CONSUMER GROUPS CALL ON U.S. DOT TO LIFT THREE-YEAR SUSPENSION OF INQUIRY INTO AIRLINE DISTRIBUTION PRACTICES

Need for Department of Transportation's request for information has grown more urgent as airlines increasingly impede competition and comparison shopping

WASHINGTON – March 10, 2020 – On the three-year anniversary of the suspension of the U.S. Department of Transportation's (DOT) request for information (RFI) on "Exploring Industry Practices on Distribution and Display of Airline Fare, Schedule and Availability Information" (DOT-OST-2016-0204), a group of six consumer and business travel advocates including the Business Travel Coalition, Consumer Action, Consumer Federation of America, Consumer Reports, National Consumers League and Travel Fairness Now sent a letter to U.S. Transportation Secretary Elaine Chao calling for the RFI's reinstatement.

"As consumer advocates, we are concerned that this extended pause is harming consumers by limiting their ability to see all airline, flight, fare and fee options and shop in a transparent, convenient and efficient way," said Kevin Mitchell, founder and chairman of Business Travel Coalition.

Before the comment period was suspended by DOT three years ago today, nearly 60,000 consumers as well as business, government, travel and consumer organizations filed comments in support of a transparent shopping experience in which the airlines are required to make complete and accurate airline purchasing information available for convenient access by consumers on all shopping platforms and channels. According to DOT's announcement on March 10, 2017, the suspension of the RFI comment period was to "allow the President's appointees the opportunity to review and consider this action."

"The carriers are engaging in this anti-competitive, anti-consumer behavior when the U.S. airline industry has been highly profitable and consolidated in a way never seen before, with fewer competing carriers and choices for consumers and record revenues generated from add-on fees that continue to increase, undisciplined by meaningful competition," said Linda Sherry, director of National Priorities at Consumer Action. "While DOT should already have enough information on which to base an effective regulatory proposal, we urge you to lift the suspension so that the RFI process can be completed and further steps can be taken."

"The Department of Transportation is shirking its responsibility to the flying public," said Susan Grant, director of Consumer Protection and Privacy at Consumer Federation of America. "It seems more interested in cutting back its rule-making ability than in using it to ensure that consumers are treated fairly in the marketplace."

"Air travel is an expensive item in American consumer and business budgets, and to keep fares down, and quality of service high, the airlines need to be subject to the forces of effective competition," said George Slover, senior policy counsel at Consumer Reports. "To that end, consumers and businesses must have airline, price, fee and schedule transparency – including from independent sources of travel information that enable convenient comparison shopping."

The groups noted in their letter that the <u>airline industry is keenly aware that they earn</u> higher revenues on tickets sold through their own walled-garden websites – revenues which increase if the airlines can diminish the effectiveness of shopping for travel using independent, third-party purchase outlets.

"Airlines should not be permitted to evade competition and raise airfares by making comparison shopping more difficult," said John Breyault, vice president of Public Policy, Telecommunications and Fraud at the National Consumers League. "And yet, with the U.S. airline industry now consolidated into four monolithic carriers controlling more than 80% of U.S. traffic, the largest U.S. airlines continue to do exactly that."

American Airlines revealed that 87% of its passengers fly once a year or less. "Independent sources of travel information are how most consumers and businesses – especially those that travel less frequently – determine what airlines fly to their destination and where to get the deals that best suit them," said Kurt Ebenhoch, executive director of Travel Fairness Now. "An individual airline's website purposely seeks to avoid giving travelers the ability to choose carriers."

About Consumer Action

Through education and advocacy, <u>Consumer Action</u> fights for strong consumer rights and policies that promote fairness and financial prosperity for underrepresented consumers nationwide.

About the Consumer Federation of America

The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Today, more than 250 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors. CFA is a research, advocacy, education and service organization.

About Consumer Reports

Consumer Reports (CR) is a nonprofit membership organization that works side by side with consumers to create a fairer, safer, and healthier world. For 80 years, CR has provided evidence-based product testing and ratings, rigorous research, hard-hitting

investigative journalism, public education, and steadfast policy action on behalf of consumers' interests, including their interest in safe and affordable air travel. Unconstrained by advertising or other commercial influences, CR has exposed landmark public health and safety issues and strives to be a catalyst for pro-consumer changes in the marketplace. From championing responsible auto safety standards, to winning food and water protections, to enhancing healthcare quality, to fighting back against predatory lenders in the financial markets, Consumer Reports has always been on the front lines, raising the voices of consumers.

About Business Travel Coalition

Founded in 1994, the mission of <u>Business Travel Coalition</u> is to interpret industry and government policies and practices and provide a platform so that the managed travel community can influence issues of strategic importance to their organizations.

About National Consumers League

The National Consumers League, founded in 1899, is America's pioneering consumer organization. Our mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit www.nclnet.org.

About Travel Fairness Now

Travel Fairness Now is a non-profit coalition of 70,000 travelers advocating for greater transparency, competition and fairness in travel. For more information, please visit www.travelfairnessnow.org.

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