



April 1, 2014

Dear Representative:

We write to urge your support for the Transparent Airfares Act of 2014 (H.R. 4156). This bipartisan legislation will enhance airfare transparency for airline customers by ensuring that they know exactly how much of their ticket price is attributable to federal taxes and fees while still knowing the full price of air travel before they purchase a ticket.

In January 2012, the U.S. Department of Transportation (DOT) fundamentally changed U.S. airline industry advertising practices by implementing a Full Fare Advertising (FFA) rule, which reduced airfare transparency by requiring airlines to include government-imposed taxes and fees in the base price of an advertised fare. DOT's previous advertising rules had been in effect for 25 years – through Democratic and Republican administrations. Under the previous rules, airlines and travel agents were allowed listed government-imposed taxes and fees separately from the base price of a ticket in advertisements – as all other U.S. consumer products, with the exception of gasoline, are sold.

Our industry is critical to the U.S. economy. The U.S. commercial aviation sector drives more than \$1 trillion in annual economic activity – approximately 5 percent of U.S. Gross Domestic Product – and 10 million U.S. jobs. The industry's long-term viability and global competitiveness is threatened by a rising federal aviation tax burden that has increased 30-fold over the last three decades. On a typical \$300 one-stop domestic round-trip ticket, airline customers pay \$62 in federal taxes and fees, or 21 percent of the ticket price. The federal tax bite will increase to \$63 in July when the Transportation Security Administration passenger security fee will more than double from \$2.50 per flight segment to \$5.60 per one-way trip. Consequently, air travel is currently taxed at a higher federal rate than alcohol and tobacco, which are subject to so-called "sin taxes" intended to discourage their use.

Requiring airlines to include rising taxes and fees in advertisements and offers from airline and travel agent websites can dampen demand for travel and ultimately cost even more jobs in an industry that has lost nearly one-third of its work force since 2001, typically resulting in reduced service to small and rural communities. Since air travel is often an optional choice for individual consumers and businesses, even the smallest increase – or perceived increase – in airline tickets costs has a negative impact on travel decisions. In fact, in 2012, the U.S. Government Accountability Office found that a one percent increase in the cost of an airline ticket, including taxes and fees, would result in a one percent reduction in the quantity of tickets sold.

Your support of H.R. 4156 will help enhance airfare transparency for consumers, protect U.S. airline jobs and preserve air service to small and rural communities. We appreciate your consideration of this important legislation and hope that Congress will pass the bill on a strong, bipartisan basis as soon as possible.

Sincerely,

Airlines for America
Association of Flight Attendants - CWA
International Association of Machinists & Aerospace Workers

Allied Pilots Association
Coalition of Airline Pilots Association
Southwest Airlines Pilots' Association