

FOR IMMEDIATE RELEASE

**COALITION CALLS ON DOT TO PUT CONSUMERS' INTEREST BEFORE AIRLINE PROFITS  
BY RESUMING REVIEW OF DECEPTIVE CARRIER SALES PRACTICES**

***Air Travel Fairness Coalition asks DOT to resume suspended “request for information”  
on airline distribution schemes that block travelers from finding best fares and flights***

WASHINGTON – DECEMBER 12, 2017 – The Air Travel Fairness Coalition, one of the largest traveler advocacy organizations in the U.S., today called on the U.S. Department of Transportation (DOT) to put the interests of American consumers ahead of airline industry profits by resuming a DOT “request for information” (RFI) on airline distribution practices.

The DOT RFI was initiated on Oct. 31, 2016, with public comments due by Dec. 30, 2016. Following the powerful U.S. airline industry’s lobbying, on Dec. 22, 2016, the deadline was extended by three months, until March 31, 2017. Then, before the comment period had closed and a number of industry stakeholders had an opportunity to submit comments, the DOT quietly suspended the RFI on March 10, 2017, with no action taken to help the travelers taking approximately 800 million flights on U.S. airlines annually.

The RFI received overwhelming and widespread support, generating more than 58,000 comments from a broad array of consumer, business and government organizations, as well as more than 50,000 individual travelers. The vast majority sought greater fairness and transparency for consumers from the U.S. airline industry, which is now controlled by an oligopoly of the four largest airlines that together dominate more than 80 percent of the U.S. market.

The many different parties supporting a review of airline distribution practices include:

- More than 50,000 individual consumers
- [Travelers United](#), a member of the Consumer Federation of America
- The Business Travel Coalition
- [Consumers Union](#)
- [The U.S. government’s General Services Administration](#)
- The Travel Technology Association
- Internet Association

“The airline industry’s distribution practices are making it more difficult for consumers to find the lowest fares, the best schedules and use the travel resources of *their* choice,” said Kurt Ebenhoch, executive director of the Air Travel Fairness Coalition. “In survey after survey, consumers express their strong desire for fast, simple, easy comparison shopping for travel, yet U.S. airlines are increasingly making the process more complex, more confusing and more time consuming for no other reason than to extract even more money from the public.”

On Oct. 2, 2017, DOT issued a [review](#) of regulations and actions to determine their necessity. On Dec. 4, 2017, each of the four largest U.S. airlines – American, Delta, Southwest and United – along with their U.S. trade association, all posted comments to the DOT review docket calling for the review of airline distribution practices, supported by travelers, consumer and business groups, to be terminated and no further action taken.

“The consumer impact of the airline industry’s distribution practices needs to be fully brought out into the open for policy makers, regulators and the public to consider,” Ebenhoch added. “If the airline industry honestly believes their current practices are fair, competitive and not deceptive, or an abuse of concentrated market power, they should welcome this request for information, rather than use their growing market strength to exert unlimited control over yet another part of the travel experience.”

### **How airline distribution practices hurt consumers**

As an example of the confusion travelers now face, consider the Denver-Detroit market. Today, five different airlines offer nonstop service – Delta, Frontier, Southwest, Spirit and United. Yet no single website shows the price of a ticket on the five carriers. No matter what resource a traveler turns to, they might be missing out on a less expensive fare or a more convenient departure time, because they aren’t seeing all of the options available to them.

The situation exists not because the technology isn’t able to present consumers with all of the fares, it’s because it is more profitable for the airlines to make it more difficult for consumers. In this high-tech, transparent, digital age, the airlines expect travelers to visit each airline’s individual website to determine whether a carrier flies a route, and then figure out the cost, when it could be so much easier.

### **Easy comparison shopping and transparency results in lower fares**

Economists have found that without the transparency needed to easily compare fares and flights, consumers overpay for the price of an airline ticket, or can’t afford to go at all. A Charles

River Associates [study](#), conducted by Dr. Fiona Scott Morton, found that when airlines no longer allow their fares to be compared side-by-side with other carriers, they are 11 percent higher. For the average consumer, that's \$30 per ticket, or about \$120 for a family of four taking a vacation, or flying home to see loved ones during the holidays. The study estimates the potential reduction in net consumer welfare of limiting airline price and schedule information to only airline websites could exceed \$6 billion per year.

### **U.S. DOT is legally required to prevent deceptive and unfair practices in air transportation**

According to section [49 of the U.S. Code on Policy](#), the Secretary of Transportation is to "consider several matters of being in the public interest and consistent with public convenience and necessity," among them:

"(9) preventing unfair, deceptive, predatory, or anticompetitive practices in air transportation."

"(10) avoiding unreasonable industry concentration, excessive market domination, monopoly powers, and other conditions that would tend to allow at least one air carrier or foreign air carrier unreasonably to increase prices, reduce services, or exclude competition in air transportation."

Last week, DOT agreed to yet another request from the airline industry, this time to withdraw two pro-consumer proposals to provide greater transparency on the many additional fees, charges, taxes and penalties associated with an airline ticket.

"The DOT filled consumers' stockings with coal while giving the airline industry some pricey gifts, paid for by the very travelers the agency is supposed to serve and protect," said Ebenhoch. "We believe the DOT needs to show more interest in protecting consumers, and less concern for increasing the airlines' profits."

### **About The Air Travel Fairness Coalition**

[Air Travel Fairness](#), which represents the interests of more than 70,000 travelers, as well as consumer and business organizations, believes increased, genuine transparency is good for American families, good for the economy and good for competition. For more information, visit [www.airtravelfairness.org](http://www.airtravelfairness.org).

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