

DEPARTMENT OF THE ATTORNEY GENERAL

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Attorneys General to U.S. Transportation Secretary: Don't Withdraw Rule Requiring Airlines to Disclose Baggage Fees Upfront

HONOLULU - Today, Attorney General Doug Chin joined a coalition with 16 other Attorneys General asking the Trump administration to not withdraw a rule requiring airlines and third-party booking companies to disclose baggage fees and other charges upfront, making it easier for passengers to know the true cost of buying their airline tickets.

"Hawaii residents rely heavily on air travel which has already gotten more frustrating due to the extra costs for things that used to be included in the price of a ticket, like food and checked baggage," said **Attorney General Chin**. "Allowing the airlines to hide the cost of those extra fees for baggage isn't fair to consumers and will increase the dissatisfaction of Hawaii residents and tourists alike."

The Transparency of Airline Ancillary Service Fees rule, proposed in January 2017, would have made it far easier for consumers to understand the full cost of their plane tickets. When a customer books a ticket, the baseline price is typically all that is shown. Carry-on baggage fees, checked baggage fees, seat fees, and more are not disclosed until booking is nearly complete – or even after tickets have been purchased. The rule would have required airlines to post all the fees up front at the beginning of the booking process – instead of surprising consumers at the end.

The coalition, led by Pennsylvania Attorney General Josh Shapiro, asked U.S. Department of Transportation Secretary Elaine Chao in a letter today to not withdraw the rule. U.S. airlines are expected to earn \$57 billion from these fees this year - and \$7 billion from baggage fees alone.

The Transportation Department announced earlier this month it was withdrawing the rule, which was proposed during the final days of the Obama administration. The department said in a notice posted online that the rule would have been "of limited public benefit."

According to a 2016 study cited by the Attorneys General in their letter to Secretary Chao, travelers paid an average of \$100 in fees per round-trip on Spirit airlines, \$97 on

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Frontier and \$86.92 on United. "We regularly hear reports from consumers in our states who are confused and frustrated by these fees, which significantly alter the total cost of travel," the Attorneys General wrote.

The Attorneys General letter details the many different fees that airlines are increasingly charging consumers for basic services which were previously considered standard services covered by the basic ticket price. In addition to baggage fees, some airlines charge for printing boarding passes at the airport, allowing passengers to select seats and even to provide assistance to children traveling by themselves.

"It is critical that consumers are able to quickly and easily determine and understand the full costs of their travel to make informed choices," the letter states. The Attorneys General wrote that while they are committed to working collaboratively with the Transportation Department to protect consumers and ensure the country's aviation industry is able to grow, "this decision by your Department works against those goals, making it harder for Americans to be informed consumers when they travel."

In addition to Hawaii and Pennsylvania, the Attorneys General of California, Connecticut, Delaware, Iowa, Maine, Massachusetts, Maryland, Mississippi, New Mexico, New York, North Carolina, Oregon, Vermont, Washington, and the District of Columbia signed today's letter.

A copy of the letter is attached.

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JOSH SHAPIRO ATTORNEY GENERAL

December 19, 2017

The Honorable Elaine L. Chao Secretary United States Department of Transportation 1200 New Jersey Ave., SE Washington, DC 20590

Dear Secretary Chao,

As state Attorneys General, we take seriously our responsibilities to protect our state's citizens in their roles as consumers. We are writing to express our serious concern over the Department of Transportation's decision to withdraw a rule requiring airlines and third-party booking services to disclose baggage and other fees prominently at all points of sale.

The Transparency of Airline Ancillary Service Fees rule, proposed in January 2017, would have made it far easier for consumers to understand the true cost of their airline tickets. When a customer books a ticket, the baseline ticket price is typically all that is shown. Carry-on baggage fees, checked baggage fees, seat fees, and more are not disclosed until booking is nearly complete – or even after tickets have been purchased. According to a 2016 study, travelers paid an average of \$100 in fees per round-trip on Spirit airlines, \$97 on Frontier and \$86.92 on United. We regularly hear reports from consumers in our states who are confused and frustrated by these fees, which significantly alter the total cost of travel.

As airlines increasingly charge separate fees for basic services rather than building them into the cost of their tickets, transparency in pricing is more important than ever. In addition to baggage fees, some airlines charge for printing boarding passes at the airport, allowing passengers to select seats and even for providing assistance to children traveling by themselves, all of which were previously considered standards activities covered by the price of a ticket. It is critical that consumers are able to quickly and easily determine and understand the full costs of their travel to make informed choices.

We are committed to working collaboratively with your Department to protect consumers and ensure that America's transportation sector is able to grow and thrive in a truly competitive environment that benefits our citizens and our economy. Unfortunately, this decision by your Department works against those goals, making it harder for Americans to be informed consumers when they travel.

All the best,

JOSH SHAPIRO

Pennsylvania Attorney General

XAVIER BECERRA

California Attorney General

GEORGE JEPSEN Connecticut Attorney General

TOM MILLER
Iowa Attorney General

BRIAN FROSH Maine Attorney General

Prio E fra

Mississippi Attorney General

ERIC SCHNEIDERMAN New York Attorney General

ELLEN ROSENBLUM Oregon Attorney General

BOB FERGUSON Washington Attorney General

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KARL RACINE

Washington, D.C. Attorney General