

July 25, 2018

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Senate Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer,

The undersigned 8 consumer advocacy organizations urge you to support the bipartisan FAIR Fees provision that was included in S.1405, the Federal Aviation Administration Reauthorization Act of 2017. This provision would help ensure that the ancillary fees which airlines are increasingly adding to the base cost of a ticket are reasonable.

Airlines often claim that the unbundling of fees for services like baggage and cancellation has reduced the cost of flying. However, an independent analysis by the Associated Press has found that base fares have increased by 5% once adjusted for inflation since 2010.¹ Likewise, the Government Accountability Office has found that the cost of flying has increased, once fees for checked baggage are included.²

Under the FAIR Fees provision, section 3129 of the reported bill,³ airlines would be prevented from charging flight change and cancellation fees that are unreasonable and disproportionate to the cost of providing the service. The Department of Transportation would also develop standards for helping assess the reasonableness of other common airline fees.

Flight change and cancellation fees can range anywhere from \$125, to as much as \$750 for an international flight.⁴ While testifying before a US Senate Commerce, Science, and Transportation subcommittee, United Airlines CEO Scott Kirby admitted that change fees are “not a direct cost when somebody changes,” but rather are a revenue generator.⁵ While airlines

¹ Mayerowitz, Scott and Koenig, David. "U.S. airports increasingly dominated by 1 or 2 carriers." USA Today. July 15, 2015. Online: <https://www.usatoday.com/story/todayinthesky/2015/07/15/us-airports-increasingly-dominated-by-1-or-2-carriers/30152927/>

²Government Accountability Office. "Commercial aviation: Information on airline fees for optional services" September 2017. Online: <https://www.gao.gov/assets/690/687258.pdf>

³ Federal Aviation Administration Reauthorization Act of 2017. Online: <https://www.congress.gov/115/bills/s1405/BILLS-115s1405rs.pdf>

⁴ American Airlines. "Optional service fees." July 17, 2018. Online. <https://www.aa.com/i18n/customer-service/support/optional-service-fees.jsp>

⁵ Senate Commerce Science and Transportation Subcommittee on Aviation, Operations, Safety and Security. "Questions, answers and perspectives in the current state of airline travel. May 4, 2017. 01:28:55-01:33:48. Online:

certainly need to maintain profitability, they should not do so by taking unfair advantage of consumers who must change or cancel travel plans due to unforeseen circumstances. Requiring that change and cancellation fees bear a reasonable relation to the cost to provide the service will improve competition by preventing price gouging and better incentivizing airlines to compete over the actual cost of fares.

For these reasons, the undersigned consumer advocacy organizations urge you to support keeping the bipartisan FAIR Fees provision in the FAA Reauthorization Act.

Sincerely,

Business Travel Coalition
Consumer Action
Consumer Federation of America
Consumers Union
Flyers Rights
National Consumers League
Travelers United
U.S. PIRG

CC: Members of the US Senate