



Office of Government Affairs  
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March 21, 2014

The Honorable Bill Shuster  
Chairman  
Committee on Transportation & Infrastructure  
United States House of Representatives  
2165 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Shuster:

On behalf of more than 15,000 crewmembers at JetBlue Airways, I am writing to thank you for introducing H.R. 4156, the Transparent Airfares Act of 2014. The bipartisan support 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 demonstrates the importance of this legislation.

Once enacted, H.R. 4156 will give travelers visibility into just how much of their airfare is attributed to government imposed taxes and fees, while continuing to provide them the full price of a ticket for easy comparison with other travel options. As you know, the U.S. Department of Transportation (DOT) fundamentally altered 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 on the base price of an advertised airfare. While DOT maintained that this rule was pro-consumer, it has enabled the U.S. government to mask the increasing federal aviation tax burden – which has risen nearly thirty fold over the last three decades.

Your legislation aimed at transparency is especially timely. Today, the U.S. aviation industry and its customers 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. In July 2014, this federal tax burden will increase to \$63 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 and fee share of a typical \$300 round-trip domestic ticket would swell to \$77, or 26 percent of a ticket. Without a change to the Full-Fare Advertising Rule, these tax and fee increases would be portrayed as simply higher airfares with no benefits in the services received by the consumer.

Again, thank you for your leadership on this important issue. We look forward to working with you and your colleagues to see it swiftly passed.

Sincerely,

Jeffrey Goodell  
Vice President Government Affairs