

Fair and Equitable Ground Transportation Fees

Perhaps the most contentious interface between airports and airport ground operators are the fees paid by ground operators as either a concessionaire or for the privilege of serving the airline travelling public. As a concessionaire, the actual fees and charges paid are the result of competitive proposals. As such, this competition should bring about fair and equitable fees for ground transportation operators, but in situations where customer service level is hard to define and measure, often fees are proposed which far and away exceed the ability of the bidder to fulfill. Once a concession agreement is signed however, it is often difficult and time consuming to dissolve. Thus, ground transportation concession agreements should be competitive and may want to establish intended fees – letting competitors compete on intended service levels and fares within these intended fees.

Non-concession airport access privilege fees for ground transportation operators can take several forms, such as a per trip access fee, a dwell time fee, a vehicle and/or driver registration fees, inspection fees, drop-off fees, or even municipal convention center fees based on a per trip basis. These fees also need to be fair and equitable with respect to the airport cost of providing access as well as other facilities such as holding areas and waiting facilities and a fair contribution to the overall cost of building and maintaining the airport complex. These fees should not be arbitrary or capricious. They should be supported by appropriate comparisons to costs, other airport fees, or both. And, these fees should not be set as a mechanism to hold up the rates of other ground transportation operators or operations of the airport. Finally, these fees should pertain to the actual use of the airport, irrespective of the ownership of the ground transportation, whether private or publically provided.

Stating that these fees should be fair, equitable, non-discriminatory, arbitrary, or capricious is easier said than done. Airport administrators often look to other airports in setting these fees and no one wants to set them lower than the average for airports of similar size and markets, so there is a continuous ratcheting upward of fees as this process is carried out over the years. Airports and ground transportation operators should be willing to bargain in good faith over the level of these fees and the impact on provider revenues and cost to the ultimate user. As these fees approach and exceed ten percent (10%) of customer fares, both airport and operator should realize the impact may be detrimental to this service being offered as a ground transportation option and work together for a fare/fee arrangement that attempts to not only meet the financial objectives of the airport, but also the need for the operator to keep airport fees at a level which permits profitability and continuance of service.