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## Now boarding: higher fees for air travelers

By Christopher Muther

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

The millions of Americans who boarded flights last week to escape for the three-day weekend may be among the last to enjoy checked-bag fees under \$30 on major US carriers.

Last week, JetBlue and United Airlines announced they are raising the charge for the first checked bag to \$30 from \$25. Several industry experts say it's only a matter of days or weeks until Delta, American Airlines, and Alaska Airlines follow suit.

"The airline industry is very much one of monkey see, monkey do when it comes to commercial positions," said Henry Harteveltdt, a travel industry analyst for Atmosphere Research Group. "I would not be surprised if we heard announcements tomorrow, or sometime this week, from American, Delta, or Alaska about their intentions to raise fees."

Currently, the only US carrier that does not charge to check a bag is Southwest Airlines. Outside of the United States, Air Canada and WestJet also raised baggage fees last week.

Experts contend these charges will continue to rise, allowing airlines to increase ancillary income — the amount collected through fees, optional services, and loyalty programs. Those fees have kept airlines in the black.

"The latest baggage fee hikes prove one thing: They work," said Gabe Saglie, a producer for the website Travelzoo, which offers travel deals. "Ancillary fees have become an increasingly effective income generator for airlines, with checked bags leading the way."

*According to a study from the consulting firm IdeaWorksCompany, which focuses on the airline industry, ancillary income for the top 10 international carriers in 2007 was \$2.1 billion. In 2017, that figure had risen to \$29.7 billion.*

*The additional fees are even higher among low-cost carriers that entice customers with their impossible-to-resist low fares.*

***More than 45 percent of Spirit Airlines' revenue in 2017 came from charging for seat selection, luggage, bundled offerings, and promotions. To break that down further, the average Spirit passenger paid about \$51 in fees per flight in 2017. In some cases, that was more than the cost of the flight itself. In 2008, the average Spirit customer paid about \$19 in fees.***

***Iceland-based WOW has been attracting passengers with \$99 flights from Boston to Europe (with a connection in Reykjavik). But the average WOW customer paid almost \$50 in ancillary charges per flight in 2017.***

None of the low-cost carriers have announced baggage fee increases.

As the major airlines face increasing competition from budget airlines, as well as rising fuel costs, ancillary charges are becoming more important for keeping a healthy bottom line. The trade group Airlines for America reported that the cost of jet fuel rose from \$1.46 a gallon in 2016 to \$2.09 a gallon in 2018. According to the organization, a rise of a penny per gallon equals an extra \$200 million in industry fuel costs per year.

Fuel prices aside, some lawmakers are demanding limits on airline fees.

Senator Ed Markey of Massachusetts and Senator Richard Blumenthal of Connecticut, both Democrats, called on Congress last week to pass legislation that limits exorbitant airline fees. The two reintroduced a bill called the FAIR Fees Act (FAIR stands for Forbid Airlines from Imposing Ridiculous fees). The bill would direct the Federal Aviation Administration to establish standards for assessing whether baggage, seat selection, same-day change, and other fees are reasonable.

But Hardeveldt said the chances of the legislation passing are slim under the current administration.

“Elaine Chao, the secretary of transportation, used to sit on the board of Northwest Airlines, Hardeveldt said. “So she is definitely going to be in the favor of the airline industry. And the Trump administration is trying to be a friend to business. In fact, it concerns me that certain legislation passed under the Obama administration may be either diluted or eliminated, which would make it harder for consumers to really determine the truth about the price of their flight.”

“I am completely over the extra charges,” said frequent traveler and East Boston resident Carl Dalessandro. “I think the only thing a rise in baggage fees will do is make overhead bin space more cramped and people angrier.”

Despite grumbings about the increases from consumers who are fed up with tight seats and overbooked flights, not everyone feels that ancillary fees are bad.

***“A retail-savvy airline gets the consumer to spend as much money as the airline can. It’s not evil, it’s just good business,” said Jay Sorensen, author of the IdeaWorksCompany study, funded by CarTrawler. “It would become evil if it was done deceptively or nontransparently.”***

***Sorensen added, however, that even though he sees the hike as good business on the part of the airlines, it’s still a hit for traveling families.***

***“Yes, it’s only a \$5 increase,” he said. “But if you multiply it by a family of four and it’s round trip, that’s an extra \$40, and that’s real money for a tremendous amount of people. My other disappointment here is that the airline industry has pocketed a tremendous amount of revenue from baggage fees, but very little has been done to improve the product experience for the consumer.”***

But like it or not, Saglie said travelers should brace their wallets for additional turbulence.

“Easy add-ons that offer a little extra convenience are also low-hanging fruit,” he said. “The introduction of new or increased fees for preferred seating or in-flight perks is not out of the question.”