

ME PRODUCTIONS

AS PUBLISHED IN:

Orlando Sentinel

February 2003

Meeting pros brace for fallout in case of war

Companies are asking for "war clauses" in their contracts that would allow them to cancel and get refunds

By Jerry W. Jackson

Business travelers are beginning to closely monitor signs of a pending war with Iraq, with some companies already taking steps to prepare for disruptions in meeting and conference schedules.

If bombs start dropping in the Mideast, business meetings in Orlando and other cities could come to a grinding halt, as they did immediately after the Sept. 11 terrorist attacks.

Companies worried about the rising prospects of war with Iraq are now asking for "war clauses" in their meeting or conference contracts that would allow them to cancel at the last minute and get refunds, said Mike Quatrini, general manager of the Orlando office of M.E. Productions, an event-management company.

"We've never had war clauses. Hurricane clauses, yes, but not war clauses," Quatrini said. Corporate customers are worried, he said, that they will lose deposits if war breaks out and their meeting is canceled.

This particular war would be even more problematic because of widespread fear that lone-wolf terrorists would strike at random around the world if a U.S.-led coalition attacks Iraq. Such concerns did not arise, for example, during the Persian Gulf War.



Mike Quatrini
General Manager

But canceling an event at the last minute hurts the event-management companies too, Quatrini said, so M.E. Productions is negotiating compromise opt-out clauses that would at least ensure his company is paid for its advance work. "We think it's fair that out-of-pocket costs be shared by both sides," Quatrini said.

The National Business Travel Association found in a recent survey, that while most companies continue to travel on business even as the threat of war increases, 26 percent are already restricting employees to essential travel only.

In a survey of more than 150 corporate-travel managers, the trade association also found that 62 percent are at least evaluating trips on a "case by case" basis, while 38 percent have instituted new procedures for communicating with the home office while traveling.

A majority of those surveyed -- 60 percent -- said the recent increase in the terrorist-threat level from yellow to orange, the second-highest level set by the federal government, had no direct bearing on their company's travel.

Nearly 50 percent, though, are advising employees not to travel right now to high-risk areas such as predominantly Muslim countries, and 19 percent are restricting all international travel for the time being.

