

Delta Eliminates SkyMiles Expiration

Delta announced it has eliminated the SkyMiles mileage expiration, creating a new industry-leading benefit for all members. This program change is effective for all accounts as of Jan. 1, 2011, and makes Delta the only major U.S. carrier without mileage expiration.

Previously, miles expired 24 months after a member's last qualifying mileage activity, which required a member to earn or redeem miles within that period.

This change is the latest of several enhancements made to the SkyMiles program in the last year including the new Diamond Medallion tier with complimentary lounge access and Rollover Medallion Qualification Miles. These features complement other recent changes such as the elimination of all award redemption fees and a free first checked bag on Delta flights for Gold, Platinum and Reserve Delta SkyMiles credit card holders from American Express.



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Members can look forward to more in 2011, including significant improvements to delta.com such as an upgraded award travel calendar, improved booking process and better flight information displays. Additionally, Diamond, Platinum and Gold Medallion members can expect several new benefits when flying select alliance partner airlines – including Air France, KLM, Alitalia and Alaska Airlines.

City of Chicago and Virgin America Airlines Announce New Service from O'Hare



Mayor Richard M. Daley joined with Virgin America Airlines President and CEO David Cush and Chicago Department of Aviation Commissioner Rosemarie S. Andolino to announce the airline will begin daily nonstop service from O'Hare International Airport to Los Angeles and San Francisco on May 25, 2011.

"In Chicago, we realize the critical role O'Hare has in the national aviation system. That is why we are fully committed to bringing more airlines to

Continued City of Chicago and Virgin America Airlines Announce New Service from O'Hare

Chicago and to investing in O'Hare's infrastructure to meet the demands of the 21st century," Daley said in a City Hall news conference. Virgin America is a California-based airline that began operating in 2007. It has been named "Best Domestic Airline" in the Condé Nast Traveler 2008, 2009 & 2010 Readers' Choice Awards and Travel + Leisure's 2008, 2009 & 2010 World's Best Awards.

"When more airlines compete, consumers tend to win - with lower fares and better service," said Cush. "Mayor Daley and the airport have shown tremendous vision by investing in O'Hare's future and by helping to open up access to new competition."

"We are pleased to welcome Virgin America's new service to O'Hare International Airport," said Andolino. "As a new entrant carrier to O'Hare, Virgin America brings new competition and service offerings to Chicago's market, and raises the bar for airline passenger amenities and value."

Chicago-based Groupon Chief Operating Officer Rob Solomon also spoke at the news conference. Virgin America is teaming up with Groupon to kick off the new service with special savings on air fares to Los Angeles and San Francisco.

Currently, O'Hare offers nonstop service to 198 cities worldwide, with 52 passenger carriers operating out of 189 gates. With the addition of Virgin America, there is now only one major domestic carrier not serving the Chicago market.

"Chicago's future economic development depends on bringing new business to Chicago. With the new capacity created at O'Hare by the OMP, we are in a position to aggressively add new airlines with a focus on international carriers, as well as new destinations to our airports," Daley said. "We will continue to aggressively compete and capitalize on new passenger and cargo carrier opportunities to attract new business and the potential for additional passengers as well as visitors to our city."



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AA adds summer American Eagle service to Montrose, Colorado

Beginning June 9, American subsidiary American Eagle will add seasonal summer service between Montrose, Colo., and Dallas/Fort Worth. The carrier will fly two daily round-trip flights through Sept. 6 on 44-seat Embraer jet aircraft.

Colorado's Montrose Regional Airport is near the Telluride ski area and the Black Canyon of the Gunnison National Park.



AA already offers service to the airport during ski season.

"We are pleased to enhance our current winter service to Montrose with this summer schedule – offering visitors the opportunity to experience all that the area has to offer," Gary Foss, Vice President of Marketing and Planning for American's regional network, says in a press release.

As for Montrose, the Denver Business Journal notes the airport "currently has year-round service to Denver International Airport by United Express (operated by SkyWest Airlines), as well as summer service to Houston and winter service to Atlanta; Chicago; Dallas; Houston; and Newark, N.J., by various carriers."

United: Economy Plus will stay, extend to Continental fleet



United announced February 22, 2011, that it will maintain its Economy Plus section that offers about five extra inches in coach class.

United is in the process of merging with Continental, and the company had not said until now whether it would keep the Economy Plus seating or get rid of it. Continental offers some premium seats with extra legroom, but it does not offer a section in coach that's comparable to United's Economy Plus. United says it will begin adding Economy Plus seating to Continental's fleet beginning in 2012, though the company did not give a more precise timetable.

In a press release, United says "the decision to maintain and expand Economy Plus across the combined fleet marks a significant milestone in the product integration of United and Continental."

"Our customers value Economy Plus and the additional personal space that it provides," Jim Compton, chief revenue officer of United Continental Holdings, says in the release. "Customers who sit in Economy Plus are significantly more satisfied with their travel experience, as are travelers who choose other options that enable them to tailor their travel to their liking."

Airline Group Expects 3.3B Air Travelers by 2014

Global airline travel will likely jump to 3.3 billion passengers by 2014 as Asia's fast economic growth drives the industry's expansion, the International Air Transport Association said Monday, February 14, 2011.

Asia will likely account for 45 percent of the 800 million increase in air travelers between 2009 and 2014, IATA Chief Executive Giovanni Bisignani said at a news conference. China will be the fastest growing market for international passengers, followed by the United Arab Emirates, Vietnam and Malaysia, Bisignani said.

Asian carriers should earn about \$4.6 billion this year compared with just \$100 million of profit for their European competitors, reflecting the gap between the economic growth rates of the two regions, Bisignani said.

"Look at one number, GDP" he said. "When you see Singapore ... and China have double digit growth and in Europe we're struggling between 1 and 2 percent, that's how the industry is going."

The association expects gross domestic product in the Asia Pacific area to grow 6.6 percent this year, Europe to expand 1 percent and the U.S. to grow 1.5 percent.

Asia overtook North America as the largest aviation market in 2009 and will account for 30 percent of air traffic by 2014, while North America will slip to 23 percent.

Bisignani reiterated that the global airline industry will likely earn \$9.1 billion this year, down from \$15.1 billion last year as higher fuel costs eat into profits.

Fuel oil accounts for about 27 percent of an airline's costs and the industry will likely spend \$156 billion on fuel this year from \$139 billion last year, he said. The Geneva-based IATA expects Brent crude to average \$84 a barrel this year, and every \$1 above that will increase the industry's costs by \$1.6 billion.

"Higher oil prices could spoil our party," Bisignani said.



Higher oil prices could spoil our party.
- Giovanni Bisignani

Morgans Hotel Group Plans to Open Delano Hotels in Mexico and Turkey

MORGANS HOTEL GROUP

Manhattanites have been in a tizzy about the latest hotel to open in New York's SoHo. The Mondrian SoHo is the fourth Manhattan property for Morgans Hotel Group, whose Morgan Hotel—opened in 1984—is said to be the country's first true boutique hotel.

Premiering today, the Mondrian SoHo promises eye-catching interiors from designer Benjamin Noriega-Ortiz, inspired by Jean Cocteau's 1946 film *La Belle et le Bête*. Now we've just gotten word about more expansion plans for Morgans Hotel Group. Three new hotels are in the pipeline, two of which will carry the Delano brand. Slated for 2013, the Delano resorts will open in Cabo San Lucas and on the Aegean Sea in Turkey. The third

Continued Morgans Hotel Group Plans to Open Delano Hotels in Mexico and Turkey

property will open in 2014 in Manhattan near the High Line park.

Check out some other properties from Morgans Hotel Group:
Mondrian in West Hollywood
Delano, Mondrian (pictured) and Shore Club in South Beach
Sanderson in London
Clift in San Francisco



Major airlines try to increase fares again

Prices raised **\$20 to \$60 per round trip** on some tickets favored by business travelers.

Major U.S. airlines are trying to revive fare increases for high-end tickets after failing to impose bigger price increases last week.

The move comes as airlines worry about the prospect of higher jet fuel prices. Oil prices surged to their highest levels in more than two years Tuesday as violence in Libya raised fears that oil production could be threatened there or in other OPEC countries.

American, United, Continental and US Airways raised prices Monday by \$20 to \$60 per round trip on some tickets favored by business travelers. Delta Air Lines, the last holdout among the largest so-called network airlines, matched the increase Tuesday, making it more likely to stick.

If even one major airline refuses to go along, fare increases can collapse. Last week a Delta-led effort to boost high-end tickets by \$40 to \$120 per round trip failed when US Airways first matched the increase and then abandoned it. Such a reversal could still happen again this week.



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Continued Major airlines try to increase fares again

The airlines are dealing with roughly a 50 percent increase in prices for jet fuel in the past year. American Airlines spokesman Tim Smith confirmed that his airline raised prices at midday Monday, adding that he believed American was the first carrier to do so. Delta and US Airways also confirmed matching the increase. Fare watchers said United and Continental raised prices, too, but parent United Continental Holdings Inc. did not comment immediately.

This week's increases cover first-class seats, economy seats that can instantly be upgraded to first-class and so-called walk-up fares — tickets bought the day of travel. Such seats are believed to be a small portion of tickets sold by airlines, but they command very high prices.

JPMorgan Chase analyst Jamie Baker said demand for such tickets is less sensitive to fare increases because the pricey seats are typically favored by corporate travelers.



Tim Smith
- American Airlines Spokesman

Avis Budget Puts Brakes On No-Show Fees



Avis Budget Group chairman and CEO Ronald Nelson on Thursday said the company does not plan to aggressively push no-show fees for U.S. car rentals in the near future and instead will rely on other tactics for fleet optimization, such as pre-payment.

Industry analysts last year suggested that the rental car industry seemed poised to widely roll out fees that penalize travelers who cancel bookings at the last minute, and Avis Budget has tested the fees for small-market, non-corporate business. While Avis Budget has systems in place to handle no-show fees, Nelson said the company does not plan to roll them out further.

“We’ve slowed it down, because there hasn’t been industry acceptance of it yet,” Nelson said. Instead, Avis Budget plans to focus on the pre-pay option it has in several markets, in which renters pay rental costs upfront and receive a rate discount of between 5 percent and 15 percent, he said. Since its less likely travelers will cancel a rental car booking for which they’ve already paid, the system accomplishes the same end as no-show fees, according to Nelson.

“For us, it’s never been about getting more revenue,” he said. “It’s been about managing our fleet. It’s the same issue, but you’re looking through the prism on the other side.”

Avis Budget still plans to use no-show fees in certain cases: around such large events as major conventions or the Super Bowl, Nelson said, and for rentals of specialty car types.



Ronald Nelson
- Avis CEO

Tipping etiquette: a guide for travelers

Manners maven says the most common tip blunder is not to tip at all!

Even the most experienced traveler can sometimes be tripped up by tipping. Sure, you know you're supposed to tip your tour guide something — but how much? When you're calculating the tip for your dinner, do you need to include taxes and that pricey bottle of wine? And is it ever acceptable to withhold a tip for poor service?

For help, we turned our tipping questions over to an etiquette expert. Lizzie Post is an author and spokesperson for the Emily Post Institute, an organization that promotes etiquette in the U.S. and around the world. Lizzie, who is the great-great-granddaughter of the famous manners maven, shares secrets for tipping right every time (and reveals why bribing the maître d' won't get you the best seat in the house).

Q: What's the most common tipping mistake?

A: To not tip. That's probably the worst tipping mistake. Usually if you know to tip, you're tipping around 15 - 20 percent so you know you've tipped something, and that's great. But not tipping at all is probably the worst mistake.

Q: If you're unhappy with the service you've received, is it ever okay not to tip, or is there a better way to handle it?

A: No. You should never let your money talk for you. If you get good service, in addition to leaving a good tip, you would want to thank your server, bellboy, etc. When it goes the other way, you still should leave the customary 15 percent. If you had horrendous service and it was the service provider's fault, some people might go as low as 10 percent. But we suggest that you leave 15 percent and then immediately speak to a manager to express your dissatisfaction. Say that you're unhappy with how you were treated and that you're reluctant to return after such an experience. That will speak volumes to a manager.

Q: Whom should we never tip?

A: Never tip your doctor! We tip waiters and waitresses because they don't make a livable wage. Our tips are helping to subsidize substandard wages. Try to avoid tipping those who aren't in the service industry — doctors, dentists, therapists. You also don't tip your dry cleaner. You've purchased their service and it's one that traditionally doesn't have a tip associated with it.

In a foreign country, different rules often apply. We recommend that you visit country-specific Web sites to find out what the local customs are.

Q: Is there such a thing as over-tipping? Could you offend someone by doing so?

A: I don't think anyone would be too offended by over-tipping, but they might think you're a little stupid. (I always wonder if that happens with celebrities — you hear about them leaving an \$800 tip on a \$2,000 bill. The waitress must be thinking, "Do you know how many hundreds you just dropped?")

However, the manner in which you give a tip could be insulting. The classic is trying to get the maître d' to give you a better table. A lot of people think that by flashing a \$10, \$20 or \$50 bill, they're going to get that kind of service, but the wait staff we've talked to say they find that insulting; they're not going to change the way the restaurant is run just because you're waving a few bills. You don't want to bribe for good service. You want to tip afterward to reward good service.

Q: When is it okay to tip in anything besides the local currency?

A: If the choice is that or nothing, then leave the foreign currency. But otherwise, try your best to leave a tip in

Continued Tipping etiquette: a guide for travelers

the currency of that country. Run out and grab some change on your lunch break, or visit an ATM. By leaving a tip in a foreign currency, you're giving your service person work to do, and they'll likely have to pay a fee to change it into their own currency. So you should only leave a tip in your own currency if you don't have time to get something else.

Q: At restaurants, should you base the tip on the total bill (including tax, alcohol, etc.) or just the cost of the meal?

A: You shouldn't tip on the tax because who wants to tip on what the government gets? But yes, you do tip on the cost of your meal and any alcohol. If I order a bottle of wine from a sommelier, then I would tip him or her directly. But if I order the bottle from my server, that's the person I tip. And if I have a few cocktails before dinner, I make sure to tip the bartender specifically before I go to my table.

Q: Do different rules apply to tipping at hotels vs. bed and breakfasts? For example, at a small B&B where you're not sure if there's a housekeeping staff and you think that the owner may be the person to clean your room, do you still leave a housekeeping tip?

A: If you don't know, leave a tip on the side of the bed. There very well could be a maid who comes in for a couple of hours a day, an off-site person that does the housekeeping so the owner can handle the bookkeeping or other responsibilities. Even if it is the owner [who does the cleaning], he or she is doing the work — so I don't think you would be insulting anyone if you did leave a tip.

Q: What's a good rule of thumb for tipping tour guides (and drivers)?

A: On a short bus tour (several hours or less), tip your guide 10 - 20 percent of the cost of the tour. Give it to him or her when you say goodbye. Charter and sightseeing bus drivers are also tipped in certain cases: when drivers double as guides, \$1 per person per day. When the driver has been particularly amiable, the person in charge of a private charter sometimes asks each passenger to contribute \$1 or more to a tip pool. On a longer tour with no built-in gratuity, each passenger should give \$5 - \$10 to the guide and another \$5 - \$10 to the driver.

You should not tip tour guides at national parks or other government sites.

Q: Should you always tip the driver of the airport car rental shuttle? How much?

A: Yes. Especially if the driver helps me with my bags, I'll leave a dollar or two (typically a dollar per bag). It's also nice to tip if the driver has held the shuttle for you. Similar rules apply to drivers of airport parking lot shuttles.

Q: If you give a bellman your bags for storage at the front desk, do you tip when he takes the bags away, when he returns them to you later or both times? And how much?

A: Tip when the bellman brings the bags back — again, because we're not bribing for service. I'd recommend \$1 or \$2 per bag.

Q: If you could only offer one tidbit of tipping advice, what would it be?

A: Remember to tip! Beyond that, my advice would be to keep one- and five-dollar bills on you [or the local equivalent]. Whenever you leave for a trip, go to a bank or convenience store to get change so you always have it on hand.