

Travel Industry Urges Congress To Stop Airlines From Violating Federal Aviation Act

Business Travel Coalition today transmitted a letter signed by some 150 organizations to Congressional conference committee members negotiating a long-term reauthorization of the Federal Aviation Administration.

Respected Airline Industry Pioneer Weighs In

January 29, 2012, RADNOR, PA - Business Travel Coalition (BTC) today transmitted a letter signed by some 150 organizations to Congressional conference committee members negotiating a long-term reauthorization of the Federal Aviation Administration (FAA). Signatories urged conferees to include language that will prevent some airlines from continuing to violate Section 41712 of the U.S. Federal Aviation Act. (The signatory letter can be downloaded [here](#).)

Specifically, these industry-leading organizations ask that Congress direct the U.S. Department of Transportation (DOT) to within 180 days require airlines to disclose optional fee information (e.g., checked baggage charges, at-airport ticketing fees, etc.) in the same electronic and transactable formats used to publish airfares themselves.

Signatories to the letter expressed to conferees that Section 41712 prohibits “unfair or deceptive” practices in the sale of air transportation by airlines and ticket agents. The continuing failure of airlines to share information about their optional fees with ticket agents violates Section 41712 by making it impossible for consumers to efficiently compare air transportation costs among competing providers.

New consumer-protection rules introduced by DOT last week require airlines to disclose on their websites if there will be additional baggage fees and where consumers can go to find them. This is a positive step but the rule does little to facilitate comparison-shopping, and applies to just one of many optional fees. Consumers continue to pay supra premium prices -- billions of dollars in fees -- for optional services because the inability to efficiently compare the total cost of air travel (base airfares and fees) on an apples-to-apples basis across multiple airlines guarantees that these prices go undisciplined by the marketplace. This greatly frustrates individual consumers as well as major corporations that purchase millions of dollars in air transportation services.

Robert Crandall, retired Chairman of American Airlines, thinks the airlines will serve both themselves and consumers by offering comprehensive information to customers. “As we all know,” Mr. Crandall said, “consumers do not hold the airline industry in high regard, despite the extraordinary job the airlines have done of providing the public with safe and affordably priced transportation services. I don’t know why the airlines seem so opposed to disclosing information on the websites consumers use, since consumers will find out the real cost of travel when they actually fly, and I should think that taking away a source of aggravation for their customers would be high on the industry’s self help list. Why make your customers angry when you have nothing to gain?”

BTC believes that given the rapidly expanding list of optional services, airlines should indeed want to benefit from accelerated consumer acceptance of optional fees and sales revenues possible only through traditional brick-and-mortar and online travel agency points-of-sale as well as through

corporate online booking tools utilized by millions of business travelers. However, for three and one-half years, despite the substantial purchasing power of major corporations, and their continuing calls for fee transparency, airlines have refused to provide optional fee information.

BTC Chairman Kevin Mitchell stated, “Unfortunately, normal competitive forces will not alleviate this problem. If one airline were to include comprehensive information on optional fees, that carrier would be disadvantaged because the cost of transportation on that carrier would appear – to the unaware consumer – to be higher than the cost of travel on its competitors. The federal government can uniquely solve this problem for airlines unable to act independently and for consumers being financially harmed.”

Unlike nearly all other industries, consumers have no legal rights under state laws to seek redress for unfair and deceptive treatment because of federal preemption -- a doctrine airlines created and fight hammer-and-tongs to defend and expand. What’s more, under Section 41712 consumers do not have a right to sue for bad service. DOT, empowered by Congress, is the sole guarantor of consumer-protection for air travelers. Congress should direct DOT to require this optional fee information of airlines within 180 days of FAA reauthorization.

Conference committee members include House Transportation and Infrastructure Committee Chairman John Mica (R-FL), Ranking Member Nick J. Rahall, II (D-WV), Aviation Subcommittee Chairman Thomas E. Petri (R-WI), Ranking Member Jerry F. Costello (D-IL) as well as Senate Committee on Commerce, Science, and Transportation Chairman Jay Rockefeller (D-WV), Ranking Member Kay Bailey Hutchison (R-TX), Subcommittee on Aviation Operations, Safety, and Security Chairman Maria Cantwell (D-WA) and Ranking Member John Thune (R-SD).

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