

Congress of the United States
Washington, DC 20515

September 6, 2018

Bradley D. Tilden
CEO
Alaska Airlines
P.O. Box 68900-SEAEC
Seattle, WA 98168

Dear Mr. Tilden,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

Airline fees are on the rise, but there appears to be no appreciable increase in the costs of the services provided that may justify these higher fees. According to industry experts, airlines have recently increased checked-bag fees to offset rising fuel costs, not an increase in the marginal cost of handling a checked-bag.⁴ In fact, a 2017 report from the Government Accountability Office (GAO) found that few airlines consider a service's costs when they set the price of ancillary fees for that service. Instead, many airlines charge fees simply to artificially decrease the price of a ticket, making air travel appear less expensive than the true cost of flying.⁵ Despite airlines benefiting financially from recent tax cuts,⁶ industry experts forecast that more airlines may increase their checked-bag fees, which would put the industry on a path to exceed the \$4.6 billion in checked-bag fees collected last year.⁷

As airline fees rise, passengers' frustration with the modern flying experience continues to grow. After being enticed by artificially low airfares, passengers are bombarded with a rash of airline

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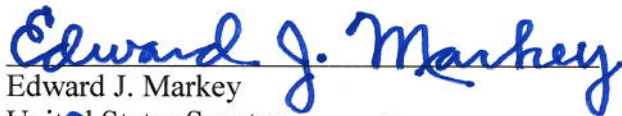
fees that can drastically increase the overall cost of flying — fees that the GAO found confusing and poorly communicated to consumers.⁸ Passengers deserve relief from this fee gouging.


In light of these concerns, we respectfully request that you respond to the following questions by September 27, 2018:

1. Does your airline intend to increase its checked-bag fee in the next three months? If yes, what will be the price for the first, second, and any additional checked bags? How much additional quarterly revenue do you project to generate as a result of the increase in checked-bag fees?
2. Please estimate the approximate cost of processing one checked bag at a typical (1) small airport, (2) medium airport, and (3) large airport. Please explain how you derive that estimate.
3. Since 2008, has there been an appreciable increase in your checked-bag processing costs, including any related labor and infrastructure costs?
4. Although passengers typically book flights weeks in advance, JetBlue Airways and United Airlines' increased checked-bag fees both went into effect immediately. If your airline also plans to immediately raise fees, how does your airline notify customers who have already purchased a ticket?
5. Does your airline intend to increase its change and cancellation fees in the next three months? If yes, what will be the new fee for changing or cancelling a flight?
6. Since 2008, has there been any appreciable increase in cost borne by your airline when a passenger changes or cancels his or her flight, considering your airline's ability to fill the vacated seat for a higher fare, the costs of processing the change or cancellation, and any related labor costs?

Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Richard Blumenthal
United States Senator


Steve Cohen
Member of Congress

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September 6, 2018

Maurice Gallagher, Jr.
Allegiant Airlines
PO Box 371477
Las Vegas, NV 89137

Dear Mr. Gallagher,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

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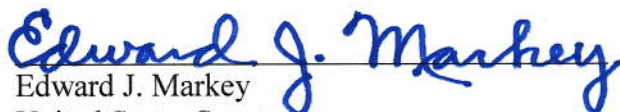
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Douglas Parker
CEO
American Airlines
4333 Amon Carter Boulevard
Fort Worth, TX 76155

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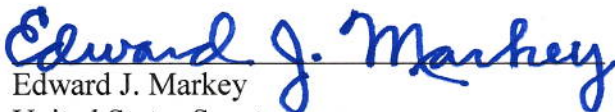
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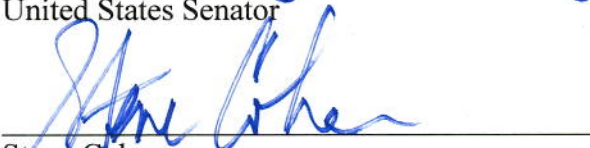
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Edward H. Bastian
CEO
Delta Airlines
P.O. Box 20706
Atlanta, GA 30320-6001

Dear Mr. Bastian,

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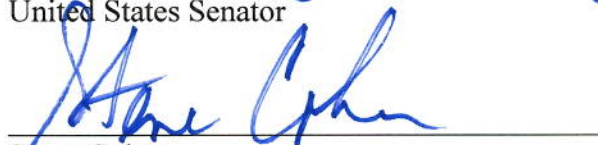
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Sincerely,


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United States Senator


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Congress of the United States
Washington, DC 20515

September 6, 2018

Barry L. Biffle
CEO
Frontier Airlines
4545 Airport Way
Denver, CO 80239

Dear Mr. Biffle,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

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Peter R. Ingram
CEO
Hawaiian Airlines
P.O. Box 30008
Honolulu, HI 96820

Dear Mr. Ingram,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

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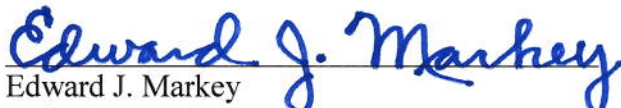
fees that can drastically increase the overall cost of flying — fees that the GAO found confusing and poorly communicated to consumers.⁸ Passengers deserve relief from this fee gouging.

In light of these concerns, we respectfully request that you respond to the following questions by September 27, 2018:

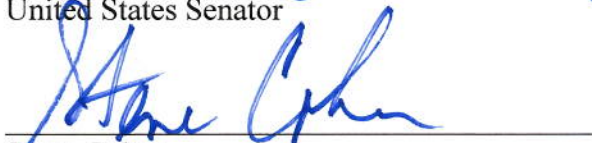
1. Does your airline intend to increase its checked-bag fee in the next three months? If yes, what will be the price for the first, second, and any additional checked bags? How much additional quarterly revenue do you project to generate as a result of the increase in checked-bag fees?
2. Please estimate the approximate cost of processing one checked bag at a typical (1) small airport, (2) medium airport, and (3) large airport. Please explain how you derive that estimate.
3. Since 2008, has there been an appreciable increase in your checked-bag processing costs, including any related labor and infrastructure costs?
4. Although passengers typically book flights weeks in advance, JetBlue Airways and United Airlines' increased checked-bag fees both went into effect immediately. If your airline also plans to immediately raise fees, how does your airline notify customers who have already purchased a ticket?
5. Does your airline intend to increase its change and cancellation fees in the next three months? If yes, what will be the new fee for changing or cancelling a flight?
6. Since 2008, has there been any appreciable increase in cost borne by your airline when a passenger changes or cancels his or her flight, considering your airline's ability to fill the vacated seat for a higher fare, the costs of processing the change or cancellation, and any related labor costs?

Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Richard Blumenthal
United States Senator


Steve Cohen
Member of Congress

⁸ Gerald L. Dillingham, Ph.D. et al., *Commercial Aviation Information on Airline Fees for Optional Services*, Washington D.C., Government Accountability Office, September 20, 2017.

Congress of the United States
Washington, DC 20515

September 6, 2018

Robin Hayes
CEO
JetBlue Airways
27-01 Queens Plaza North
Long Island City, NY 11101

Dear Mr. Hayes,

We write to inquire about your airline's recent decision to increase its fees. Last week, your airline raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ The airline also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also raised fees for the first checked bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

Airline fees are on the rise, but there appears to be no appreciable increase in the costs of the services provided that may justify these higher fees. According to industry experts, airlines have recently increased checked-bag fees to offset rising fuel costs, not an increase in the marginal cost of handling a checked-bag.⁴ In fact, a 2017 report from the Government Accountability Office (GAO) found that few airlines consider a service's costs when they set the price of ancillary fees for that service. Instead, many airlines charge fees simply to artificially decrease the price of a ticket, making air travel appear less expensive than the true cost of flying.⁵ Despite airlines benefiting financially from recent tax cuts,⁶ industry experts forecast that more airlines may increase their checked-bag fees, which would put the industry on a path to exceed the \$4.6 billion in checked-bag fees collected last year.⁷

As airline fees rise, passengers' frustration with the modern flying experience continues to grow. After being enticed by artificially low airfares, passengers are bombarded with a rash of airline

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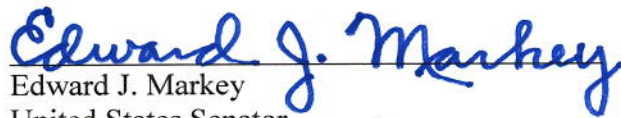
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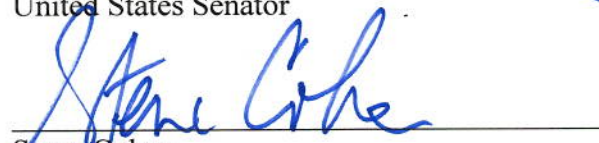
In light of these concerns, we respectfully request that you respond to the following questions by September 27, 2018:

1. Why has your airline increased its checked-bag fees?
2. How much additional revenue do you project to generate in the fourth quarter of 2018 from the increase in checked-bag fees?
3. Please estimate the approximate cost of processing one checked bag at a typical (1) small airport, (2) medium airport, and (3) large airport. Please explain how you derive that estimate.
4. Since 2008, has there been any appreciable increase in your checked-bag processing costs, including any related labor and infrastructure costs?
5. Although passengers typically book flights weeks in advance, your airline's increased checked-bag fees went into effect immediately. How were your customers who already purchased a ticket notified about the increased checked-bag fee?
6. Why has your airline increased its change and cancellation fees?
7. Since 2008, has there been any appreciable increase in cost borne by your airline when a passenger changes or cancels his or her flight, considering your airline's ability to fill the vacated seat for a higher fare, the costs of processing the change or cancellation, and any related labor costs?

Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Steve Cohen
Member of Congress


Richard Blumenthal
United States Senator

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Congress of the United States
Washington, DC 20515

September 6, 2018

Gary C. Kelly
CEO
Southwest Airlines Co.
2702 Love Field Drive
Dallas, TX 75235

Dear Mr. Kelly,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

Airline fees are on the rise, but there appears to be no appreciable increase in the costs of the services provided that may justify these higher fees. According to industry experts, airlines have recently increased checked-bag fees to offset rising fuel costs, not an increase in the marginal cost of handling a checked-bag.⁴ In fact, a 2017 report from the Government Accountability Office (GAO) found that few airlines consider a service's costs when they set the price of ancillary fees for that service. Instead, many airlines charge fees simply to artificially decrease the price of a ticket, making air travel appear less expensive than the true cost of flying.⁵ Despite airlines benefiting financially from recent tax cuts,⁶ industry experts forecast that more airlines may increase their checked-bag fees, which would put the industry on a path to exceed the \$4.6 billion in checked-bag fees collected last year.⁷

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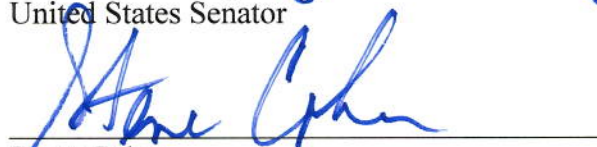
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Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Richard Blumenthal
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Steve Cohen
Member of Congress

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Congress of the United States
Washington, DC 20515

September 6, 2018

Robert Fornaro
CEO
Spirit Airlines
2800 Executive Way
Miramar, FL 33025

Dear Mr. Fornaro,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

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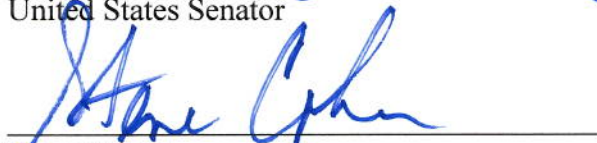
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Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Richard Blumenthal
United States Senator


Steve Cohen
Member of Congress

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Congress of the United States
Washington, DC 20515

September 6, 2018

Jude Bricker
Sun Country Airlines
1300 Corporate Center Curve
Eagan, MN 55121

Dear Mr. Bricker,

We write to inquire about whether your airline plans to increase its fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, United Airlines also increased fees for the first checked-bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

Airline fees are on the rise, but there appears to be no appreciable increase in the costs of the services provided that may justify these higher fees. According to industry experts, airlines have recently increased checked-bag fees to offset rising fuel costs, not an increase in the marginal cost of handling a checked-bag.⁴ In fact, a 2017 report from the Government Accountability Office (GAO) found that few airlines consider a service's costs when they set the price of ancillary fees for that service. Instead, many airlines charge fees simply to artificially decrease the price of a ticket, making air travel appear less expensive than the true cost of flying.⁵ Despite airlines benefiting financially from recent tax cuts,⁶ industry experts forecast that more airlines may increase their checked-bag fees, which would put the industry on a path to exceed the \$4.6 billion in checked-bag fees collected last year.⁷

As airline fees rise, passengers' frustration with the modern flying experience continues to grow. After being enticed by artificially low airfares, passengers are bombarded with a rash of airline fees that can drastically increase the overall cost of flying — fees that the GAO found confusing

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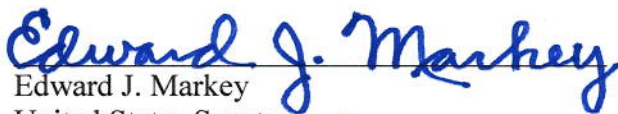
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Thank you for your attention to this important issue.

Sincerely,


Edward J. Markey
United States Senator


Richard Blumenthal
United States Senator


Steve Cohen
Member of Congress

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Congress of the United States
Washington, DC 20515

September 6, 2018

Oscar Munoz
CEO
United Airlines, Inc.
PO Box 06649
Chicago, IL 60606-0649

Dear Mr. Munoz,

We write to inquire about your airline's recent decision to increase checked-bag fees. Last week, JetBlue Airways raised fees for a passenger's first checked bag from \$25 to \$30, while also increasing fees for second and third checked bags by \$5 and \$50, respectively.¹ JetBlue also raised change and cancellation fees from \$150 to \$200 for certain flights.² Shortly thereafter, your airline raised fees for the first checked bag from \$25 to \$30, and increased fees for a second checked bag from \$35 to \$40.³

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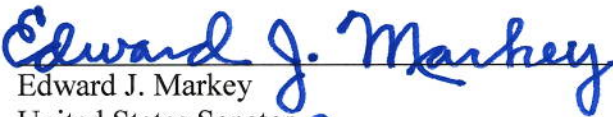
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