



**Airlines for America™**  
We Connect the World

**Nicholas E. Calio**  
President and CEO

March 12, 2014

The Honorable Bill Shuster  
Chairman  
Committee on Transportation & Infrastructure  
United States House of Representatives  
2165 Rayburn House Office Building  
Washington, D.C. 20515-6256

Dear Chairman Shuster:

On behalf of our member airlines, I am writing to express our strong support for H.R. 4156, The Transparent Airfares Act of 2014. The legislation will ensure passengers know exactly where their travel dollars are going. We also appreciate the bipartisan support and leadership of Congressman Peter DeFazio, full Committee Ranking Member Nick Rahall, Aviation Subcommittee Chairman Frank LoBiondo, Aviation Subcommittee Ranking Member Rick Larsen, and Congressman Tom Graves.

Passage of this important legislation would help ensure that airline customers know exactly how much of their airfare is attributable to government-imposed taxes and fees and still know the full price before purchase. As you know, the Department of Transportation (DOT) fundamentally changed U.S. airline advertising practices in January 2012 when it imposed the so-called "Full-Fare Advertising Rule" that required airlines and travel agents to include government-imposed taxes and fees in the base price of an advertised airfare. Ironically, DOT maintained that the rule was pro-consumer, when in reality it was pro government, enabling government to hide the ball on the rising federal aviation tax burden – which has risen nearly 30-fold over the last three decades.

Your legislation is especially timely. The U.S. aviation industry and its customers already are subject to 17 different taxes and fees, which totaled more than \$19 billion in 2013. On a typical \$300 one-stop domestic roundtrip ticket, customers pay \$62 in federal taxes and fees, or 21 percent, of the ticket price. The federal aviation tax burden will increase to \$63 in July when the Transportation Security Administration (TSA) passenger security tax more than doubles from \$2.50 to \$5.60 per one-way trip, costing customers more than \$1 billion annually. In addition, President Obama's FY 2015 budget proposal included \$4.2 billion in new and higher aviation taxes and fees, including another increase in the TSA tax. If the President's budget is enacted, the tax bite on a typical \$300 round-trip domestic ticket would balloon to \$77, or 26 percent. Without a change to the Full-Fare Advertising Rule, these tax and fee increases would be portrayed as simply higher airfare with no benefit in the services received.

Again, we appreciate your leadership on this issue and look forward to working with you and your colleagues on a bipartisan basis to ensure its swift passage.

Sincerely,

A handwritten signature in cursive script that reads "Nick".

Nicholas E. Calio  
President and CEO

cc: The Honorable Peter DeFazio  
The Honorable Nick Rahall  
The Honorable Frank LoBiondo  
The Honorable Rick Larsen  
The Honorable Tom Graves