



By Joshua Freed

Airlines add fees, and some fees on top of fee

IdeaWorks contributed information and quotes to this article

June 21, 2009 MINNEAPOLIS (AP) — As if charging \$15 to check a bag weren't enough, two airlines are asking for \$5 more beginning this summer if you pay at the check-in counter — a fee on top of a fee.

Of course, you could always pay your baggage fee from home. The airlines call it the "online discount."

If airlines can get away with that, what's next? Rather than raise fares in the middle of a recession, they're piling on fees to make money — fees for bags, fees to get through the line faster, even fees for certain seats.

United Airlines alone expects to rake in more than \$1 billion this year in fees ranging from baggage to accelerated frequent-flier awards. That's more than 5 percent of its revenue.

The most likely new fees are those that some airline, somewhere, has tried. Fees usually originate with one or two airlines, and competitors watch to see whether passengers accept them or revolt. For instance:

- US Airways and United are hitting passengers up for \$5 to pay their baggage fees at the airport instead of online. United implemented the fee June 10, while US Airways will put it into effect July 9.
- If you want to select an exit row seat on AirTran and enjoy the extra legroom, expect to cough up \$20.
- Allegiant Air, a smaller national discount airline, charges a \$13.50 "convenience fee" for online purchases, even though most other carriers encourage purchases direct from their Web site.
- European discounter Ryanair charges for something everyone has to do if they want to fly: check in. It's 5 euros, or about \$6.75, to check in online, double for passengers who pay at the airport. Ryanair plans to eliminate airport check-in desks.

- ***Spanish airline Vueling charges a fee to pick a seat. Any seat at all. A "basic" seat behind the wing runs 3 euros. For 30 euros, travelers can choose an aisle or window seat and guarantee that the middle seat will remain empty.***

"They need to chill out with those," said a frustrated Jim Engineer, a public relations executive waiting for a flight out of New York's LaGuardia. "Charging for a glass of water and seats just translates into unhappy customers."

As recently as last year, most fliers only came across a fee if they checked three bags or sent a minor child across the country. Most people, most of the time, traveled fee-free.

But that began to change last spring. Spiking jet fuel prices and passenger resistances to higher fares started airlines looking around the cabin for things they could charge extra for.

Passengers are finding it's a lot easier for the airlines to add the fees than to take them away.

"They're going to keep nudging them up until they run into market resistance," said Ed Perkins, a contributing editor at the Web site Smarter Travel.

That's what happened at US Airways. It tried for seven months to charge for soda and water but gave up in March after no other airlines took up the idea. And Delta scaled back a plan to charge \$50 to check a second bag on all international flights. Instead, the charge will apply only on flights to Europe.

United has been a leader in finding ways to charge passengers separately for things. Some are for perks coach travelers used to get for free, like food. Others are new services altogether, like United's door-to-door luggage service via FedEx.

Airlines say fees are part of "a la carte" pricing that allows them to hold the line on fares. Rather than charge higher fares to everyone, they say, passengers can pick and choose the extras they want to pay for.

Ideas for fees don't come out of thin air. Last month in Miami most of the big U.S. carriers and many overseas airlines attended a conference devoted to a-la-carte pricing and fees. (Motto, next to a cartoon of an airliner: "Discovering the flying store.")

Some fees stretch the imagination: The CEO of European discount carrier Ryanair has floated the idea of charging for lavatory use and sick bags. But even he hasn't gone ahead with what appears to have been a publicity-seeking gambit, and no other carrier has suggested such a charge.

Still, there's no rule against such a fee in the U.S., according to the Department of Transportation and the Federal Aviation Administration.

Delta Air Lines Inc. and AirTran Holdings Inc. say they have no plans to tack a fee on to carry-on bags, an idea that would almost certainly annoy passengers just getting used to paying for checked baggage.

It would also put airline workers in the awkward position of deciding whether that bag on your arm is a big purse, presumably free, or a lumpy suitcase. Already, fees for checked bags have made finding space in the overhead bin tougher.

And even if carry-on bags stay free, United is already offering a "Premier Line" check-in for \$25. It allows fliers to get through check-in and security faster and board earlier.

That guarantees some of that precious overhead space — so in a way, it's like a carry-on fee, said Jay Sorensen, president of IdeaWorks Co., an airline consultant who has written a guidebook for airlines seeking "ancillary revenue," the industry term for fees and extra services such as airline credit cards.

Matthew J. Bennett, CEO of FirstClassFlyer.com, said he thinks travelers in the front of the plane will remain immune from the nickle-and-dime fees airlines aim at coach passengers.

For those in coach, though, "What they are going to charge for in the future is anything that's not bolted down."

"They've already gotten sufficient revenue from them," Bennett said. "All they're saying to coach-class travelers is 'We really haven't gotten enough from you.'"