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TRAVEL INSIDER

The skies won't be so friendly to your wallet this summer

Fares are rising due to increased demand. Fliers are advised to book soon or wait until the fall to travel.

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Travel Insider

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You'd better hope your wallet sprouts wings this summer.

Leisure air tickets were running 9% higher for domestic travel compared with last year in the four weeks ending May 9, said Bob Harrell, president of New York-based Harrell Associates, which tracks these fares.

Prices for airline tickets recently sold by Orbitz for international travel June 1 through Aug. 31 were up 13% over last summer, the Internet travel seller reported.

Starting in June, round trips between Los Angeles and Europe will typically cost \$1,000 or more, travel agents report, compared with some winter prices that dipped below \$400.

In July and August, expect to pay nearly \$600 or more for round trips to Hawaii from Los Angeles, about twice what they cost in winter, according to the "Lowest Fares" chart published in the Times' Travel section.

Even now, the cheapest fares are fast disappearing.

When I asked Kathy Sudeikis, president of the American Society of Travel Agents, based in Alexandria, Va., what's hot in travel this summer, she responded: "What's not hot is waiting [to book]. Those airfares are only going to go up."

She added, "If you don't have to travel in June, July or August, don't." Other industry insiders offered the same advice.

There are many reasons for the high cost of flying this summer, but they come down to one principle: When demand for a product increases and the supply doesn't, prices go up.

Summer is always a peak travel season, as millions of families with children strive to squeeze vacations into the same few weeks. And passenger traffic is already up this year — more than 5% in the first quarter, according to the Air Transport Assn.

Meanwhile, airlines, for the most part, aren't adding flights. Total takeoffs were about the same in the first quarter this year as last, the ATA reported.

Awash in red ink and wounded by high fuel prices, the so-called legacy carriers, such as Continental, Delta, Northwest, United and US Airways, can't afford to fly with empty seats. So they just fly fuller.

The picture for travel in the U.S. seems somewhat better than for Europe. Taking advantage of their financially weaker competitors, low-cost carriers such as JetBlue and Southwest are adding flights. That puts pressure on prices.

Here's how summer airfares are shaping up, region by region:

Europe: "If you find anything less than \$1,000 for an LAX-London round trip, run — don't walk," said Brian Clewer, who owns Continental Travel Shop, an airfare consolidator in Santa Monica. "If it's much less than \$1,000, it's too good to be true."

One factor: Europeans, drawn by the cheap dollar, are coming here in droves.

The lowest LAX-London base fare Clewer has seen for this summer is \$728, versus \$699 last summer. But the real problem is that by Easter, the lowest fares were gone.

Just how many of the cheap seats there were is hard to say; this is a closely guarded secret in the airline industry. But given how quickly the low fares sold out, Clewer figures there were far fewer than last summer.

On top of the base fare, taxes, fees and up to \$60 in fuel surcharges can add more than \$175 to a transatlantic ticket.

"When you add the taxes and fuel surcharges, people are in shock," Clewer said.

Clewer's advice: Don't book lodging in Europe this summer until you get your airline ticket. Even better, consider taking your trip in the fall, when prices fall. LAX-London round trips dropped to \$695 in September from \$1,011 in August. (Using Orbitz, I searched on May 11 for trips Aug. 2 to 9 and Sept. 13 to 20. These fares may no longer be available.)

Latin America and the Caribbean: The Caribbean, Mexico and Central and South America could be the Europe alternative this summer for globe-trotting Americans. The dollar is stronger than it is in Europe, plus there are some fare deals.

American Airlines, for instance, on May 11 advertised round trips for \$248 between New York and St. Thomas in the U.S. Virgin Islands and \$158 between Miami and San Juan, Puerto Rico. (These fares may no longer be available.)

There are more deals because there are more flights. Low-cost carriers, such as JetBlue and America West, have been strengthening their footholds in the Caribbean and Mexico. Legacy carriers, fleeing domestic competition, are adding flights too because Latin America is the nearest foreign region they can serve with existing aircraft, said Michael Allen, chief operating officer at Back Aviation Solutions, an aviation consulting company in New Haven, Conn.

Hawaii: Demand is rising, and so are prices. The lowest published round-trip fares from LAX for July, on average, were recently \$597 to Honolulu and \$714 to Kona on the Big Island, versus \$577 and \$685 in July last year, said Amy Bohutinsky, spokeswoman for Hotwire, a discount Internet travel seller.

Mainland U.S.: Although fares are up, that's a recent trend. Lately, we've been paying less to fly in the U.S. on average than we have in the last five years, according to federal statistics for the fourth quarter 2004, the latest available.

Some legacy airlines have announced fare increases this year to cover higher fuel costs, including a round earlier this month. But faced with low-cost competition, many have backed off or raised fares only on certain routes.

In fact, one way to shop for cheap fares is to look at cities where low-cost carriers are moving in and price wars are heating up. Fares in Philadelphia, for instance, fell more than 15% in late 2004 after Southwest started flying there.

Other tips for saving, from Hotwire's Bohutinsky:

Travel on a Tuesday or Wednesday, when fewer people leave on trips. Avoid holidays. Fly into high-traffic hub cities, such as Chicago and Dallas, where competition helps keep prices low.

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