

June 26, 2017

The Hon. Bill Shuster
Chairman
House Committee on
Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Hon. Peter DeFazio
Ranking Member
House Committee on
Transportation and Infrastructure
2164 Rayburn House Office Building
Washington, DC 20515

The Hon. Frank LoBiondo
Chairman
Subcommittee on Aviation
House Committee on
Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Hon. Rick Larsen
Ranking Member
Subcommittee on Aviation
House Committee on
Transportation and Infrastructure
2164 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen/Ranking Members:

On behalf of the American Society of Travel Agents (ASTA) and the more than 100,000 Americans who work at travel agencies across the country, I am writing to present our industry's views on key air travel distribution issues in the context of H.R. 2997, the 21st Century Aviation Innovation, Reform, and Reauthorization Act (21st Century AIRR Act).

As you may know, ASTA was established in 1931 and currently represents 2,600 domestic travel agency and allied travel companies, as well as more than 750 international member companies. Our members range in size from independent home-based agents to storefront travel agencies in every Congressional district to large travel management companies such as Carlson Wagonlit to household-name online agencies such as Expedia. Of note, our ranks include substantial numbers of members in Pennsylvania (196), New Jersey (258), Oregon (73) and Washington (144). Travel agents – whether online, brick-and-mortar or hybrid business models in between – play a critical role in our country's commercial aviation system and the broader travel and tourism industry. Agents are responsible for the sale of the majority of air travel in the U.S., selling \$86 billion worth of tickets in 155 million transactions in 2016 alone, or over 300,000 air tickets *per day*.

With regard to the 21st Century AIRR Act (H.R. 2997), we believe that on the whole the legislation meets its goals to improve the safety of air travel, improve the flying experience for consumers, foster innovation in unmanned aircraft systems, fund the Nation's airport infrastructure and modernize the nation's air traffic control system. In terms of airline consumer issues, the historic focus of ASTA and its members, H.R. 2997 contains several common-sense provisions that will benefit travelers and those who serve them, including in particular a prohibition on in-flight voice

communications¹ and the creation of a seat for independent travel distributors on the Department of Transportation's (DOT) Advisory Committee on Aviation Consumer Protection.

While you have done great work in putting together a package as comprehensive as the 21st Century AIRR Act, we are concerned about several provisions in the bill as well as some notable omissions. In the vein of making a good bill better, we respectfully urge you to consider making the following changes to H.R. 2997.

Insecticide Disclosure

Section 504 of the 21st Century AIRR Act requires airlines and ticket agents to disclose “that the destination country may require the air carrier...to treat an aircraft passenger cabin with insecticides prior to the flight or to apply an aerosol insecticide in an aircraft cabin used for such a flight when the cabin is occupied with passengers,” and to refer prospective passengers to the DOT's insecticide website when selling travel to said countries.² This language is broader than that contained in the FAA Modernization and Reform Act of 2012 (P.L. 112-95, Section 42303), which simply required referral to the DOT website. Both current law and Section 505 present challenges to our industry in terms of regulatory burden and risk of DOT fines, especially when added to the multitude of disclosures travel agents already must make when selling air travel, disclosures whose impact is magnified in the case of over-the-phone transactions.³ While “disinsection” of aircraft is rare, agents must make disclosures in the case of any flight from the U.S. to the countries listed on the DOT website, which includes the United Kingdom and France (ranked first and third, respectively, in volume of 2015 outbound travelers from the U.S.).⁴ Further, this requirement adds an element of uncertainty and delays to the transaction that could result in the loss of affordable fares, seat assignments, or the sale in its entirety.

- ✓ *Request: Delete Section 504 in its entirety, make the requirement subject to the consumer's request instead of applying across-the-board to all flights to countries listed on the DOT website, or exempt phone call and face-to-face transactions from the requirement.*

“Transparent” Airfares

Section 505 of H.R. 2997 would effectively overturn DOT's 2012 full-fare advertising rule.⁵ Under this rule, advertised airfares must prominently state the full and final price to be paid by the consumer, including all government-imposed taxes and fees. In contrast to assertions that the rule forces airlines to “hide” taxes within the total price, the rule and associated guidance is crystal clear – elements of the total price, including taxes and fees, can be listed separately so long as the total price is displayed more prominently than the individual components. In July 2012, the rule was affirmed by the U.S. Court of Appeals for the D.C. Circuit, and the Supreme Court denied further review.⁶

¹ ASTA strongly supports this provision and much prefers H.R. 2997's Section 502 to the Senate bill softer “may” language (S. 1405, Section 3117). We hope the House version prevails in conference. For a full accounting of ASTA's views on this topic, see our comments at Docket No. DOT-OST-2014-0002.

² See DOT website at <https://www.transportation.gov/office-policy/aviation-policy/aircraft-disinsection-requirements>.

³ Specifically, when selling air travel agents are required by law and regulation to make disclosures related to code-sharing, insecticide, price increases, airline baggage fees, hazardous materials, ticket expiration date, and others.

⁴ See http://tinet.ita.doc.gov/outreachpages/download_data_table/2015_Outbound_Analysis.pdf.

⁵ Code of Federal Regulations (14 CFR 399.84 a/b).

⁶ Spirit Airlines, Inc. v. United States Department of Transportation, 687 F.3d 403 (D.C. Cir. July 24, 2012), cert. denied, 133 S.Ct. 17235 (2013).

Repealing the DOT's full-fare rule would undermine a key consumer protection principle ASTA holds dear – that consumers should know the full cost of air travel *before* purchasing a ticket.

We believe public sentiment is with us on this issue. Earlier this year the research firm Penn Schoen Berland conducted a wide-ranging scientific quantitative study of 1,522 Americans ages 25-70 to gauge perceptions regarding a wide range of travel topics and associated policy issues. An overwhelming number of respondents supported requiring airlines to advertise the full price of an airline ticket and not hide airline surcharges and government taxes in hyperlinks or fine print (as they would be able to do if Section 505 is enacted), including 79 percent of all respondents and 82 percent of those who identified as Republicans.

- ✓ *Request: Delete Section 505 of H.R. 2997.*

National Commission on Airline Competition

The 21st Century AIRR Act does not include a new national commission called for in a January 2016 letter from ASTA and other stakeholders to closely examine the competitive landscape within the current U.S. domestic and international air travel markets, and how this impacts American jobs and businesses, local, regional, and national economies, as well as U.S. and foreign customer satisfaction and choices in air travel. The issues our coalition suggested the commission examine included the impact of consolidation in the domestic airline industry on competition; the benefits of Open Skies agreements; and the impact on competition of antitrust immunity to U.S.-foreign airline alliance agreements. Clearly, the air travel industry has seen major changes in the past few decades, and we think that it is entirely appropriate for Congress to take a hard look at these changes and the impact they've had on competition, customer service and other issues.

- ✓ *Request: Incorporate the proposed airline competition commission into the 21st Century AIRR Act.*

Discriminatory Taxes on Travelers/Protecting Airport Revenue Streams

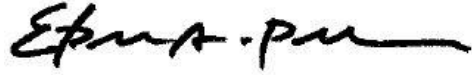
ASTA has long been concerned about state and local governments imposing discriminatory taxes on leisure and business travelers to fund projects unrelated to travel infrastructure. With regard to airport infrastructure, it is critical that revenues generated at the airport stay at the airport and are reinvested there. It is our understanding that Reps. Rodney Davis (R-IL) and Steve Cohen (D-TN) will offer an amendment to H.R. 2997 during markup that will strengthen language included in the 1994 FAA reauthorization designed to ensure non generally-applied taxes and fees generated at airports are used wholly for airport or aeronautical purposes and not diverted to other projects. Under the Davis-Cohen amendment, taxes and fees imposed at airports may only be levied if they are wholly used for airport purposes; in place before the date of enactment; or generally applied state or local taxes on sales or services. In our view, this amendment is necessary to ensure that states and localities do not export their tax burdens on interstate air travelers to pay for projects unrelated to airports.

- ✓ *Request: Support the Davis-Cohen Amendment to H.R. 2997.*

We thank you again for the work you've put in on this critical legislation, and appreciate your consideration of our views on behalf of the more than 100,000 Americans who work at travel

agencies across the country. If you or your staff have any questions on these or any issues related to the travel industry, please don't hesitate to contact me at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Eben Peck". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eben Peck
Senior Vice President, Government & Public Affairs
American Society of Travel Agents