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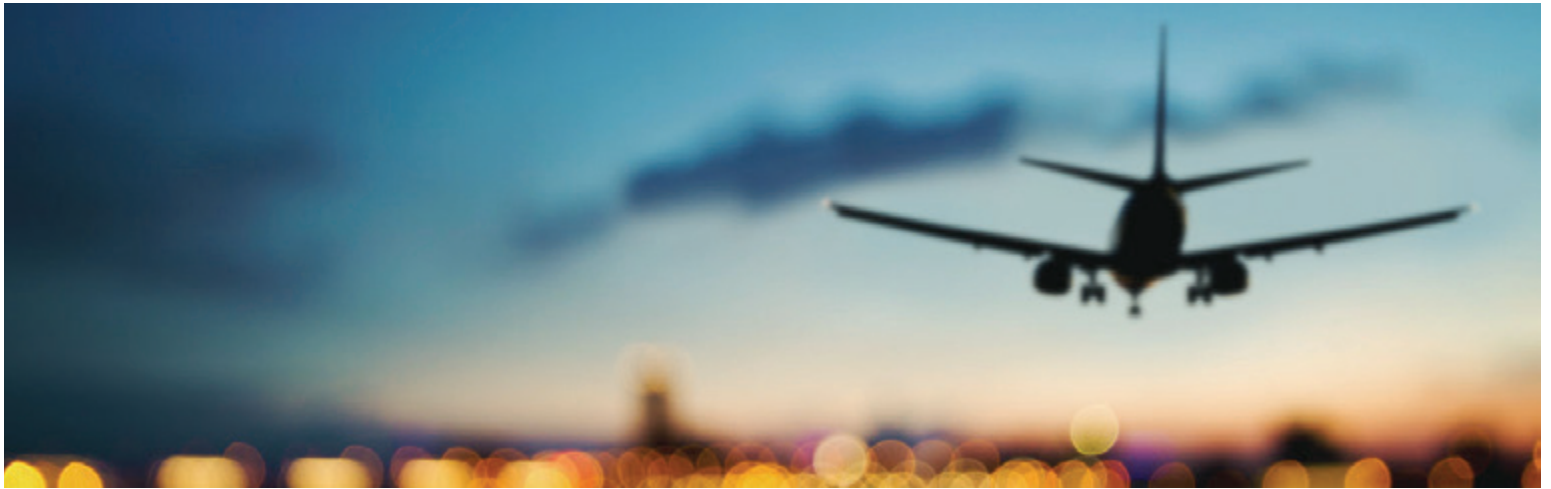
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Lawsuit claims U.S. network airlines colluded to inflate multicity fares

By Danny King



Airline passengers and travel agents filed an antitrust lawsuit against American Airlines, Delta and United, alleging that the three carriers conspired to inflate fares for multicity itineraries in the U.S.

The lawsuit, which included more than 40 plaintiffs, was filed Monday in the U.S. District Court in San Francisco. It included the Airline Tariff Publishing Co. (ATPCO) as a defendant.

The complaint alleges that starting April 1, the three carriers conspired to enact pricing policies in which multi-leg itineraries were priced much higher than if the customer bought each leg separately as one-way tickets.

“Plaintiffs are now required to expend an inordinate amount of time booking individual one-way legs of multicity flights in order to save their customers hundreds, and in some cases thousands, of dollars they would otherwise be required to pay as a result of the airline defendants’ price fix,” the complaint reads. “In many

cases, the time required to book the identical multicity trip has increased from approximately five minutes to 20 minutes or more by reason of the need to enter full data sets for each passenger on each one-way leg and obtain a Personal Name Report (“PNR”) for each leg. This is a time-consuming process for which plaintiffs cannot be compensated.”

Additionally, the carriers enacted more restrictions that “eliminated the ‘combinability’ of lower, nonrefundable, one-way fares,” further boosting ticket prices, according to the complaint.

ATPCO was included as a defendant because “it aids, abets and enables its airline owners, including the airline defendants, to fix prices on airfares,” the complaint reads.

American, Delta and United account for more than 70% of revenue from U.S. airline passengers, according to the complaint.

American said the plaintiffs’ claims were “completely without merit.”

“We recently made a unilateral change to our fare rules to ensure that new lower fares we introduced would be available to passengers flying the route for which the fares were intended. In doing so we eliminated what was, in effect, a loophole in the fare rules that allowed some people to construct connections that combined two nonstop fares,” said American Airlines spokesman Casey Norton.

United spokesman Jonathan Guerin said, “We strongly disagree with the contention that United’s recent changes in its fare rule are a result of illegal coordination. The combinability rule had permitted connecting customers to circumvent United’s inventory controls and combine the two one-way fares into the same ticket, resulting in prices that were different than what United intended for the connecting itinerary. United changed fare rules to disallow these unintended fare combinations.”

Here's How Spirit Airlines Will Increase Its Revenues

By Brian Sumers

In an effort to boost revenues, Spirit Airlines plans to implement a more sophisticated process to vary the cost of extras, such as advanced seat assignments and bag fees, while it also expands into smaller cities that have less competition, executives said Friday.

Unlike most U.S. carriers, Spirit has been slightly hurt by declining oil prices, since cheap fuel has allowed competitors, especially American Airlines and Southwest Airlines, to more often match or even beat, Spirit's fares. Spirit has considerably lower fixed costs than larger airlines, but when fuel prices drop, the advantage becomes less pronounced as all carriers pay roughly the same amount for fuel.

"Higher oil, we think, quite frankly will be better for us," Spirit CEO Bob Fornaro said.

Speaking Friday on the airline's second quarter earnings call, Fornaro said Southwest recently tried to undercut Spirit's fares on some routes. That's not a good thing for Spirit, since its main value proposition is that it always offers the lowest base fares.

"It put us in an awkward position where we were not competitive," Fornaro said. "We saw prices substantially below ours."

In this case, Spirit dropped its prices, too. But over the long-term, the airline wants to be less susceptible to what Fornaro called "pricing skirmishes" with

other airlines.

Spirit will alter its strategy slightly. Part of its new approach calls for it to expand at smaller airports, such as Akron-Canton Airport in Ohio, rather than at the major city airports, like Dallas/Fort Worth and Minneapolis, that had been the airline's focus. At smaller airports, Spirit faces less head-to-head competition. And from these cities, Spirit expects to focus on carrying passengers to popular vacation destinations, many of them in Florida.

Spirit also said Friday it soon will vary its schedule by season. Instead of operating the same schedule year-round, as it has generally done, Spirit will fly some routes only when demand is high. Routes to Florida, the airline noted, perform better



in winter, and do not always require year-round service. Meanwhile, many Northern routes between larger cities are more profitable in summer, when students have summer break.

Ancillary fees

Earning more revenue from from ancillary sales is also a priority.

Between 2006 and 2014, Spirit raised its average non-ticket revenue from \$5 per passenger to \$55 per passenger by charging travelers for everything from a can of soda to a carry-on bag.

But that revenue has fallen slightly in recent months, with Spirit saying Friday that second-quarter ancillary revenue fell to \$51.32 per passenger, off more than 5 percent compared to last year. When fares are so low, Spirit executives said, fewer passengers buy extras.

Since it is now difficult to invent new fees, as Spirit did for years, the airline is focused on varying prices according to demand. It has tried this before – it has raised bag fees in recent years during the busy Christmas holiday season – but the airline said dynamic pricing soon will be more of a priority. As more passengers want an item – perhaps a choice seat on a busy route during peak times – its price may increase.

Spirit also is expecting to introduce a new website late this year “that will allow improved merchandising,” Fornaro said.

CFO Ted Christie said the airline is evaluating whether to re-bundle some of its products, allowing customers to book a higher fare that includes some popular extras. Ryanair in Europe has taken this approach, partly to attract business travelers willing to pay more for a slightly better experience.

“For us, the unbundled strategy has proven very successful for us over the years,” Christie said. “We are still a big proponent of that idea, but there are going to be some customers over time who value a bundle.”



Delta brings Shuttle flights to Seattle

By Robert Silk

Delta will begin operating the business traveler-oriented Delta Shuttle from Seattle to Los Angeles and Seattle to San Francisco on Wednesday.

The move comes as Alaska Airlines, which is based in Seattle, is working toward a merger with Virgin America that would make it the largest carrier on the

West Coast.

Delta said it will offer Delta Shuttle service on its eight existing peak-day

flights from Seattle to Los Angeles as well as on two new Seattle-LAX flights to be added on May 23. The service will also be offered on eight daily flights between Seattle and San Francisco. It will feature dedicated check-in counters for Delta

Shuttle customers, gates located near security, and two-class service with complimentary upgrades for SkyMiles Medallion members when available.

“The introduction of Delta Shuttle service in Seattle means customers from some of Seattle's most important industries — including technology, aerospace, retail and healthcare — and

customers traveling between the three largest technology centers on the West Coast can rely on Delta's consistent, customized product between the three cities,” the airline said in a statement.

Delta launched its first Shuttle service on the West Coast in 2013 on flights between Los Angeles and San Francisco.



Zika Fears Contribute to Drop in Some Cruise and Airline Stocks

By Sarah Enelow

CNBC reports that stocks are down for numerous travel companies who operate heavily in the Caribbean and Latin America, where there's a significant presence of the Zika virus.

Among the companies listed with decreased stock values are cruise lines Carnival Corporation, Royal Caribbean International, and Norwegian Cruise Line, as well as airlines American Airlines, United Airlines, JetBlue, and Southwest. Pregnant women bear the highest Zika risk, as the mosquito-borne virus may cause microcephaly or other

birth defects. As a result, some companies fear that family-oriented travelers may cancel their summer vacation plans.

Americans' fears revolve largely around international travel, though ten new cases of Zika were recently found stateside in Miami.

While brands like JetBlue and Hilton Worldwide have prepared publicly for Zika fallout, by relaxing some of their booking policies to affected destinations, many travel companies have expressed little to no anxiety about the virus.

The travel industry has always been directly affected by fears of communicable disease, for example the Ebola epidemic in West Africa that began in 2013 and significantly reduced travel not only to the region but to parts of Africa thousands of miles from infected areas.



Confirmed – Uber sells China business to Didi



China's biggest taxi app Didi will acquire all assets of Uber's standalone Chinese operations, getting a stake in its global business as well.

The widely rumoured deal was confirmed this morning.

Uber Technologies, the parent company of Uber and a significant investor in Uber China, will end up with a 17.7% economic interest in Didi, said the statement. Uber China's other investors, including Baidu, get a 2.3% stake in Didi.

Incidentally, the move now means that Didi is the only business in which China's three internet behemoths – Baidu, Tencent and Alibaba

Didi also gets a stake in Uber with its founder Travis Kalanick joining the Didi board.

The plan is for the Uber China brand to continue to operate independently, although Didi hopes to integrate its "managerial and technological" expertise with its own to better serve China's transportation industry.

Didi will now work with China's regulators on the development of ridesharing and mobility, and "will continue to work with global partners in connecting local resources to create the best possible cross-border ridesharing experience for their users."

Jean Liu, president of Didi, added that Didi "will also continue to expand its international strategy."

The confirmation comes a few days after China's Ministry of Transportation effectively legalised ridesharing and other

An advertisement for CarryOn.com. The background is a vibrant tropical beach scene with a thatched-roof hut, palm trees, and a hammock. In the top left, a red speech bubble says "Earn Free Travel!". In the center, a white search bar contains the text "Where Do You Want to Go?" and a red magnifying glass icon. Above the search bar is a crown icon and the text "POWER DOWN". Below the search bar is the text "AND CARRY ON". At the bottom, a dark grey banner contains the text "Pick a destination and leave your smartphone behind. CarryOn.com searches, combines and negotiates vacations so you don't have to." and the CarryOn logo with the website "www.carryon.com".

services.

The consolidation of the two leading players in the world's biggest markets follows on from other recent mergers in the sector – last week in Europe, Daimler-

owned MyTaxi merged with Hailo while late last year Rocket Internet-backed Easytaxi merged with Tappsi to create the leading taxi app business in Latin America.

There are also a range of interesting investment and commercial partnerships now that Didi has a stake in Uber and vice versa. Where will Apple's recent \$1 billion investment in Didi end up? Will Uber's

global partnership with Baidu have any impact on Rides Everywhere?

Whatever the short, medium and long-term outcome, chances are that while the China tie-up may be the taxi-app sector's biggest deal to date, there will be more to come.

Third bag no longer free for AA biz-class flyers

By Robert Silk

American Airlines is doing away with the free third checked bag in business class and in first class for some flights.

The change will affect tickets purchased on or after March 29.

Under the new fee structure, business-class flyers will still be able to check two bags for free, but the third bag will cost \$150 on domestic flights and on flights within the Americas and the Caribbean. An exception is on flights to Brazil, where the service will cost \$85.

The third bag will cost \$200 on American flights to Europe and Asia for business-class flyers.

Holders of first-class tickets will be subject to the same fees, but only on two-cabin aircraft, which includes all domestic flights except some services between New York and Los Angeles and between New York and San Francisco.

First-class flyers on international three-cabin planes won't have to pay for

a third bag.

American spokesman Josh Freed said the change won't affect many people, since most travelers don't check three bags.

"It's a very small portion of premium cabin customers who were using that anyway," he said.

AAdvantage Executive Platinum members won't be subject to third-bag fees on any flights.

Tips for International Business Travel

By Janeen Christoff

Traveling internationally for business should something to look forward to.

Going to a foreign locale is often an adventure, but business travel can also be more stressful than just traveling to a foreign country for pleasure.

One of the biggest stressors is dealing with jet lag. It's hard to conduct any sort of business when you are tired — be it at home or abroad. However, representing your company and trying to do business while fighting of the effects of a 14-hour

flight are often challenging.

Adding to the jet lag is dealing with conducting business in a foreign place where customs and practices can often be different from how they are at home.

Therefore, preparation is key and the American Institute of Chemical Engineers provides its members with some sage advice on the topic that all business travelers can put to use.

"When you travel abroad for business,



you are essentially an ambassador, representing both yourself and your organization,” writes Emily Frangenberg, “You run the risk of appearing naïve, or offending the people you want to impress, without the correct preparation.”

One of the most important steps is planning ahead according to Frangenberg. She advises business travelers not to

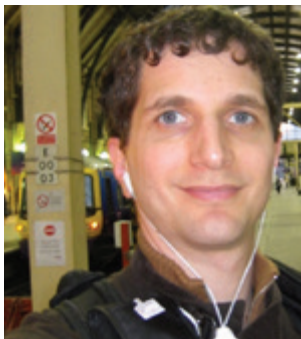
wait until the last minute to begin making arrangements.

“If this is your first time traveling out of the country, make your travel plans at least two months in advance to give yourself enough time to gather the necessary travel documents,” she writes. “If you need to apply for or renew your passport, the routine processing time in the U.S. can be up to six weeks. You may also need to obtain visas if you are traveling to certain countries.”



This Expert Hacker Shares the Secrets to Making Your Travel Safe From Cyber Attacks

By NINA ZIPKIN



When it comes to figuring out the logistics for business trips, booking flights and hotels, getting to those

meetings on time and closing deals are top priorities. But one thing that may not

be your to-do list but definitely should be is keeping your digital information safe while on the go.

Because of unsecured networks used outside your home, hackers have the capabilities of slipping into your computer or mobile devices unbeknownst to you and stealing important information.

We turned to Jeff Moss, the founder of

Black Hat and Def Con, two of the most well-known hacking and information security conferences in the world, and advisor to the U.S. Department of Homeland Security Advisory Council for advice.

Here are five ways to to make the most of your business travel and keep your business and personal data away from prying eyes. 1. Take your passport



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Even if you are travelling domestically, Moss says he never leaves home without his passport. The reason being is a person's driver's license has too much information on it, including address, weight, height, eye color and organ-donor status.

Moss also says to be wary of bars and restaurants that use card readers at the door. Those scanners aren't just noting your age, as the barcode on the back contains all of the information on the front -- and that data can be sold to more nefarious third parties.

"They don't tell you that but they keep all the information. Now they know the 5-foot-6, blond-haired, blue-eyed, 22-year-old came into the bar, and they can correlate your name to credit card purchases," he says.

Not only that, but a photocopied ID doesn't necessarily stay in one place either.

2. Don't leave your devices in the hotel room

"I have a pretty absolutist view, which is just keep your electronics with you at all times," says Moss, noting that it's the only way to guarantee your computer will remain untampered for the duration of your trip. He recommends investing in a lightweight laptop or tablet, so it isn't cumbersome to carry around.

However, if you do decide to leave your devices in the room, make sure you have your hard-drive fully encrypted. "That doesn't protect you against everything, but it really helps out if someone is trying to resell the laptops."

3. Utilize encryption tools

As for tools that you can simply snap up from the app store, Moss recommended private messaging app Signal that encrypts calls and texts. "Generally it's considered by security people to be the best, most secure, voice and text app, and it's great, because it works on both [Android and iOS] devices."

Another app he's a fan of is Silent Phone. If you aren't speaking to someone on an encrypted line, the app will build an encrypted line between you and a secure call center, and then it will dial out from that call center to connect with the normal landline.

"If I'm in China and I want to call my mom, and my mom doesn't have a mobile device with an encrypted signal, I have to call a normal phone line for mom. While mom's side of the conversation could be listened to, I don't have to worry about the part happening in China," he says. "When I need to call people and I don't trust the local providers, I just encrypt it out and then I get my voice call."

4. Avoid hotel WiFi and business centers

If your business has a properly configured VPN -- a Virtual Private Network -- your information is generally

safe. But occasionally, if you're using the hotel's WiFi -- either in the business center or your room -- it will block your VPN or only certain ones will work.

"A lot of these hotels, to even get online, you can't get on the WiFi without first accepting the terms of service or paying or something. So you can't use your VPN for that portion and that's the most dangerous period," Moss says. "A lot of those use expired SSL search that are not compatible with modern browsers."

His solution is to bypass any hotel systems altogether and use the hotspot on his phone to connect his devices to the Internet. "That seems pretty consistent, because I can get on right away, I can use my VPN the whole time. I just don't get tons of bandwidth. I can browse web and do email."

5. Talk about sensitive subjects in person

"Assume all of your texts and voicemails are listened to," explains Moss.

So if you're planning to talk about budgets, mergers or other sensitive information with employees or business partners, maybe just wait until you're in the same room together.

"Unless you're sure you have a cryptophone or some sort of secure messaging system, it is best to assume what you say on a normal phone will be [listened to] because the cost of intercepting the stuff is so cheap that lots of people do it," says Moss.

