

# Transparent Airfares Act of 2014

Returning Transparency to U.S. Airfare Advertising

**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?

*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.*

## **Background Information**

- On January 26, 2012, the U.S. Department of Transportation (US DOT) fundamentally changed 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.
- US DOT's previous advertising rules had been in effect for 25 years and had been formally reaffirmed by US DOT in 2006.

## **Forcing Airlines to Hide the Ball on Higher Government Taxes and Fees**

- Requiring all government imposed taxes and fees to be embedded in the advertised price of a ticket masks 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 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: Returning Transparency to U.S. Airline Airfare Advertising**

- **Transparency:** The Transparent Airfares Act 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.
- **Disclosure of Government Taxes and Fees:** This common sense legislation would allow consumers full disclosure of the breakdown of costs that are associated with travel and would no longer conceal the cost of government taxes and fees.
- **Fairness:** The bill evens the playing field in price advertising, removing an unnecessary and inappropriate requirement that unfairly singles out airline airfare advertising.