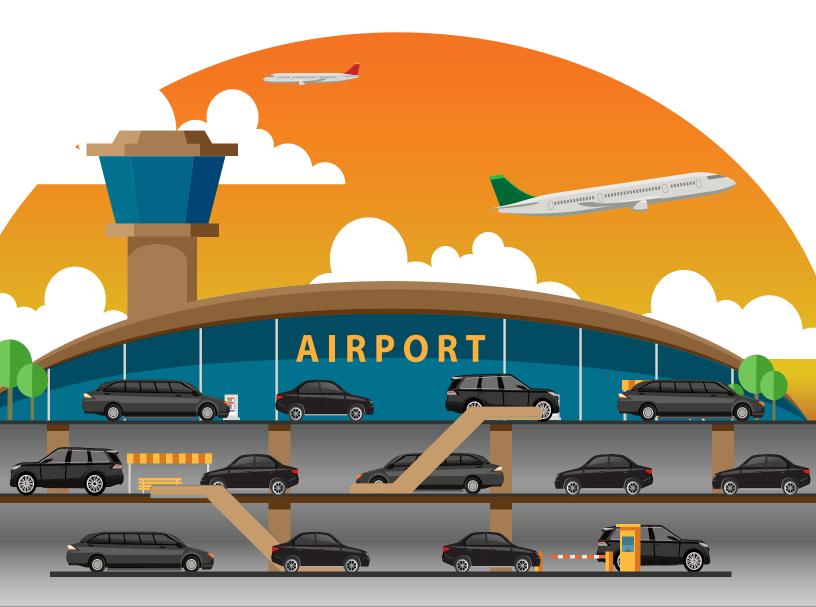


Luxury Limousines & Airports: "First Class" Ground Transportation Partners



Matthew W. Daus, Esq. Transportation Technology Chair

September 2024

Luxury Limousines & Airports: "First Class" Ground Transportation Partners

Matthew W. Daus, Esq., Transportation Technology Chair

University Transportation Research Center, The City College of New York

New York, New York

September 2024

Matthew W. Daus, Esq. & the University Transportation Research Center

Matthew W. Daus, Esq. currently serves as Transportation Technology Chair of the University Transportation Research Center ("UTRC") at the City University of New York ("CUNY") – City College, where he conducts research and publishes as an expert on ground transportation regulation and technology. As a CUNY Distinguished Lecturer from 2010 to 2018, he taught transportation history, policy, sustainability, for-hire regulation, and technology courses. Mr. Daus also continues to serve since 2009 as President of the International Association of Transportation Regulators ("IATR"), a non-profit educational association for transportation regulators and other stakeholders. Mr. Daus is the longest-serving Commissioner/Chair & CEO of the New York City Taxi and Limousine Commission (TLC), serving for 8½ years. He also served in various executive and other capacities in the NYC government for almost 20 years, including General Counsel to the TLC and the NYC Community Development Agency, Special Counsel to the TLC and NYC Trade Waste Commission. Mr. Duas is a partner at Windels Marx Lane & Mittendorf, LLP, and chair of the transportation practice group. He is also the chair of the Transportation Committee of the New York City Bar Association.

The **University Transportation Research Center** at The City College of New York was established to support research, education, and the transfer of technology in transportation. UTRC conducts research in critical areas related to transit, intermodalism, infrastructure, and regional funding and pricing.

The UTRC is one of ten original University Transportation Centers ("UTCs") established by Congress in 1987 "to advance transportation expertise and technology in the varied disciplines that comprise the field of transportation through education, research, and technology transfer activities; to provide for a critical multimodal transportation knowledge base outside of the Department of Transportation; and to address critical workforce needs and educate the next generation of transportation leaders."¹

The U.S. Department of Transportation recently selected UTRC as a Regional UTC (Region 2), leading a consortium of universities focused on improving the mobility of people and goods. The Region 2 UTC Center for Social and Economic Mobility for People and Communities through Transportation consortia members include CUNY Bronx Community College, New Jersey Institute of Technology, New York University, Princeton University, Rensselaer Polytechnic Institute, Rutgers University, SUNY University at Albany, SUNY Polytechnic Institute, SUNY Stony Brook University, and University of Puerto Rico Mayaguez.

¹ 49 U.S. Code § 5505

Contents

Co	ntents	. 3		
Ex	ecutive Summary	. 1		
I.	Approach to Developing This Report	. 2		
II.	Limousine Service in General	. 3		
7	Гhe Limousine Industry	. 3		
	State & Local Regulation of Limousines	. 4		
III.	Limousine Service at Airports	. 4		
	Operating Characteristics of Limousine Services at Airports (What Makes Limousines Unique)	. 5		
4	Airport Rules & Regulations	. 5		
IV	Recommendations for Managing Limousine Operations at Airports (Best Practices)	. 6		
]	Passenger Pick-Up Areas	. 6		
	Preferential Locations for Limousine Pick-Ups	. 7		
	Provide Limousines with a Dedicated Boarding Area	. 8		
	Restrict Use of Dedicated Limousine Space to Authorized Vehicles	. 9		
	Allow Limousines to Dwell for Extended Periods at the Curb	. 9		
Meet and Greet Service				
	Allow Drivers to Provide Meet-and-Greet Services Inside the Terminal	10		
]	Limousine Holding Lots & Driver Facilities	10		
	Holding Lot Location	11		
	Time Limits	11		
	Driver Facilities	12		
]	Fees	12		
	Principles for Setting Fees	14		
	Alternate Fee Systems	14		
	Universal Airport Access Fees	15		
V.	Conclusion	17		

Executive Summary

Luxury Limousines & Airports: "First Class" Ground Transportation Partners (the "Report") is meant to assist airport operators and others with managing limousine operations on terminal roadways and curbside areas. The Report recommends measures to improve terminal area and curbside roadway operations for limousine services and passengers. The goal is to enhance the quality of limousine transportation, ensuring safety, sustainability, and a high standard of service for passengers.

This Report is intended for use primarily by airport operators and those responsible for planning and day-to-day operations of airport terminals and roadways. It is also designed to educate anyone needing to become more familiar with airport limousine operations or transportation planning principles.

This Report has four sections:

- Section 1 presents the research methodology and approach to developing this Report.
- Section 2 provides an overview of limousine services in general, including types of services offered, business models, industry characteristics, and how they are regulated.
- Section 3 explains limousine service and logistical operations at airports and summarizes airport regulations.
- Section 4 (Best Practices) is organized according to four categories: passenger pick-up areas; meet-and-greet service; holding lots and driver facilities; and fees. Each category assesses the situation and provides recommendations and best practices for airports to manage limousine operations.

This Report reviews what makes limousines unique from other commercial ground transportation operators—taxis, rideshare, buses, shuttles—and the particular challenges facing limousine operators at airports. This Report also offers recommendations for airport operators to improve limousine accommodations. Managing commercial ground transportation and controlling airport curbsides and roadways challenges most airports, regardless of size or location. The sheer number of rideshare services like Uber and Lyft—referred to by regulators as transportation network companies ("TNCs")—operating at airports often pushes limousines to the wayside of airport managers' priorities and concerns, as many airports have made significant adjustments to curb management to accommodate TNCs.

Even though limousine customers represent fewer air travelers than TNC users, they account for a disproportionately high amount of airline revenue. Limousine customers are often first-class and business travelers—a critical segment for airline profitability. These travelers pay higher fares, book more flexible tickets, and buy closer to departure than travelers choosing an economy class. Although they represent only about 12% of all passengers, they can account for up to 75% of an airline's revenue on some flights.² Some airlines offer their first-class and business

 $^{^2\} www.investopedia.com/ask/answers/041315/how-much-revenue-airline-industry-comes-business-travelers-compared-leisure-travelers.asp$

customers limousine service to and from the airport. Airports must keep the operational needs of limousine services at the forefront of ground access planning.

The following are recommended best practices and principles for managing limousine service at airports:

- Provide limousines with a dedicated boarding area in a preferential location (*e.g.*, near significant exits from the terminal, terminal curbside) that is easy to find;
- Restrict the use of dedicated limousine space to authorized vehicles and enforce restrictions;
- Allow limousines to dwell at the passenger pick-up location for extended periods and impose idling restrictions to reduce harmful emissions;
- Allow drivers to provide meet-and-greet services inside the terminal;
 - If there are security concerns with drivers entering the terminal, consider requiring drivers to obtain a special permit and pass an appropriate background check;
- Holding lots where limousine drivers can park while waiting for their customer's flight to arrive should be located at a reasonable distance from the passenger boarding areas;
- Allow limousine drivers to remain in the holding area while waiting for a passenger's delayed flight to arrive;
- Provide drivers with restroom facilities and other amenities conveniently located near the holding area;
- Airport access fees should not apply to limousines; and
- Other fees should be proportionate to each mode's use of airport roadways, curbsides, and facilities.

Airport management should consider continuing these practices when making temporary changes to limousine operations during terminal renovations and capital improvements.

I. Approach to Developing This Report

The Report builds on the UTRC's prior report, *The Airport of the Future: A Sustainable & Equitable Ground Transportation Management Paradigm*, and focuses on limousines. To determine recommended practices for managing limousine services at airports, research included reviewing literature, expert opinions, and airport regulations and practices, and analyzing the results of a National Limousine Association ("NLA") survey (the "NLA Survey") of limousine operators. The goal of the NLA Survey was to thoroughly understand the issues, policies, and practices related to limousine management at the airport to enlighten the development of best practices.

The NLA Survey received 367 responses from operators throughout the U.S. and a few other countries. Survey-takers represented nearly all large hub airports in the U.S. such as Chicago O'Hare International, Denver International Airport, Los Angeles International Airport, Miami International Airport, and New York City-area airports (John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport). There were also operators at

medium hub airports, including Albuquerque International Sunport, Cleveland Hopkins International Airport, Indianapolis International Airport, and Nashville International Airport. Surveys were also completed for numerous small-hub airports, including Charleston International Airport, Spokane International Airport, and non-hub airports, including Bozeman Gallatin Field Airport and Yakima Air Terminal/Mcallister Field.

Research for this Report focused on ascertaining current practices, rules, and regulations that airport operators use to regulate and enforce commercial ground transportation services at airports. Researchers sought to identify commercial ground transportation programs, procedures, and facilities that were considered examples of best and recommended practices.

II. Limousine Service in General

Generally, limousine service is considered prearranged door-to-door transportation of a single party, typically fewer than five people, provided in luxury sedans or SUVs. Limousine service may also be provided to larger groups using vans or motorcoaches vehicles with additional seating. Charges for limousine services are usually determined by a flat rate or an agreed-upon price, irrespective of passenger count. Customers generally contact a limousine service provider to arrange for a limousine, who will then delegate the job to a driver. Limousine service is subject to oversight by a city or state regulatory body, which also sets the minimum standards for cars and operators.

The Limousine Industry

The limousine industry, known for its luxury, comfort, and specialty passenger transportation services, has a rich history as old as the automobile. Distinguished by their commitment to personalized service and client comfort, limousine services offer an alternative to other for-hire transportation methods—such as rideshare, taxis, and airport shuttles—for those desiring a more enhanced ground transportation option.

In the past, travelers typically arranged for limousine service before a planned departure. However, with the advent of mobile technology, travelers can now book a limousine on-demand using an app, with the term "prearranged" encompassing time frames as brief as a few minutes. Nonetheless, certain localities may enforce regulations that necessitate a longer lead time for such arrangements. The critical distinction between TNCs and conventional limousine services often lies in the level of service, type of vehicle, and the vehicle's licensing status.

The limousine industry has various business models, including airport transfers, business and corporate transfers, weddings and special occasions, hourly charters, and VIP services. According to the NLA Survey, all operators who responded said they derived some revenue from airport transfers. Almost half (49.45%) said airport transfers account for more than half of their annual business, and only 13% said that airport work accounts for less than a quarter of their business.

Limousine services vary widely, from single owner-operator businesses to large organizations with numerous employees worldwide. According to the NLA, 97% of NLA members are small

business owners. While some operate internationally through affiliate agreements, others focus solely on local clientele. Some limousine companies own their vehicles and employ full and part-time drivers, while others rely primarily on a network of independent contractors with a car. Drivers often cultivate personal clientele while also fulfilling bookings for the limousine services with which they are associated. Many limousine services depend on their affiliated drivers to expand their capacity to accommodate large groups or when extra vehicles are needed.

The global limousine industry has grown, with a market value reaching \$7.9 billion in 2023 and an annual growth rate of 4.2% over the previous five years. The industry has embraced technology, with many using online reservation systems and mobile apps to facilitate bookings, payments, and tracking of a vehicle's location. The limousine industry has a duty of care to passengers, which includes safety measures like driver screening and training and vehicle maintenance. As the industry continues to adapt, it remains an integral part of the luxury transportation sector along with first and business-class air travel, offering unique experiences and services that differentiate it from other passenger transport options.

State & Local Regulation of Limousines

Generally, limousine regulations address operating authority (*e.g.*, permits), vehicle safety standards, chauffeur eligibility requirements, and insurance minimums, among other rules related to safety, fair competition, and reliable service. Depending on the jurisdiction, operators may need to obtain an operating license or permit for the company, each vehicle, and each driver. If permits are required, the process typically involves submitting an application, providing proof of insurance with minimum coverage, and ensuring all vehicles are properly registered and inspected. The licensing process often requires renewal at regular intervals, and limousine services must stay updated with any changes in the laws and regulations that could affect their license status.

Limousine regulations vary significantly among jurisdictions. In many cases, limousine regulation is at the city or county level, which allows for tailored rules that address the specific needs and concerns of the local community. However, there has been a trend towards state preemption, where state laws overrule local ordinances, particularly since the introduction of TNCs. This approach prevents a patchwork of regulations that could hinder the operation of limousines across local boundaries. Understanding the balance of state versus local control is crucial for stakeholders in the limousine industry, as it affects how they operate and comply with regulations. In addition, as is discussed below, airports may have separate regulations for limousines and other ground transportation providers.

III. Limousine Service at Airports

Airport limousine services offer a unique blend of luxury and logistical precision, providing passengers with an experience that is punctual, personalized, and efficient. Whether for business or pleasure, a limousine transfer is more than just a ride—it's an experience that can set the tone for the journey ahead. An airport's ground transportation rules and regulations can play a role in this experience. Key requirements typically include proper licensing, comprehensive insurance

coverage, and strict adherence to pick-up and drop-off protocols. Airport authorities may require special permits to operate on their premises, which helps maintain organized traffic flow and ensure that passengers use only legitimate and compliant services. These rules are in place to ensure the safety and security of passengers, as well as the smooth operation of airport traffic. However, sometimes, an airport's requirements may go beyond what is necessary to achieve those goals and may hinder limousine operations.

Operating Characteristics of Limousine Services at Airports (What Makes Limousines Unique)

The operational needs of limousines at airports are critical to airline passengers' overall travel experience, providing a seamless transition from the air to the final destination. Passengers who reserve limousines—often first-class and business travelers—expect a higher level of service than those choosing to travel by taxi, rideshare, airport shuttle, or public transit. Frequently, this includes baggage assistance, minimal wait time, and a short walk to the vehicle from the terminal.³

Limousine drivers must provide customers with curbside pick-up and "meet-and-greet" services. Curbside pick-up service allows customers who do not need baggage assistance to call the limousine service when they deplane, and the driver will meet them when they exit the terminal, typically on the curb outside of the baggage claim. With meet and greet service, the limousine driver or a company representative will greet the customer inside the terminal, typically by baggage claim, to provide baggage assistance and escort them to the limousine. Both services are fundamental to the limousine business model and are often non-negotiable for travelers who reserve limousines.

To provide customers with the expected level of service, limousine drivers need longer curbside dwell times and separate staging areas/holding areas to accommodate drivers who must arrive at the airport before their passenger and wait for the passenger to arrive. This need aligns with the broader issue of airport accessibility for persons with disabilities. For passengers with disabilities, assurance that their arranged transportation can wait for them without the pressure of hurried curbside turnovers is not just a luxury but a necessity.

Airport Rules & Regulations

Most large and medium hub airports and some small airports require commercial ground transportation providers, including limousines, to obtain authorization—such as a permit, license, certificate, or agreement—to operate at the airport. Airports may require approval for operators, drivers, and other employees present at the airport and vehicles.⁴ Airports will typically have rules and procedures for picking up passengers, using holding lots, parking, and paying fees.

³ National Academies of Sciences, Engineering, and Medicine, *Report 40: Airport Curbside and Terminal Area Roadway Operations* (2010), doi.org/10.17226/14451.

⁴ ACRP, Legal Research Digest 39: Updated Survey of Laws and Regulations Applicable to Airport Commercial Ground Transportation (2020), www.trb.org/Publications/Blurbs/181489.aspx

Generally, the airport permitting process establishes that operators are authorized to provide service in the jurisdiction and that vehicles and drivers have any necessary credentials. In addition to initial and renewal application fees, airports may charge limousine operators additional fees to provide service at the airport, such as fees to access the terminal or to park. Regardless of whether the airport requires a permit or fees, it will typically require limousine drivers to follow the airport's rules and regulations specific to each airport, which can include designated waiting areas and pick-up protocols. While some airports allow limousine drivers to park at the curbside to wait for their clients, others may direct them to a designated holding area or staging lot until the customer is ready to be picked up.

The approval process typically involves several steps, which vary depending on the specific airport's regulations and requirements. Generally, the limousine service must apply for a permit through the airport's ground transportation or business operations department. The application process often requires submitting various documents, such as a current license allowing the service to operate in the location, vehicle permits, vehicle liability insurance, and vehicle registration. After submission, the airport's permitting office will review the application for completeness and then contact the applicant to schedule a time to obtain the permit(s) and complete any additional steps, such as setting up an online account to make payments, setting up a geofence, or obtaining RFID tags.

IV. Recommendations for Managing Limousine Operations at Airports (Best Practices)

The operational needs of limousines at airports are multifaceted and require a dynamic approach that incorporates real-time data, digital tools, and close collaboration with airport authorities. Limousine services enhance travelers' airport experiences by focusing on efficient, customer-centric operations. This section provides examples of best practices to manage and control limousine services at airports specifically related to passenger boarding areas, dwell time, meet and greet service, limousine holding areas, and fees.

Passenger Pick-Up Areas

Airport operators have considered many different goals when allocating curb space for commercial ground transportation operators.⁵ To ensure the safety of pedestrians and drivers, airports should establish broad walkways, designate ample room for vehicle movement in passenger drop-off zones, reduce the number of passengers crossing live traffic lanes, differentiate between personal and business vehicles, and set curbside waiting time restrictions. Ground transportation options typically expected by customers at an airport, such as limousines, should be conspicuously positioned by baggage claim. Revenue considerations should guide an airport's assignment of prime curbside locations to services and airline travelers who contribute significantly to airport income, like limousine customers. It is essential to acknowledge the competitive landscape of ground transport services by providing equitable access to arriving

⁵ National Academies of Sciences, Engineering, and Medicine, *ACRP Report 146: Commercial Ground Transportation at Airports: Best Practices* (2015), doi.org/10.17226/21905 ("ACRP Report 146")

passengers for different providers and ensuring clear differentiation between airport-managed and external public parking services. Lastly, effective management and enforcement are facilitated by segregating private from commercial vehicles and, where possible, distinctly marking boarding areas for various commercial transport categories.

Preferential Locations for Limousine Pick-Ups

Improving the passenger experience for air travelers is a goal for many airport operators.⁶ One way to help achieve this goal is to locate the limousine boarding area on the terminal's curbside, where customers expect it to be. The Federal Aviation Authority ("FAA") has long advised that "designated areas should be located at reasonable distances from terminal exits to reduce congestion."⁷ At most airports, loading areas for arriving passengers using commercial ground transportation are on the curbside adjacent to the arrivals level and baggage claim area. The curbside may be outside the terminal building or along a raised island separating an inner and outer roadway.

Preferential locations provide short walking distances and eliminate crossing active traffic lanes, thereby alleviating traffic congestion from motorists navigating busy pedestrian crossings.⁸ For example, at Boston Logan International Airport (BOS), limousine pick-up areas are located either across from the curb at the arrivals level or on the ground level of the Central Parking Garage—each 1 to 3.5-minute walk from the terminal.⁹

Airports should account for the overall revenues generated by the customers of each class of service – not just the fees paid by ground transportation providers – when allocating curbside space.¹⁰ Limousine customers are often first-class and business travelers who pay higher fares. Although they represent only about 12% of all passengers, they can account for up to 75% of an airline's revenue on some flights.¹¹

Airports should assign limousines a preferential location, such as an inner curbside near terminal exit doors serving major airlines, to accommodate their operating needs and customer base. Suppose the limousine passenger pick-up area is challenging to find or requires a lengthy walk or shuttle ride from baggage claim. In that case, limousine companies will lose business, especially if customers have to walk past the loading area for TNCs or taxi stands on their way to the limousine area. Lax enforcement of unauthorized drivers soliciting travelers as they emerge from arrivals further compounds the issue.

 $^{^{6}\} https://comotionnews.com/wp-content/uploads/2020/01/Congestion-at-the-curb.pdf$

⁷ FAA Advisory Circular 150/5360-13 (April 22, 1988),

www.faa.gov/documentLibrary/media/advisory_circular/150-5360-13/150_5360_13_part4.pdf

⁸ ACRP Synthesis 127: Airport Programs That Reduce Landside Vehicle Carbon Emissions (2023),

https://nap.nationalacademies.org/catalog/27240/airport-programs-that-reduce-landside-vehicle-carbon-emissions ("ACRP Synthesis 127")

 $^{^9\} www.mass.gov/doc/final-ride-for-hire-task-force-report/download,\ www.massport.com/logan-airport/to-from-logan/transportation-options/ground-transportation/$

¹⁰ ACRP Report 146

¹¹ www.investopedia.com/ask/answers/041315/how-much-revenue-airline-industry-comes-business-travelers-compared-leisure-travelers.asp

Banning limousines from loading passengers at the terminal curb could have several implications. Suppose the limousine boarding area requires taking a bus or people-mover after baggage claim to reach. In that case, it will be inconvenient and more time-consuming for customers who are typically high-value to airlines. It will also be impossible or at least challenging for limousine services to assist customers with baggage and provide meet-and-greet service. While it is essential to consider the balance between traffic management and passenger convenience in such decisions, it is also crucial to consider the particular passengers. TNC customers may be put off less by a longer walk or shuttle transfer to find a ride.

Provide Limousines with a Dedicated Boarding Area

Large airports tend to have separate designated boarding areas for competing operators (*e.g.*, taxis, limousines, TNCs, shuttles, and buses), ensuring better passenger-vehicle coordination. The concept of designated boarding spaces at airports is gaining traction as a means to streamline ground transportation services and enhance passenger experience. The primary goals of implementing such a system are twofold: The first goal is to acknowledge the competitive landscape among various ground transportation providers. By segregating operators, airports can ensure that each has equal opportunity to access deplaning customers. This separation also allows for a clear distinction between different services, making them easier for passengers to locate. The second goal is to manage and enforce ground transportation rules effectively. Separating private vehicles from commercial ones can significantly reduce congestion and confusion, leading to a smoother flow of traffic. Moreover, when space permits, airports can further organize the boarding areas by designating specific zones for different classes of commercial ground transportation services, making it easier for law enforcement to identify unlicensed operators.

The NLA Survey found that limousine operators reported that curb space allocation is more or less fair. Over three-quarters of survey-takers (78%) said they have a designated pick-up location at their airport. Over half (60%) said they think the airport has allocated curb space fairly among the different modes (35% disagreed, and 5% were unsure). However, 45% of respondents said they were dissatisfied or very dissatisfied with the designated curb space for limousine pick-ups (Table 1). A third of the respondents suggested improving curb allocation and the pick-up experience. One of the issues often cited was personal vehicles being allowed to pick up passengers in the same area as limousines.

	Very Dissatisfied & Dissatisfied	Neutral	Satisfied & Very Satisfied	n/a
Passenger pick-up experience	25.55%	24.73%	47.81%	1.92%
Passenger pick-up location	27.94%	24.21%	45.21%	1.64%
Designated curb space	44.66%	15.62%	37.81%	1.92%
Enforcement of curb use	43.56%	20.82%	34.25%	1.37%
Baggage retrieval	30.49%	26.37%	40.38%	2.75%

Table 1 Limousine Operator Satisfaction (NLA Survey)

Restrict Use of Dedicated Limousine Space to Authorized Vehicles

Some limousine operators need help with designated curb space enforcement. The NLA Survey found that 44% of respondents said they are dissatisfied with their airport's enforcement of improper use of limousines' dedicated curb space (Table 1), and 61.5% said they need more enforcement in general from the airport.

According to the NLA Survey, the biggest offenders are non-commercial, personal vehicles using the limousine board area. Active enforcement is needed to discourage the use of these areas by non-limousines, which may interfere with or delay limousine operations. Active enforcement ensures that dedicated limousine boarding areas are available for limousines to use. Enforcement is essential because limousines must dwell longer than TNCs and taxis and may run out of space quickly if unauthorized vehicles occupy the limousine lanes and boarding areas.

Effective enforcement of ground transportation rules for designated spaces is crucial to managing the complex flow of ground transportation while ensuring safety, efficiency, and fairness. Some strategies that airports can adopt include Technology Integration, Strategic Enforcement, and Feedback Mechanisms. Using technology such as automated license plate recognition and real-time monitoring systems can help identify and address violations promptly. Enforcement should be strategic and data-driven, focusing on peak times and high-traffic areas. In addition, having established channels to receive feedback from operators and drivers can help airports identify areas for improvement and adjust enforcement strategies accordingly.

Allow Limousines to Dwell for Extended Periods at the Curb

"Dwell time" is the length of time a vehicle remains stopped at the curbside area. Dwell time contributes to the number of cars a curbside can accommodate, and passenger pick-ups require longer dwell times than drop-offs, especially for limousines. Unlike TNCs and taxis, limousines arrive at the airport to pick up a specific customer. Once a limousine driver proceeds to the passenger boarding area to pick up a customer, the driver must remain there until the customer is loaded into the vehicle.

Allowing limousines to dwell longer at the terminal curb enhances the customer service experience for customers. Longer dwell times can reduce the rush and stress of quick pick-ups, leading to a more organized and safer curb area. Additionally, longer dwell times accommodate drivers' handling luggage and a higher service level, which is necessary for their customers. Furthermore, efficient limousine operations can lead to better traffic flow and reduced congestion, as drivers would not have to circle the airport waiting for passengers, which is timeconsuming and environmentally unfriendly. Implementing a structured system with long dwell times for limousine services at airports could also contribute to a more upscale image of the airport, potentially attracting a clientele that values comfort and efficiency.

Meet and Greet Service

Allow Drivers to Provide Meet-and-Greet Services Inside the Terminal

Airport meet and greet services offer convenience for travelers seeking seamless transportation to and from flights. These services typically include a personal chauffeur waiting in the baggage claim area with a sign bearing the customer's name, ready to assist with luggage and guide the customer to the waiting car.

Safety and security are the primary reasons airports require drivers to remain with their vehicles at the terminal curbside. But, this makes it difficult for limousine drivers to provide the level of service for which customers often pay: assisting with luggage from the terminal to the limousine. To balance these competing interests, airports have implemented designated meet and greet areas inside the terminal, where authorized limousine drivers must wait with a sign displaying the customer's name, visible credentials (*e.g.*, an identification badge), and an electronic or paper waybill.¹² These areas are generally near baggage claim and easy for customers to find. They also make it easier for airports to enforce improper solicitation. To address security concerns with drivers entering the terminal, some airports require drivers to obtain a special permit and pass a background check administered by the TSA using the FBI database.¹³

Hand-in-hand with meet-and-greet service is the need for vehicles to be parked a short walk from baggage claim – either on the terminal frontage or a "super short walk" from it. If an airport cannot accommodate limousines at the curb directly outside baggage claim, the boarding area must be as close as possible. For example, O'Hare provides designated limousine parking directly across from each terminal, a 5 to 7-minute walk from baggage claim to the vehicle.¹⁴

Airports should be mindful that drivers may need to leave their vehicles unattended for varying amounts of time that are outside the driver's control. The most significant factor is the wait for baggage to arrive at baggage claim. Therefore, any time limits on parking in the boarding area should be flexible and not penalize drivers.

An airport's decision to eliminate terminal curbside pick-up or meet-and-greet service could have far-reaching consequences. Travelers who use luxury services could use another airline to avoid the inconvenience at a particular terminal, as we have seen during construction at certain large airports. For service providers, this could mean a loss of business. Additionally, airports could face challenges in managing increased congestion and passenger dissatisfaction. Overall, such a ban could impact the efficiency and satisfaction of airport services.

Limousine Holding Lots & Driver Facilities

Airports with limited curb space outside the terminals often provide limousine and other commercial ground transportation drivers with a holding area—*i.e.*, short-term parking away

¹² ACRP 146

¹³ ACRP 146

¹⁴ www.flychicago.com/ohare/tofrom/taxi/pages/default.aspx

from the terminal where drivers wait until their customers arrive. Holding lots "considerably reduce" dwell time in the passenger boarding areas, which reduces CO2 emissions from idling vehicles.¹⁵ Holding lots may provide amenities for waiting drivers, such as restrooms, a lounge, a food/beverage vending machine, internet access, and prayer rooms.

The airport may provide a dispatcher or ground transportation coordinator to manage traffic in the holding lot and curbside boarding area. In addition to notifying drivers when they may proceed to the terminal curbside, the dispatcher/GT coordinator may perform an enforcement function by collecting fees or verifying that drivers and vehicles have required permits and valid waybills.

Holding Lot Location

According to the NLA Survey, limousine operators often cited the location of the holding lot as an area for improvement. However, nearly half of respondents (42%) said they were satisfied with the location, 19% were neutral, and 35% were dissatisfied or very dissatisfied. This suggests that it is a real pain point when drivers perceive the holding lot location as poor.

According to O'Hare International Airport (ORD) in Chicago, Illinois, depending on airport traffic, it can take between 5 and 20 minutes for a vehicle to get from the limousine holding area to the designated pick-up location.¹⁶ A 20-minute drive from the limousine holding lot to the terminal is inconvenient. The travel time between the holding area and the terminal is longer than expected. Suppose the customer's flight arrives ahead of schedule or the arrival gate is close to the exit. In that case, 20 minutes may be longer than it will take for the passenger to deplane and exit the terminal, especially if the customer does not need to collect anything from the baggage claim. For those using limousine services, the expectation is often for a seamless and swift pick-up. A prolonged wait while their driver travels miles to the pick-up area might not align with premium service.

Time Limits

Time limits in holding areas make sense for TNC and taxi drivers because of the business model, but not for limousines. Taxi and rideshare drivers often head to airports strategically to find work. Airports are hubs of activity where a steady stream of potential passengers are looking for transportation options. Many airports require TNC and taxi drivers to wait in a queue in the holding area until they are directed to the pick-up area when it is their turn to be matched with a rider. Many airports limit drivers' time in holding lots—requiring drivers to either get in the queue and accept a trip or leave the lot—to avoid vehicles spilling onto adjacent access roads if the lot reaches capacity.

Limousine drivers typically only head to the airport because a passenger has prearranged their service in advance. But, unlike rideshare and taxi drivers, limousine drivers' time in a staging lot depends on specific flight departure and arrival times. Limousine service requires a well-

¹⁵ FAA Advisory Circular 150/5360-13 (April 22, 1988),

www.faa.gov/documentLibrary/media/advisory_circular/150-5360-13/150_5360_13_part4.pdf

¹⁶ www.flychicago.com/ohare/tofrom/taxi/pages/default.aspx

coordinated approach to ensure timely pick-ups and drop-offs, which requires tracking flight schedules and allowing drivers to remain in staging lots for more extended periods to account for early and delayed arrivals. Airports should allow limousine drivers to spend as much time as they need in the holding area when waiting for a passenger's delayed flight to arrive.

Driver Facilities

According to the NLA Survey, the driver facilities at holding lots could be better. Most respondents said they are dissatisfied with facilities at the limousine staging/holding lot (40% very dissatisfied or dissatisfied compared to 35% satisfied or very satisfied). Most survey responses (61%) rated the holding lot facilities as poor, fair, or good. Among the 36 respondents (12%) who gave their holding lot facilities an "excellent" rating, Los Angeles International Airport (LAX) was the most frequently reported airport served.

Some improvements that operators would like include the following:

- Adding or upgrading restrooms;
- Better location in proximity to the terminal boarding area;
- Dedicated space in the holding lot for limousines;
- More space for limousines; and
- Food/beverage vending options.

Restroom facilities are a minimum necessity at driver holding lots, especially at airports that prohibit drivers from entering the terminal. Investment in facilities and amenities for limousine drivers and other ground transportation service providers is not just a matter of convenience but also a strategic move to enhance the overall efficiency and user experience of airport services. Providing amenities such as waiting areas, restrooms, real-time information displays, cellular service, and WiFi can improve the working conditions for drivers, which in turn can lead to better service for passengers. A climate controlled building where drivers may wait before proceeding to the airport curb will help cut down on CO2 emissions from drivers running their engines to stay warm/cool. Moreover, amenities like vehicle charging stations can encourage the use of electric vehicles, contributing to the airport's sustainability goals.

Fees

Providing limousine services at airports often involves a variety of fees. These fees can include one or more of the following:

- *Permit fees* are charged to companies, vehicles, and/or drivers to operate at the airport. These fees are intended to cover the airport's costs of regulating operators. Most airports require a permit to pick up, and some require a permit to drop off.
- *Per-trip* or *Access fees* to cover the airport's costs of "providing and maintaining the facilities used directly by commercial ground transportation operators," such as

roadways, pick-up areas, and holding lots.¹⁷ Some airports charge fees to pick up only, while others charge for pick-ups and drop-offs.

- *Dwell Time charges* for exceeding the established maximum time limits at the passenger boarding area.
- *Parking charges* for a driver to park in an airport lot or garage while waiting for customers to arrive.

Airports may charge limousine operators other fees, such as a meet-and-greet fee for a driver to enter the terminal or a charge for an RFID transponder.

For example, at LAX, operators must pay the following fees:¹⁸

- New application/license agreement fee: \$150
- Yearly administration fee: \$150
- New, lost, or unreturned transponders: \$50 each
- Trip Ticket/Access fee: \$5 or \$8 per pick-up trip, depending on vehicle size
- Late fees: \$20 for each month the annual administrative fee is past due

According to the NLA Survey (Table 2), airport access fees and vehicle permits are the most common types of fees that limousine operators pay.

Table #2 Airport Fee Types (NLA Survey)

Type of Fee	Percentage Reported Paying Fee			
Airport access fee	68.38%			
Vehicle permit	49.86%			
Dwell time fee	31.91%			
Company permit	30.48%			
Driver permit	20.23%			
Other	3.42%			

Almost three-quarters (73%) of respondents to the NLA Survey reported paying under \$5,000 total in fees annually, and most of that group (40%) said they pay between \$1,000 and \$5,000. Only 2% said they pay no airport fees. In response to a question about satisfaction with the fees charged by their airport, respondents were mostly (39%) neutral. About 31% reported being satisfied or very satisfied with the fees, and 30% reported being dissatisfied or dissatisfied with the charges.

The NLA Survey did not elicit the reasons behind the operators' satisfaction with airport fees. Responses could be inversely related to fees' perceived impact on revenue. Those who said they are "very satisfied" might perceive fees as not affecting business, while those who said they are "very dissatisfied" may believe the fees are eating into their revenues. For example, an operator

¹⁷ ACRP Report 146

 $^{^{18}\} www.lawa.org/groups-and-divisions/operations-and-emergency-management/airport-and-ground-transportation-permits/ground-transportation-permits/faqs$

who makes hundreds of airport trips annually may perceive paying \$5,000 in fees differently than an operator who makes only ten trips per year. In addition, some fees (access fees, dwell time, and meet-and-greet) are easier to pass along to the customer directly than others, which could also impact satisfaction.

Principles for Setting Fees

Airport access fees should be proportionate to each mode's use of airport curb space and facilities. Limousine fees may need to be adjusted downward, while costs for private vehicles and other commercial ground transportation operators may need to be increased.

The Airport Ground Transportation Association ("AGTA")—an association of ground transportation operators, airport authorities, and industry suppliers—recommends that airport fees 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."¹⁹ In addition, AGTA recommends that fees should "pertain to the actual use of the airport, irrespective of the ownership of the ground transportation, whether private or publically provided" and not be "a mechanism to hold up the rates of other ground transportation operators or operations of the airport."²⁰

According to AGTA, "[a]s 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."²¹

Alternate Fee Systems

To accommodate companies that make relatively few airport trips, some airports have established alternate fee systems that reflect the operator's more limited use of the airport roadways and facilities than more frequent users. For example, at Long Beach Airport (LGB), annual fees are based on fleet size: \$100 per year for 1–5 vehicles, \$150 for 6–10 vehicles, and \$200 for 11 or more vehicles.²²

ACRP Report 146 refers to these systems as a "sliding scale," which may "be equitable to both large and small limousine companies since all companies must obtain and pay for an airport permit, but each company can determine which fee system is best for them."²³ For example, Ontario International Airport (ONT) in California offers a \$593 annual permit decal that allows limousines to make an unlimited number of trips and a \$3 "Single-Use Passenger Loading Pass" that is "intended for vehicles that do not have annual permit decals and rarely service the

¹⁹ AGTA, Fair & Equitable Ground Transportation Fees (2011),

 $agtaweb.org/resources/Documents/AGTA_Policy_Papers_Fair_and_Equitable_Fees.pdf$

²⁰ AGTA, Fair & Equitable Ground Transportation Fees (2011)

 $^{^{21}}$ *Id*.

 $^{^{22}\} www.longbeach.gov/globalassets/lgb/transportation/ground-transportation-permit-information--application$

²³ ACRP Report 146

airport."²⁴ The Report explains that, at an airport charging sliding fees, "a company that makes fewer airport trips may pay higher fees on a per-trip basis (but lower total monthly fees) than a competitor [that makes more trips]."²⁵

Memphis International Airport (MEM) has an "occasional user fee" of \$20 for those operators who use the airport less than three times per month.²⁶ Otherwise, MEM charges limousine operators a minimum monthly guarantee fee of \$125 or 6% of the operator's monthly gross revenue, whichever is greater, but not to exceed \$500.

Oakland International Airport (OAK) offers an "exempt qualified operator" permit for those making fewer than 120 trips annually, which costs \$444 annually, and a "partially exempt qualified operator" permit for those making fewer than 60 trips annually, which costs \$222 annually.²⁷ Other limousine operators must pay a \$200 annual fee plus a trip fee for each pick-up or drop-off, which is \$3.70 for a Non-Alternative Fuel Vehicle and \$3.35 for an alternative Fuel Vehicle.

Universal Airport Access Fees

Airport managers should consider revenues received from each class of service when allocating terminal curbside space. To that end, some airports require all vehicles, including personal passenger vehicles, to pay a fee to access airport roadways or to pick up or drop off friends and family at the terminal. Airport access fees are an equitable way to charge all users for the benefits they receive from the airport. However, the NLA Survey found that most operators (54%) said they disfavor charging private passenger vehicles to pick up or drop off passengers at the terminal (36% supported the idea, and 10% said they were unsure).

In the U.S., Dallas Fort Worth International Airport (DFW) is the only airport that charges all vehicles to access the airport's roadway.²⁸ The tiered public parking fee structure is based on the time a vehicle spends on the access road that leads to DFW's terminals. The cost is \$9 if the car passes through in under 8 minutes (to discourage drivers from using the access road as a throughway to other highways), \$2 if the vehicle remains at the airport for 8 to 30 minutes (the typical drop-off duration), \$3 for 30 minutes to 2 hours ("Meeter-Greeter"), \$10 for 2 to 4 hours, \$12 for 4 to 6 hour, and \$32 for 6 to 24 hours.²⁹ The airport charges commercial ground transportation providers an access fee for each pick-up and drop-off—\$6 for TNCs, \$4.43 for limousines, and \$4.00 for taxicabs—which allows them to remain at the airport for up to two hours without additional public parking fees.³⁰ After two hours, commercial ground

²⁴ www.flyontario.com/sites/default/files/icon-links/gt_permit_rates_fy_2019_0.pdf

²⁵ Id.

 $^{^{26}} www.flymemphis.com/wp-content/uploads/2019/11/commercial-operators-rules-regs.pdf _{27}$

www.library.municode.com/ca/port_of_oakland/codes/administrative_code?nodeId=POOAADCO_TIT8AIOP_CH 8.01AIRURE_S8.01.100COGRTRTATNRE

²⁸ www.standbywithme.com/why-does-dfw-international-airport-charge-visitors-a-drop-off-pick-up-fee/

²⁹ www.dfwairport.com/park/terminal/; www.digitaltrends.com/cars/airport-passenger-drop-off-and-pick-up-fees/ ³⁰

 $www.assets.ctfassets.net/m2p70vmwc019/762Ss7a51fMZX82UAMy7z2/335748525c653884e5993da9445ae047/FY_2024_Schedule_of_Charges.pdf$

transportation vehicles will accrue the above public parking rates. In FY 2023, these fees accounted for \$19.7 million (approximately 9.3% of total parking revenue).³¹

While rare in the U.S., airports in other countries charge all vehicles a fee to enter the airport roadways. For example, all major airports in Vietnam charge an entrance fee, as do most airports in the United Kingdom and Cairo International Airport (CAI) in Egypt. Cairo charges an entrance fee of 20EGP (USD 0.42).³² In Vietnam, at the major airports Tan Son Nhat, Noi Bai, and Da Nang, the fee for cars with fewer than nine seats is VND10,000 (USD 0.39) for the first 10 minutes.³³

In the U.K., 16 of the 22 airports in the country charge all vehicles a fee to access the terminal curbside.³⁴ These fees encourage the use of public transport and raise revenue for the airports.³⁵ Regarding pricing, London Gatwick charges £6 (USD 7.79) to stay for up to 10 minutes and £1 for each additional minute for up to 20 minutes.³⁶ London Heathrow charges £5 (USD 6.49) to access the terminal curbside and offers a free option to pick up/drop off in a remote lot, where travelers can take a free bus transfer to the terminal.³⁷ In Scotland, Glasgow Airport charges £5.50 (USD 7.14) to stay for up to 15 minutes and £1 for each minute after.³⁸ Edinburgh Airport charges £5 (USD 6.49) to stay up to 10 minutes and £1 for each minute after.³⁹ Belfast International Airport and Birmingham Airport also charge drop-off fees,⁴⁰ while drop-off areas remain free at the airports in Cardiff, London City, and Belfast City.⁴¹

While charging all vehicles to access the airport has benefits, there are considerations. Charging vehicles to access the airport can impose a burden on travelers who have limited options or resources. Most airports in the U.S. are poorly served by public transport. In addition, some people may not have access to taxi and ridesharing services or have special needs or circumstances that require them to use private cars or taxis. Therefore, airport operators are encouraged to consider transportation options, and they should consider the expected level of resistance from passengers who might feel the fee is unfair when no suitable alternative mode of public transport exists.

Airports could charge different fees to access the terminal curbside or a more remote location to decrease congestion and offer lower or no-cost options. At these airports, passengers have a

prices-p/

³¹

www.assets.ctfassets.net/m2p70vmwc019/6Sn6NXvj2MbuhYTO71w6tL/ef79f81195094aca53ff16543dcbb0ef/FY_2023_Annual_Comprehensive_Financial_Report.pdf

³² www.thecairoairport.com/airport-parking/

³³ www.vietnam.vn/en/tu-6-2-san-bay-noi-bai-tan-son-nhat-thu-phi-khong-dung/

³⁴ www.telegraph.co.uk/news/2022/08/27/dropping-passengers-uk-airports-can-cost-flying-paris/

³⁶ www.gatwickairport.com/transport-options/drop-off.html

³⁷ www.heathrow.com/transport-and-directions/terminal-drop-off-charge

³⁸ www.glasgowairport.com/to-and-from/pick-up-and-drop-off/

³⁹ www.edinburghairport.com/edinburgh-airport-parking/drop-off-and-pick-up

⁴⁰ www.belfastairport.com/car-parking/drop-off-zone; www.birminghamairport.co.uk/airport-parking/birmingham-airport-passenger-drop-off/

⁴¹ www.ottocar.co.uk/blog/london-airport-drop-off-charges

choice of access points, and airport management could maintain congestion levels and increase revenue.⁴² For example, Manchester Airport charges a fee for terminal drop-offs, and it allows free drop-offs at a remote location that is a 5 to 7-minute walk away and serviced by a shuttle. Another example is Birmingham Airport in England, which has two drop-off options: the "Airport Drop Off" parking lot, which is a 5 to 10-minute walk or free bus transfer to the main check-in desk; and "Premium Set Down," located directly outside the terminal.⁴³ Stays of up to 10 minutes in the Airport Drop Off car park are free, and Premium Set Down costs £5 for the first 15 minutes (£10.50 for the first hour if paid in advance).⁴⁴ The drop-off options apply to all vehicles—commercial ground transportation services and personal passenger vehicles.⁴⁵

According to AGTA, "a pick-up and drop-off charge for private automobiles will be the next major charge for U.S. airports. The rationale is to encourage more and more people to use high occupancy vehicles and public transportation. It also has the effect of raising revenue for airports."⁴⁶ AGTA believes those two rationales could "overcome resistance to charging people for pick-up and drop-off."⁴⁷

Change management will be vital in implementing general access fees. People, at least in the U.S., expect that terminal access will be free. Airports that implement universal access fees will need to prepare for potential adverse public opinion and may want to consider engaging local media to control a favorable narrative.

V. Conclusion

This Report provides valuable recommendations for airport operators and stakeholders to enhance the management of limousine operations on airport terminal roadways and curbside areas. The goal of the report is to improve the quality of limousine transportation while ensuring safety, sustainability, and a high standard of service for passengers. By implementing the recommendations outlined in this Report, airport authorities can enhance the overall airport experience for passengers using limousine services and contribute to a more efficient and sustainable transportation ecosystem. It is my hope that this report will serve as a resource for airport operators and those involved in airport terminal planning and operations, contributing to the overall improvement of airport ground transportation.

⁴² www.bloustein.rutgers.edu/wp-content/uploads/2019/07/Addressing-Airport-Congestion-as-Traffic-Takes-Off-in-the-Age-of-Uber-and-Lyft.pdf

⁴³ www.birminghamairport.co.uk/airport-parking/drop-off-pick-up/

⁴⁴ Id.

⁴⁵ Id.

⁴⁶ These comments were made by Ray Mundy, AGTA Executive Director and Center of Transportation Studies at the University of Missouri St. Louis, to *Business Traveller*. *See* www.businesstraveller.com/businesstravel/2017/08/30/airport-tolls-may-coming-us/ ⁴⁷ Id.