

Press Releases

Transparent Airfares Act Introduced in the House

DOT REQUIRES THIS AIRLINE TICKET TO BE ADVERTISED AT **\$300**

But the actual cost of the flight is only **\$237**



GOVERNMENT FEES & TAXES ARE HIDDEN FROM THE PUBLIC.

Shouldn't you know what you're paying for?

Washington, DC – Bipartisan legislation introduced in the House today will restore transparency to the advertising of U.S. airline ticket prices, and ensure that airfare advertisements are not forced to hide the costs of government from consumers.

The [Transparent Airfares Act of 2014 \(H.R. 4156\)](#) returns transparency to U.S. airline fare advertising by allowing advertisements for passenger air travel to state the base airfare and separately disclose any government imposed taxes and fees and the total cost of travel.

The bill was introduced by House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA), senior Committee Member Peter DeFazio (D-OR), U.S. Rep. Tom Graves (R-GA), Transportation Committee Ranking Member Nick J. Rahall, II (D-WV), Aviation Subcommittee Chairman Frank LoBiondo (R-NJ), and Aviation Subcommittee

Ranking Member Rick Larsen (D-WA).

“Virtually all consumer products are advertised at a base price, with taxes added on at the point of purchase,” **Shuster** said. “But Department of Transportation regulations have fundamentally and unfairly changed the advertising rules for airfares by requiring all government imposed taxes and fees to be embedded in the advertised price of a ticket. As a result, the fact that Americans are paying higher and higher government imposed taxes and fees to travel by air is being hidden from them. This common sense bill will allow consumers to see the full breakdown of their ticket costs, so they know how much they’re paying for the service, and how much they’re paying in government imposed taxes and fees.”


“While the DOT had good intentions, the new rule effectively reduced transparency,” **DeFazio** said. “Consumers haven’t been getting the whole picture of what an airline ticket pays for. The Transparent Airfares Act is a simple fix to give people better information.”

Graves added, “The cost of airline tickets will never be transparent as long as the Department of Transportation requires airlines to hide taxes, surcharges, and fees from consumers. In fact, this regulation means airlines may unfairly shoulder the blame for price increases, even if it’s a government tax hike that’s responsible. Our bill ensures transparency by informing consumers about what fees they’re paying, and where their money is going.”

Transparent Airfares Act of 2014
Returning Transparency to U.S. Airfare Advertising

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Virtually all consumer products are sold at a base price, with taxes added on at the point of purchase. However, recent U.S. Department of Transportation regulations fundamentally and unfairly changed the advertising rules by requiring all government imposed taxes and fees to be embedded in the advertised price of a ticket. These rules hide the fact that Americans are paying higher and higher government imposed taxes and fees to travel by air and mask the rising burden of government imposed taxes and fees on consumers. The Transparent Airfares Act will return transparency to U.S. airfare advertising by allowing advertisements for passenger air travel to state the base airfare and separately disclose any government imposed taxes and fees and the total cost of travel.

The Transparent Airfares Act: Returning Transparency to U.S. Airline Airfare Advertising

- The legislation will return transparency to U.S. airline fare advertising by allowing advertisements for passenger air travel to state the base airfare and separately disclose any government imposed taxes and fees and the total cost of travel.
- The bill will allow consumers full disclosure of the breakdown of costs that are associated with travel and will no longer require airlines and travel agents to conceal the cost of government taxes and fees.
- The bill evens the playing field in price advertising, removing an unnecessary and inappropriate requirement that unfairly singles out airline airfare advertising.

Background Information

On January 26, 2012, the U.S. Department of Transportation (US DOT) fundamentally changed 25 years of U.S. airline advertising practices by implementing a new rule that prohibits airlines and travel agents from providing full disclosure of government imposed taxes and fees in advertised prices. By requiring airlines to embed all government imposed taxes and fees in the advertised price of a ticket, US DOT's regulations mask the rising burden of government imposed taxes and fees on consumers. These new rules hide the fact that Americans are paying higher and higher government imposed taxes and fees to travel by air, which constitute \$63, or 21 percent, of the cost of a typical \$300 domestic roundtrip ticket. While these regulatory changes have no benefit to the consumer, they dampen demand for air travel and undermine economic growth by making the advertised price of a ticket artificially higher. The Transparent Airfares Act was introduced days after the White House's Fiscal Year 2015 Budget proposed to increase aviation taxes and fees by \$4.2 billion annually.

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