

by [Jason M. Breslow](#)

It would seem the airlines have exhausted all possible options when it comes to the fees they now charge passengers for amenities and services. But with the cost of fuel continuing to climb, carriers are likely to continue the search for new sources of revenue.

Beverages, headphones, pillows and extra leg space cost extra. The latest fee to hit passengers took effect Wednesday as US Airways Group Inc. began charging an additional \$5 on certain flights for an aisle or window seat.

US Airways was also one of the five major carriers, including UAL Corp.'s United Airlines, that on Monday began charging some passengers as much as \$50 roundtrip to check a second piece of luggage. At United, which spent \$1.57 billion on fuel in the first quarter, officials estimate the new policy will generate more than \$100 million in annual revenues and cost savings.

The cost structure at most airlines "is just about as under control as they can get it," according to Daniel Petree, a professor and dean of the college of business at Embry-Riddle Aeronautical University. Thus, airlines have no real choice but to explore "this kind of a la carte pricing model," he said.

Petree said it would not surprise him to see airlines "start charging based on when you want to board the aircraft."

Bejar Raphael, chief executive officer of Airsavings SA, said Americans can look to Europe for a glimpse of what's to come. European carriers, he noted, typically enact new policies between eight and 18 months ahead of their American counterparts.

One of the largest developments underway abroad, said Raphael, is a fee travelers must pay in order to access in-flight broadband service. JetBlue Airways Corp. has already begun testing broadband on some flights. Virgin America Inc. has announced it will begin offering broadband on certain flights this year through a partnership with Itasca-based Aircell LLC.

"This is an extra charge that you can have on the plane, and I really believe that very soon most of the carriers will have to have this," Raphael said.

He also predicted that airlines may soon put an emphasis on allowing passengers to purchase not only tickets on their Web sites, but hotel rooms and rental cars. Such "dynamic packaging" is already available through Delta Air Lines Inc., Raphael noted.

Dynamic packaging, he explained, allows the airline to increase "the average sale without bearing the cost of owning or operating ... hotels, rental cars, etc." Delta most likely makes an approximate 15 percent commission for all hotel and rental car reservations booked through its site, he added.



Dean Headley, an associate professor of marketing at Wichita State University, said it's difficult to imagine what airlines will be able to charge for next. Still, "they're pretty creative folks," he said.

Headley, who coauthors an annual survey of national airline quality, said he does not expect carriers will be able to uncover new revenue streams. Instead, he said, carriers will most likely increase the amounts they charge for amenities such as blankets and snacks.

"To me that's about the only way they're going to ring more out of this," Headley said. But "people will still perceive in the near term even with all these fees ... that flying is still cheaper than \$3.60 a gallon gas," he added.

Headley may be right, according to Marcie Allison, a travel agent at Chicago-based Windy City Travel Inc.

Travelers have been "very understanding" about the extra fees being charged by airlines, Allison said. Instead of getting too worked up about higher costs, customers have simply become more flexible, she said, either by adjusting their travel dates or "going to a different destination nearby."

Others are more frustrated, however, such as Barbara Jesilow, manager at Skokie-based Chez Fare Travel LLC. "I think the airlines have become pennywise and pound foolish and I think the more they charge, the less people want," Jesilow said.

"If they want more people to fly they would be giving ... more things instead of charging for more things," she added.

However, "until we find a way to power flying machines with fuels that aren't derived from fossil fuels, we're going to be confronted with things we don't like," declared Jerry Chandler, a travel blogger for the travel Web site Cheapflights.com.

