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## **US Airways changing rules for frequent-flier benefits**

Trips in demand will require more miles; trips that aren't may need fewer.

By Tony Mecia

*IdeaWorks contributed information to this article - - see italics.*

US Airways said Monday that it's changing the number of frequent-flier miles customers need for award tickets - a move that will require fewer miles for off-peak travel but that will also mean burning more miles for high-demand trips.

The airline, which has its biggest hub in Charlotte, says the changes are intended to offer its frequent fliers "more flexibility and options" in redeeming miles.

Some fliers on Monday were skeptical of the move and believe that the changes will increase the number of miles they'll need to use. The airline said that's not necessarily the case.

The major change is that instead of dividing award levels in two - for instance, requiring either 25,000 or 50,000 miles for a domestic round-trip coach ticket, depending on availability - US Airways mileage program will divide into three or four levels. For domestic tickets, fliers will need to redeem 25,000, 40,000, or 60,000 miles, based on the availability of tickets.

For travel to Europe, the two existing levels for round-trip coach tickets - 50,000 and 100,000 - will be replaced by four tiers ranging from 35,000 to 125,000. That means that low-demand travel - such as going to Dublin, Ireland, in mid-January - could cost fewer miles, while high-demand flights - such as heading to Rome in July - could cost more miles. But that will depend on how the airline classifies the demand for the flights.

The new program, called GoAwards, takes effect Jan. 6.

US Airways spokeswoman Valerie Wunder said the changes will allow customers to have more flexibility in choosing their awards.

"If you're traveling on a day that is a premium day, yes, you will probably need to use some more miles," she said. "But we're also offering more flexibility, so maybe you can find a day when you don't use as many miles."

The changes come as US Airways, like other major airlines, is looking for ways to save cash as it continues to lose money because of a drop-off in travel. The airline in recent years has added fees for checked bags and for choice seats, and it has cut out complimentary pretzels.

On its frequent-flier program, called Dividend Miles, US Airways last year started charging fees to redeem award tickets, and it has started enforcing requirements that customers have active accounts or risk losing their miles.

The airline said no cost savings are associated with changing its frequent-flier program. However, airlines count unredeemed award miles as expenses on their balance sheets, amounts that would decrease if fliers cashed in more miles. At the end of 2008, US Airways was recording a \$151 million expense associated with unused miles, according to securities documents.

***Jay Sorensen, president of Wisconsin-based IdeaWorks, an airline consulting firm, said the industry has been slowly moving away from its "original sin" of pegging miles required for an award to the distance flown, as opposed to aligning it with the cost of the ticket. Delta Air Lines and United Airlines also have recently changed their programs to better reflect a ticket's cost.***

***He said US Airways' change could be a boon to some travelers, especially if they're able to use miles for flights that were previously unavailable to them.***

***But it could also lead to cutbacks in the availability of tickets that cost fewer miles.***

***"My fear is that it helps legitimize their practice of being very stingy with rewards at the lower levels," he said.***

On Monday, some contributors to the online discussion board FlyerTalk.com were skeptical of the change.

Wrote CPRich from Pittsburgh: "'We have enhancements for you' is rarely good from US (Airways)."