



September 13, 2011

Nicholas E. Calio
President and Chief Executive Officer
Air Transport Association
1301 Pennsylvania Avenue, NW, Suite 1100
Washington, DC 20004

Dear Mr. Calio:

As consumer advocates we write to register our concern over recent decisions by most airlines to refuse to pass along to consumers some \$500 million in tax savings that resulted when the taxing authority of the U.S. Federal Aviation Administration (FAA) temporarily lapsed on July 23. We are likewise dismayed by continued efforts to hide optional airline fees from consumers even though the U.S. Department of Transportation (DOT) has declared such practices illegal and put you on notice to halt them. These are anti-consumer policies that are deceptive and unfair.

When government's taxing authority expired because of the failure of Congress to reauthorize FAA, airlines had an opportunity to make good on their frequent claims that lower taxes will stimulate much needed passenger demand. The smart and appropriate action would have been to pass along savings to customers, improve demand and in turn, stand on the principles of lower taxes and consumer fairness.

This could have been a profound teaching moment regarding the benefits of lower aviation taxes and fees, but instead, we are chagrined that some airlines chose to pocket the substantial windfall created by the expiration of taxing authority. Rather than doing right by their customers, most airline CEOs decided to line their corporate pockets.

This occurred even as the Air Transport Association advertisements in newspapers being delivered to Senate and House offices were featuring the need to reduce taxes in order to provide consumers more bang for their dollar.

We are also dismayed that when DOT's latest rules came into effect requiring airlines to inform consumers of optional fees, many of ATA airline members chose to present the information in ways that do not meet the test for a "prominent" link on the home page — for instance, by placing the link in a "News" section or not labeling it clearly as "baggage and other optional fees." We believe that the airlines can and must do better in order to fulfill the DOT's clear intent to provide transparency for consumers with respect to proliferating airline fees that can add substantial amounts to ticket prices.

Actions speak louder than words. Airlines, like all businesses, should be driven by customer service, price transparency and honest disclosures. Suffice it to say, we are disappointed in most of the airline industry's response to the new DOT rules.

We will be happy to meet with you to discuss our concerns and we will redouble our efforts in Washington with both legislators and regulators to ensure that consumers get the fair treatment they deserve.

Charles Leocha
Director
Consumer Travel Alliance

Ellen Bloom
Director, Federal Policy
Consumers Union

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Burton J. Rubin
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Brandon M. Macsata
Director
Assoc. for Airline Passenger Rights

cc: Secretary of Transportation
Chairman, Ranking Member and Members of the Senate Commerce, Science and Transportation Committee
Chairman, Ranking Member and Members House Transportation and Infrastructure Committee