

April 23, 2018

The Honorable Bill Shuster
Chairman
Transportation and Infrastructure Committee
United States House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Transportation and Infrastructure Committee
United States House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Shuster and Ranking Member DeFazio,

The undersigned consumer advocacy organizations urge you to support the Cohen-Jones FAIR Fees amendment (Cohen_115). This bipartisan amendment to H.R. 4, the FAA Reauthorization Act of 2018, will help protect travelers who are increasingly abused by the airlines' nickel-and-diming practices.

The industry-wide trend towards "unbundling" -- what most flyers experience as add-on fees -- has resulted in a dramatic increase in ancillary revenue for the U.S. airlines. In 2016, the three biggest U.S. airlines -- American, Delta, and United -- collected more than \$16.29 billion in add-on fees.¹ This represents a 207% increase in ancillary fee revenue compared to 2008.² Legally prohibited from colluding on fares, U.S. carriers are instead displaying a worrying tendency to increase fees in near lock step. For instance, in 2013 the three largest domestic airlines all increased their cancellation/change fees from \$150 to \$200 within two weeks of each other.³

The dizzying growth of add-on fees has coincided with dramatic industry consolidation. Today, the top four U.S. carriers control 80 percent of seat capacity.⁴ Unfortunately for consumers, the ancillary fees charged by the airlines bear little relation to the actual cost for the airline to provide the service that these fees allegedly support.

In the current market, consumers often show up to the airport only to be slammed with unexpected fees which bear little, if any, relation to the cost to provide service. The Cohen-Jones amendment would begin to rein in this abusive practice. Were this language to become

¹ IdeaWorksCompany.com. *The 2017 CarTrawler Yearbook of Ancillary Revenue*. November 28, 2017. Online: <http://www.ideaworkscompany.com/wp-content/uploads/2017/09/2017-Ancillary-Revenue-Yearbook.pdf>

² IdeaWorksCompany.com. *2016 CarTrawler Yearbook of Ancillary Revenue*. September 20, 2016. Online: <https://www.cartrawler.com/ct/media/2016/09/CarTrawler-ancillary-revenue-yearbook-2016.pdf>

³ Mayerowitz, Scott. "Analysis: Airline mergers have already led to higher fares," Associated Press. August 14, 2013. Online: http://fortune.com/2015/11/18/airline-fees-customers/http://www.mercurynews.com/travel/ci_23861826/analysis-airline-mergers-have-already-led-higher-fares

⁴ Mouawad, Jad. "Airlines Reap Record Profits, and Passengers Get Peanuts," *New York Times*. February 6, 2016. Online: <http://www.nytimes.com/2016/02/07/business/energy-environment/airlines-reap-recordprofits-and-passengers-get-peanuts.html>

law, airlines would be prohibited from charging change and cancellation fees that are “unreasonable or disproportionate to the costs incurred by the air carrier.” The Department of Transportation would also be charged with developing standards to assess the reasonableness of other common airline fees.

The undersigned organizations urge you to support the bipartisan Cohen-Jones amendment. We hope we can count on your help in advancing this common sense, pro-consumer legislation through committee.

Sincerely,

Business Travel Coalition
Consumer Federation of America
Consumers Union
Consumer Watchdog
FlyersRights.org
National Consumers League
Travelers United

CC: The Honorable Paul Ryan
The Honorable Nancy Pelosi
Members of the House Transportation and Infrastructure Committee
Members of the House Committee on Rules
Members of the Committee on Financial Services
Members of the House Ways and Means Committee
Members of the House Science, Space, and Technology Committee
Members of the Natural Resources Committee