## **Airport Gate Competition Act**

The U.S. airline industry is suffering from historical consolidation. The industry today is dominated by five major players, which have acquired or merged with 42 other airlines since 1960. One of the reasons smaller low-cost airlines have difficulty competing with dominant airlines is that they cannot get access to airport gates for boarding and deplaning. Gate access is necessary for airlines to be able to service an airport. Dominant airlines have the power to extract commitments from airports that grant them exclusive access to a certain number of gates, keeping competitors from using the gates even when the gate is not in use and effectively creating a barrier to entry for low-cost airlines. The problem is exacerbated in "fortress hub" airports, where a single airline has exclusive or preferential use of a majority of the gates.

The Airport Gate Competition Act will increase competition in the airline industry and help make flying easier by increasing the number of common use gates, i.e., gates for shared, non-exclusive use by multiple airlines. Increasing the availability of common use gates will make it easier for smaller, low-cost airlines to operate in airports dominated by major airlines. It would also make gate use more efficient, allowing airports to accommodate more airlines and flights without the cost of building new gates and adapt more easily to flight cuts and schedule changes.

The Airport Gate Competition Act will:

- Help increase the number of gates and other airport facilities that are available to low-cost airlines by pushing airports to ensure at least 25% of gates and other airport terminal facilities are available for common use, and not more than 50% of gates and other airport terminal facilities are reserved for exclusive use by a single carrier.
  - o "Terminal facilities" include gates, ticket counters, baggage claim areas, and baggage handling areas.
- **Promote competitive access to airports for all airlines** by requiring medium and large hub airports in which one or two airlines handle more than 50% of passengers to detail how new or amended leases will enhance competition in the air transportation system.
- Ensure airport projects funded by passenger facility charges provide for reasonable access to terminal facilities by all air carriers by requiring projects to ensure at least 25% of gates and other airport terminal facilities are available for common use, and not more than 50% of gates and other airport terminal facilities are reserved for exclusive use by a single carrier.
- Require the Department of Transportation and Federal Aviation Administration to prioritize promoting competition in the air transportation system when regulating airlines and airports and when overseeing airport projects to ensure competitive access to gates and other airport facilities.

Lack of competition <u>harms</u> passengers by driving <u>high prices</u> and <u>lower quality service</u>. The **Airport Gate Competition Act** will fight airport concentration and protect consumers by leveling the playing field for all air carriers regardless of market share.