

Airline halts fee, lifts ban on tips

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American in accord with Logan skycaps

By Jonathan Saltzman, Globe Staff | May 30, 2008

American Airlines, bowing to pressure yesterday from some of its lowest-paid workers, agreed to drop a \$2-per-bag fee for curbside check-in service at airports throughout the country and to lift a ban on tips for skycaps at Logan International Airport.

In exchange, American skycaps at Logan agreed to drop a federal claim that accused the airline of imposing the tips ban May 1 in retaliation for the skycaps' recent victory in a lawsuit against the world's largest airline.

Last month a jury in US District Court in Boston awarded a group of nine current and former skycaps about \$325,000 for tips they lost when the airline implemented the curbside baggage fee in September 2005.

Yesterday's agreement, which lawyers for both sides hastily reached in the corridor of the federal courthouse to avoid a court hearing on the tips ban, buoyed several skycaps who said their income has plunged because of the \$2 baggage fee and the prohibition on gratuities.

"I feel vindicated," said Don DiFiore, an American skycap at Logan since 1983. "We've gotten rid of the \$2-a-bag charge, and we're going to have some language on the sign [at the curb] saying tipping is allowed now."

But other skycaps in Boston who have taken on their employer said American made the concessions, which take effect by June 15, after doing some simple math that showed it could more than offset the loss of the \$2 with another new charge.

American, struggling to make money amid record-high fuel prices, announced last week that on June 15 it will start charging many customers traveling in domestic coach class \$15 to check in a piece of luggage, either inside the terminal or at the curb. The first-bag fee follows American's recent decision to join the industry trend of charging anyone who is not among the most loyal or lucrative customers \$25 to check a second piece of luggage.

"They're making seven times as much" with the new \$15 fee than the airline did with the \$2 fee, said Tony Pasuy, another longtime American skycap. "Why do they need to nickel and dime the passengers when they're making seven times as much?"

He and the other skycaps said they were concerned that the new, higher fees will discourage passengers from tipping them as generously as they had in the past. Pasuy testified at the federal trial that he sometimes made \$200 a day in tips before the curbside fee went into effect.

The four-page agreement released late yesterday afternoon does not address whether the approximately 18 American skycaps at Logan will get to keep raises in hourly wages that they received after the curbside fees went into effect. The airline promised them another raise after the tips ban began.

Tim Smith, a spokesman for American, said he does not know whether the airline will roll back the hourly wages as a result of the concessions. When American established the curbside fees, its Texas-based subcontractor, G2 Secure Staff, raised the wages of skycaps from \$2.63 to \$5.15 an hour. Most of the skycaps were promised a raise to \$12 an hour when the tips ban went into effect.

Smith acknowledged a link between the airline's decisions to jettison the \$2 fee and impose the new \$15 first-bag fee for many domestic passengers who buy their tickets beginning June 15.

"It makes no sense, if you're having a separate distinct fee that happens to be higher, to have a separate additional smaller fee," he said.

However, he said it was wrong to suggest that the airline will be making seven times as much on the \$15 fee. He estimated that less than a quarter of American's domestic passengers will pay the new fee because of various exemptions that apply to frequent customers and others.

Yesterday's agreement will not stop Shannon Liss-Riordan, a lawyer for the skycaps, from pursuing another pending class-action suit on behalf of American skycaps in airports across the country. Like the nine skycaps at Logan who won their lawsuit in April, American skycaps elsewhere in the country contend that they lost tips when the airline imposed the \$2 curbside baggage fees three years ago.

Liss-Riordan has also filed suits on behalf of skycaps who work for US Airways, United Airlines, and JetBlue Airways Corp., challenging similar curbside fees. She said she hoped those airlines follow American's lead and drop those charges.

"We urge the airlines not to continue the \$2-per-bag charge, which passengers mistake as the skycaps' tips," she said.

Sebastian White, a spokesman for JetBlue, said that the airline's lawyers will look at the agreement, but that the airline has made no decision about its own curbside check-in fee.

Megan McCarthy, a United Airlines spokeswoman, said her employer does not discuss ongoing litigation. US Airways was not immediately available for comment.

Both sides reached yesterday's agreement after US District Judge William G. Young urged them to try to settle the dispute before he held a hearing. The skycaps had requested that Young issue an order lifting the tips ban as part of a retaliation claim stemming from the April 7 verdict in his court.

A jury concluded that the curbside check-in fees belonged to the skycaps, who had testified that their tips plunged because passengers mistakenly thought that employees kept the \$2 and were reluctant to tip on top of it.

On May 1, the airline said that it planned to appeal the jury's verdict and that it had done something else: ban tipping of all American skycaps at Logan.

The ban infuriated many skycaps and irritated several passengers who told the Globe that they resented the airline barring them from giving tips.

It also prompted an activist group, Jobs with Justice, to organizing a leafleting campaign at the airport this week. Skycaps handed out leaflets urging passengers to e-mail Smith, American's spokesman, to express support for the employees.

Smith said yesterday that the agreement "removes a lot of issues that were swirling around this."

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