

US Airlines to charge more fees for Bag-checking

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U.S. airlines are slowly ratcheting up their bag-check fees, like US Airways Group did on Wednesday, but analysts warn that carriers risk alienating their customers with excessive fees.

US Airways said that on domestic flights it would charge \$20 to check a single bag and \$30 to check a second bag. The carrier said it also would charge \$50 to check a second bag on its transatlantic flights.

The fees are consistent with those implemented by rival airlines like AMR Corp's American Airlines, which last week added a fee for a second bag check on some international routes.

Airlines view the new fees as fair and necessary to bolster revenue as the industry grapples with weak demand and volatile fuel prices. But for many travelers on long, extended trips, the charges, while technically optional, are unavoidable.

"Airlines are fighting for scraps here. These are penny ante policies that often catch consumers by surprise," said Joe Schwieterman, transportation expert at DePaul University in Chicago.

"It's made traveling with two bags punitive for many flyers," he said.

The airline industry, facing losses that have threatened the survival of many carriers in the last few years, have begun unbundling items and services that used to be included in the ticket price.

Last year, several top carriers took the controversial step of charging fees even for a single bag check on a domestic flight. Customers balked, but they paid.

"All of the fees are unfair for the consumers, but charging for fees is one of the only ways that the airlines can survive," said Basili Alukos, airline analyst at Morningstar.

Alukos noted that it is still much cheaper to check a bag on an airline than it is to ship the same bag through another major cargo service.

The new fees are common in the U.S. airline industry. Delta Air Lines charges \$15 for a single checked bag on travel within the United States and \$50 for a second checked bag on travel in the economy class between the United States and Europe.

Some carriers like US Airways and Delta are encouraging travelers to check their bags online by charging a \$5 airport service fee per checked bag.

"So far, it appears that consumers have pretty much embraced these fees," said Kevin Mitchell, head of the Business Travel Coalition, which represents business travelers.

Mitchell noted that when airlines first began charging for second and first checked bags last year, analysts predicted the initiative would net airlines about \$400 million a year in ancillary revenue. That figure is now over \$2 billion a year for U.S. domestic carriers, he said.

"The airlines are not going to let up in looking further for anything they can charge for that's not nailed down," Mitchell said. "They're running the risk of turning travelers off with all the nickel and diming, because that's how it's perceived." {moscomment}