



## Business Travel News

### US Air Realigns Sales, Delta Pushes Pilots

By David Jonas

*-- Selected excerpts from the article --*

OCTOBER 04, 2004 -- Amid talk of a possible liquidation, bankrupt US Airways in recent weeks completed a reorganization that eliminated several corporate sales positions while emphasizing newer distribution models, analytical support and growth areas within its system. The changes reflect US Airways' direction toward a simplified fare structure, a point-to-point system and a lower-cost operation. Though the airline said existing corporate accounts would not be impacted directly, many buyers are aware of such larger issues as labor costs, fuel prices and a dwindling cash balance that may prevent US Airways from surviving the winter. . .

As travel managers brace for potential changes to preferred supplier portfolios and develop contingency plans, many US Airways frequent flyer program members wonder if they should redeem their accrued points.

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***"Airlines entering the liquidation phase, in which operations cease and the assets are sold, are likely to demonstrate little concern for unused award tickets or unredeemed miles," according to a recent report issued by IdeaWorks, a brand development and marketing consultancy. "Unused mileage will likely be rendered worthless."***

***IdeaWorks said potential US Airways award tickets outstanding in 2003 exceeded 6 million, with total award liabilities near \$85 million.*** "We are telling travelers who have frequent flyer miles to cash them in," said Bose's Polito.

Meanwhile, regional jet manufacturers Bombardier and Embraer suspended the balance of huge orders placed last year by US Airways. The carrier cannot accept delivery of new aircraft unless it re-emerges from bankruptcy protection and reworks financing terms. The orders were to represent a cornerstone of US Airways' restructuring plan by providing growth opportunities on short- and medium-haul routes

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