

The Video Channel That Challenges The Status-Quo

Senate Hearings December 4, 2024

Airline "Junk" Fees

Looking At The Facts, Hype, Doggerel and Misinformation

This subcommittee has also misled the public with non-factual claims and accusations

Aviation Unscripted

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Cutting to the bottom line...

On December 4, the Senate held hearings on what were described as airline "junk" fees. The unquestioned premises of the subcommittee and the preconclusions of the committee, before the hearings even started were:

- Airlines are colluding to gouge passengers with fees
- Airlines intentionally hide fees until after the booking
- Airlines are colluding to develop "means tested" individual passenger fares
- Airlines are trying to stop efforts to make fees transparent
- Airlines force consumers into giving pre-booking personal info they can misuse.



How the hearings were pre-determined

None of these pre-conceived conclusions are accurate.

In fact, as stated in the hearings, they are misleading.

In a few, they are rampantly false.

BUT

The hard reality is that the airline industry has unfortunately encouraged negative views by inept and in some cases stupid implementation of rules and fees that are in fact viewed as anticonsumer. It is that perception, and it's reality for now.



In this video, we'll review briefly each of the comments from the senators' sessions.

The commentary is direct and unvarnished.

It is of note that none of the aviation media has dared to take issue with the true implications of this hearing.



Senator Hawley Illuminated The Challenge

This is what the airline industry must address. *This view is likely largely shared in the public,* and it is certain customer service approaches that validate this view in the public. *Watch... he likely reflects the feelings of millions of consumers.*



Okay, let's review the questions and positions of each of the four senators participating at this hearing.

The comments are on the left, with factual review on the right of each.



First, The Airline Introductions



Each airline presented the perfunctory outline of its service and philosophy. United drilled directly and professionally into pointing out it has been reducing fees for certain services and other specific customer service initiatives.

However, the enormously-backfiring Frontier "bag bounty" program as well as its confusing array of fee rates became a *cause celebre* that spattered mud unnecessarily on the other carriers. The Frontier rep was poorly prepared to respond to Senator Hawley's legitimate inquiries regarding fee variances.





Claims airlines hide seat fees from customers

Not true. Take a try at booking on AA or NK or DL. The fees are there.

Claims airlines will charge fares based on means-testing for each passenger

A repeated thread from the sub-committee, which is fatal to their credibility.

Claims that airlines intentionally charge family seat fees

When a family of four booked after the freebies were gone, they had to pay the (silly) "choice seat" fee like everybody else. For an identical seat, by the way. Family exemptions are now in place. Airlines got themselves into this one.

Accuses airlines of trying to stop fare transparency

The bill demanding transparency is bogus, and implies there are routinely hidden fees after the booking.



Accused airlines of charging for services that do not entail more expense.

Accused airlines of intending to set fares based on passenger-to-passenger personal information.

Confused the difference between opting for a higher level of service over the base economy fare and the consumer decision to upgrade.



Maintained that since a seat with more legroom costs the airline no more than another seat, an upgrade fee was outrageous. *The value to the passenger is the issue,* Senator. Penalty points here.

The comments about charging fares based on specific passenger data were babbling and irresponsible nonsense. More penalty points to the sub-committee.





Hit hard on Frontier "bag bounty" paying gate staff to catch passengers with oversize – any centimeter of overisize -carry-on

The senator denounced the program where F9 pays gate staff to ferret out passengers whose carry-on does not meet their size standards. Just enforcing the "rule" has been replaced by incentives to find "offenders." Award this one to Senator Blumenthal.

Played a video of an interaction where a passenger was denied boarding over a gatebag dispute. Pay \$99 bucks or stay home.

The video shows that this policy <u>as implemented</u> comes across like extortion. Pay a huge sudden fee or you don't get on. Not acceptable customer service.

Charging them a last-minute \$99 fee is punitive, not good service.





F9 & Spirit are using algorithms to target specific passengers & charge them higher fares

This is supposition based on his pre-conceived bias, not facts. Connected to the dishonest claim that airlines first collect personal info and use it to adust fares when bookings are made.

Claims seat fees are evil

Agreed, fees for "choice seats" that have no variance with others is just fear-mongering that all will be left are middle seats. Airlines should expect criticism.

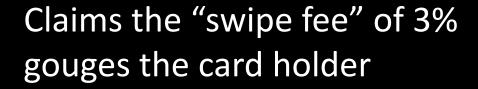
Claims no expense for checked bags

Sorry, senator. It does cost manpower and other factors to handle a checked bag. Your claim to the contrary erodes your credibility.



Ranking Member Senator Marshall

Implies that credit card rewards programs gouge passengers



States that these incestuous bank/airline deals are non-competitive



A confusing interaction that conflated credit card fees with incentive programs and with frequent flier systems.

The senator has a pending bill to regulate airline credit card programs.



Senator Hassan



Accused United and Delta of not guaranteeing that families can sit together without extra fees

Airlines clearly explained that they make efforts to put families together, and in any case exempt families from seating fees.

Accuses airlines that demand passengers provide personal information before revealing total fees.

Her claim that booking starts with personal info before fares are displayed is <u>complete dishonest</u> <u>garbage</u>. That info is after flight and fee selection.

The good senator made <u>false</u> <u>claims</u> about the above.

That info is federally required to book a seat.

Really ill-informed righteous babble that did nothing but mis-inform the public. She does not know what she is righteously talking about.



Senator Hawley



Drilled into the policy at
Frontier of paying agents to
seek out oversize carry-on and
get a "bounty"

Notes different bag fees for different customers – between \$15 and \$99.

Says pax must enter personal info before they see total cost.

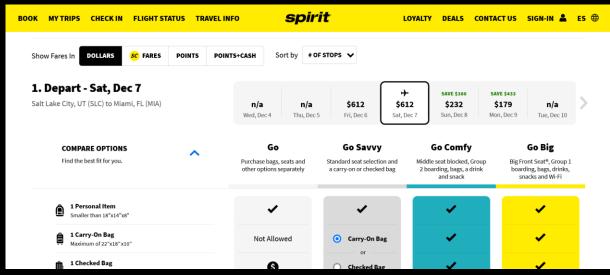
The Frontier bag-bounty system was correctly called out. To be clear, it is a service disaster that makes the airline look like gate Gestapo. It's not a program for "fairness" when the fee at the gate is a punitive \$99. Senator Hawley is on the money.

Unfortunately, the Frontier rep was clueless to explain how the fees varied by passengers on the same flight. Looked inept.

Regarding the personal info issue, Hawley needs to do some homework. He's wrong.



Correcting The Senators



The fare and fees and routing are chosen before the customer enters any personal data! This panel is flat wrong.

Senator Hassan accused the airlines of using personal data to set fares. This subcommittee is misleading the public.

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The sub-committee members stated incorrectly that Spirit demands personal info before the consumer knows the cost.

The process starts with the cost as chosen and then goes into the necessary personal info. That's well after the fare and fee info are disclosed.

The implication is that airlines collect personal info and use it to set the fare. A dishonest and obviously wrong conclusion

Sorry, Senators, you should be more versed before doing any more hearings. This denigrates your entire credibility.

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The bottom line:

The tone and tenor and information expressed by this subcommittee must be a wake-up call to the airline industry.

Message: manage this situation. As a starting point, considering passengers the enemy seeking to cheat the airline is a red flag that there are problems on the airline side that encourage the misinformation and confusion we saw in congress.



Thanks for watching!

Any questions or comments or input are eagerly accepted.

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