merger developments of these two airlines, please visit the following website: <http://www.newglobalairline.com>.

Airline Mergers con't:

United Airlines and US Airways begin talks...

United and US Airways began talks to merge their airlines. This is the third attempt for United, who has already had merger discussions with Delta and Continental Airlines. In 2001, these airlines were not permitted to merge due to anti-trust issues. The same concerns regarding fair competition exist today as each airline has a strong presence at the Washington, DC airports.

Travel Advisory Committee:

Evaluating MSU's Travel Programs...

Ten years ago, a Travel Advisory Task Force was charged with establishing the framework for Michigan State University's Travel Program. At that time, our current Cluster Travel Agencies were chosen through a comprehensive bidding process.

Since then, the travel industry as well as the way in which we travel has changed. In addition, technology has developed and continues to change almost on a daily basis.

Recently, our Travel Advisory Committee was re-established. Their main purpose is to re-evaluate the University's current travel needs in light of all these changes. A major task of this committee will be to evaluate the bids we have received from sending out a Request for Proposal for our Cluster Travel Agencies.

The goal of the Travel Advisory Committee is to choose travel agencies that can assist Michigan State University travelers, travel arrangers, and the University Travel Manager efficiently in a cost effective manner that makes sense. Our world, technology, and the way we travel are constantly changing. Our desire for reliable service at an affordable price where quality customer service is expected and received has remained unchanged.

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Extra Baggage:

How much will it cost you?

Fuel costs are continuing to rise and the airlines are paying over \$120.00 a barrel. With this rise, airline ticket prices will continue to increase. In addition, airlines are finding new and creative ways to charge travelers for services that were once provided as part of the airline service. Preferred seating, snacks, and checking a second bag are just a few of the charges the airlines have introduced in the last year.

Many of the airlines have been introducing new fees to offset the high price of fuel and remain competitive. On domestic flights, most airlines are now charging for that second checked bag. Spirit Airlines, however, charges \$10 per checked bag. Here is a list of the airlines and their current fees for checked baggage:

Air Tran Airways: Effective May 15, 2008, first check bag free; Second bag \$10.00. The excess baggage charge, for other than sporting equipment, will be \$50.00 for each piece after the first 2 bags.

American Airlines: Currently no additional fees for checking 2 bags.

Continental Airlines: First checked bag free; Second bag \$25.00 on certain economy fare tickets. Applies to tickets purchased on or after April 5, 2008 for travel commencing on or after May 5, 2008 within the U.S., Puerto Rico, U.S. Virgin Islands and Canada. Exempt are: OnePass Elite, SkyTeam Elite and Elite Plus, any customer traveling on a ticket purchased in "Y" class of service, Continental Airlines Presidential Plus credit card holders, and active military traveling on orders.

Delta Air Lines: Effective May 5, 2008, first checked bag free; Second bag \$25.00. Exceptions: Business Elite and First Class passengers are allowed 3 checked bags at no charge up to 70 lbs; Active duty military traveling with orders are allowed to check 2 bags.

Jet Blue Airlines: Travelers may check up to two bags free of charge.

Extra Baggage con't...

Northwest Airlines: First Checked bag free; Second bag \$25.00. Applies to tickets purchased on or after March 29, 2008 for travel commencing on or after May 5, 2008 within the U.S., Mexico, the Caribbean and Canada.

Exempt are: Northwest Silver, Gold and Platinum Worldperks elite, SkyTeam Elite, passengers booked in full fare classes ("Y" or "B"), and First Class.

Southwest Airlines: Travelers may check up to two bags free of charge.

Spirit Airlines: Checked baggage fees are based upon when space is reserved for the bags. If done on-line, up to 1 hour before flight departure, via Spirit's web site, the fee is \$10.00 per bag. Day of departure at the airport ticket counters, kiosk locations, or at a skycap position, the fee is \$20.00 per bag. Exemptions persons traveling with assistive devices and military personnel on active duty status (or discharged within 7 days) may check up to 2 bags at no charge.

United Airlines: First checked bag free; Second bag \$25.00 (Mileage Plus Premier or Star Alliance Silver status or higher are exempt.) This rule is applicable to flights within the U.S., and to/from Puerto Rico, the U.S. Virgin Islands and Canada.

U.S. Airways: First checked bag free; Second bag \$25.00 (First or business class travelers, Dividend Miles Preferred members or Star Alliance Silver status or higher, active military (in uniform with ID), unaccompanied minors, and passengers checking assistive devices are exempt.)

Please visit the airline websites for further information regarding checked baggage before you take your next trip.