



2800 Executive Way  
Miramar, FL 33025  
spirit.com

April 9, 2014

By Email and Air Courier

The Honorable Bill Shuster  
Chair  
House Committee on Transportation and Infrastructure  
2165 Rayburn Building  
Washington, DC 20515

The Honorable Nick Rahall  
Ranking Member  
House Committee on Transportation and Infrastructure  
2165 Rayburn Building  
Washington, DC 20515

Dear Congressmen Shuster and Rahall:

We write in strong support of the Transparent Airfares Act of 2014 (H.R. 4156), which we understand is scheduled for markup in your Committee this morning.

For over 25 years, since deregulation of the airline industry under the Airline Deregulation Act of 1978 (ADA), airlines quoted their base fares to consumers in advertising, on a pre-tax basis, just like virtually every other business does for its customers. A couple of years ago, in a sharp and unfounded reversal of that established regime, based on a thin factual record and effects analysis, the U.S. Department of Transportation (DOT) promulgated the so-called "full fare" rule, requiring that government fees and taxes be included in all fare price quotations (and that the amount of such fees and taxes be displayed "less prominently" in airline advertising).

There are several problems with the full-fare rule, including:

- The rule reduces transparency and limits access by consumers to useful information.
- The effect of the rule is to dampen demand for air travel, which penalizes economic growth. As you know, airlines exert an important "catalytic" effect on many other economic sectors, including tourism, retail, hotels, restaurants and trade, among others, most of which are large employers in our economy and need the support of a robust, competitive and safe air travel system.
- The rule operates to limit airlines' ability to inform their customers about the overwhelming tax burden they face. Recent government fee (tax) increases in late 2013, for example, appear to most consumers as a fare increase by the airlines, which is not the case. Airlines' freedom to address their customers truthfully to highlight this tax burden should not be constrained by the government (as it is under the full-fare rule).

- The rule represents activity that is well beyond the limited regulatory scope reserved to the DOT under the ADA, which is solely to monitor and regulate “unfair and deceptive practices.” No consumer has ever purchased a ticket before knowing the full amount, including all voluntary charges for ancillary services as well as governmental/airport taxes and fees.

What American consumers need and deserve is full transparency of their air travel purchases. Airlines have responded to this need by designing effective websites and mobile applications, enabling consumers to purchase travel more conveniently, cheaply and rapidly than ever before. All of these media clearly break down, and total up, the full amount of a consumer’s choices before the final purchase is made.

DOT and some of its supporters (masquerading as consumer organizations but often representing the corporate travel industry or large third-party distribution channels for airline tickets) claim that the full-fare rule allows consumers to “finally” see the full price of their ticket. This is untrue and deliberately misleading. Consumers routinely decide on their own to add additional services to the base ticket for a charge, including checked and carry-on baggage, seat assignments, pets, onboard purchases, unaccompanied minors and other products. The welter of government and airport charges, fees and taxes, whether included in the base fare (e.g., the 7.5% federal excise tax) or passed on directly to consumers as additional charges (e.g., the 9/11 fee) also should be properly broken out.

As an ultra low-cost carrier, Spirit particularly seeks to serve those who cannot otherwise afford to fly, or to fly as often as they would like. Our customers generally fall within the most price-sensitive segment of the traveling public – individual and family leisure travelers, people visiting friends and relatives and small business travelers – people who tend to pay for their own ticket rather than those who travel under corporate travel programs. We design our product differently from most other airlines, and we don’t expect we are the choice for everyone. But we do provide a valuable consumer option for an underserved segment of the traveling public.

We thank you for your initiative and leadership in sponsoring the Transparent Airfares Act, and we would be delighted to assist in your efforts in any way you think helpful.

With best regards,



B. Ben Baldanza  
President and CEO