

To OST

FEES: Per Ticket vs. Per Plane

1. Charging a fee per ticket would penalize Passengers with raised rates and Airlines would just raise rates and pass them on to the consumers. The operation would be trying to change the Consumer to choose not to fly at the max time but would the Airlines give the consumer better choices with no incentive on their part.

2. Charging a fee per Plane would be more efficient. But the larger the plane the smaller the fee and the smaller the plane the larger the fee. Goal to move more people over a certain time period but with less planes. Currently, Airlines use planes that are full and they overbook them. Bigger planes cost them more money. The Fee on the small plane Vs. the larger plane is to encourage the Airline to use higher seating planes even if they do not get the plane full. Market Discounters will sell the empty seats at discount prices. Consumers will still get higher prices due to the increase in the plane size but the extra seats will allow some Consumers seats at discount.

In Summary, Plane fees need to be structured to encourage the Airlines to increase the number of seats during the peak time periods and the excess seats will (discounted) to help to lower the cost of the flight. More seats means more people traveling in the peak period with less planes. With certain flights increasing in size then more people can travel outside of certain hubs.