**FACT SHEET: Obama Administration Announces New Actions to Spur Competition in the Airline Industry, Give Consumers the Information They Need to Make Informed Choices**

***Today’s Actions Respond to Executive Order Issued on April 15 to Spur Competition, Build on Strong Record to Create a More Transparent, Lower Cost, and Higher Quality Experience for Consumers***

More than 700 million passengers are expected to board 9 million domestic airline flights in America this year. The sheer volume of people, flights, and miles underscores how fundamental air travel is to the American economy and to the lives of so many people across the country. The Administration’s actions will spur competition in the airline industry.

When American families and workers travel—whether for a long-awaited vacation or to get to a last-minute meeting—they deserve to know exactly what they’re buying. And they deserve to get what they pay for—without hidden fees or last-minute complications. Before the Obama Administration came into office, airlines were able to hide fees, shield their actual performance from consumers, and increase prices even after consumers had booked their tickets. That wasn’t fair, and it stifled transparent competition.

But in 2009, as part of the President’s efforts to promote more competition and protect consumers, the Obama Administration undertook an overhaul of the rules of the road. Through a series of new regulations, for example, the Administration has given consumers new tools. Today, consumers can easily determine the full fare for a flight, hold a reservation without payment or cancel reservation within 24 hours, get real-time updates from airlines about delayed flights, and feel confident that, if they get bumped from a flight, they will be properly compensated.

Today, the Department of Transportation is announcing a series of new executive actions to build on that strong record. These actions answer the President’s Executive Order that called for more competition that helps consumers, workers, and entrepreneurs. Together, the actions announced today will help consumers know how airlines are performing, make sure consumers don’t have to pay for services they don’t receive, and help consumers find the best flight options. That will create a more competitive market, with better outcomes for American consumers.

* **REQUIRING REFUNDS FOR DELAYED BAGGAGE:** Passengers should not be charged for services they do not receive. For example, if passengers are charged a fee by an airline for their checked baggage, they should expect to receive that baggage in a timely manner. The Administration has already taken steps to require airlines to reimburse bag fees when bags are lost; today, DOT is issuing an Advance Notice of Proposed Rulemaking to require airlines to refund baggage fees when a passenger’s luggage is substantially delayed.
* **MAKING THE AIRLINE MARKET FAIRER, MORE TRANSPARENT:** Today, the Department is releasing new [final rules](https://www.transportation.gov/airconsumer/latest-news) that will provide consumers more information and prohibit airlines from cherry-picking data about their performance. The rules will:
* STOP AIRLINES FROM DATA CHERRY-PICKING: Require the big U.S. airlines to report performance for any plane that flies under their banner - ensuring that the large carriers have to faithfully report on all domestic flights under their brand, not just the ones they select. To meet this goal, the new rule will require the big airlines to report data for flights of their domestic code-share partners (i.e. flights by generally smaller, regional airlines that are sold under the brand of the larger airline) to make these airline performance reports more complete.
* PROHIBIT UNDISCLOSED BIAS BY AIRLINES AND ONLINE TICKET AGENTS: Prohibit online ticket agents – the platforms on which many consumers compare and book flights – from undisclosed biasing of flight offerings on behalf of certain airlines to make shopping for air travel more transparent and fair for consumers.
* PROTECT TRAVELERS WITH DISABILITIES: Require large U.S. airlines to report on how often they mishandle wheelchairs so air travelers with disabilities can easily compare carriers and make informed travel decisions.
* PROVIDE CONSUMERS A CLEARER PICTURE OF BAGGAGE DELIVERY: Overhaul the methodology large U.S. airlines use to report mishandled baggage, so it better informs passengers of their actual chances of receiving their checked baggage in an acceptable and timely manner. Instead of tallying passenger reports of lost baggage and comparing that to the overall number of travelers, airlines will be required to report the total number of mishandled checked bags and the total number of checked bags.

In addition to these final rules, DOT is conducting a separate rulemaking to explore protecting consumers from surprise fees:

* EXPLORING REQUIREMENTS ON AIRLINES TO PROVIDE CONSUMERS WITH ALL-IN PRICING INFORMATION**:**    Today, many services or products airlines previously included in the price of a ticket such as checked baggage, advance seat assignments and priority boarding are sold separately.   DOT will be conducting a rulemaking to explore whether airlines should be required to share fee information for such services or products with ticket agents, so that customers can get an all-in-one price when they shop online.  DOT will also determine which fees will have to be included, potentially including baggage fees, seat assignment fees, and change and cancellation fees.

The Department of Transportation is also releasing a Request for Information on whether airlines unfairly restrict access to schedule and fare information:

* REVIEWING POTENTIALLY UNFAIR BUSINESS PRACTICES**:** Some airlines currently prevent online travel sites from listing certain sets of the airline’s fare and flight options. DOT will be looking into whether that kind of restriction is an unfair practice that makes it harder for travelers to find the most affordable and convenient flights that match their needs. Today, DOT is publishing a Request for Information to solicit feedback from consumer groups, industry, and other stakeholders to advance DOT’s understanding of these market dynamics and to help DOT determine whether any regulatory or enforcement action is warranted.
* **GIVING CONSUMERS A VOICE:** Today, DOT is announcing the selection of the new members of DOT’s Advisory Committee for Aviation Consumer Protection, including New Orleans Mayor Mitch Landrieu who has been selected to serve as Chair of this Advisory Committee as well as to represent state and local governments on the Committee.  New Committee members also include: David Berg from Airlines for America, Mario Rodriguez from the Indianapolis Airport Authority, and Charlie Leocha of Travelers United. Since 2012, the Committee has given consumers a voice within DOT, leading DOT to place more educational information on its website to help consumers understand airline services, require airlines to make websites and kiosks at airports accessible for people with disabilities and expand the airlines that report service quality data such as on-time performance data to the Department. To provide the public an opportunity to discuss important consumer issues and help address issues that do not have simple answers such as how to make the airline market more competitive, the Committee will meet twice a year at the DOT’s headquarters in Washington, D.C.  This meeting will be open to the public and comments by members of the public are invited.  Additionally, DOT will stream the event live on the Internet.

**In the months ahead, the Department of Transportation will finalize additional rules that will address:**

* Whether to require travel agents to adopt minimum customer service standards – like the right to cancel a reservation within 24 hours and receive a prompt refund – in order to ensure consumers are treated fairly; and
* Whether to define what type of entity the Department considers a ticket agent to make it clear that all companies that market air transportation must follow the same consumer protection rules.

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**Today’s Actions Build on a Strong Record of Standing Up for Airline Passengers**

Under President Obama, the Federal government has provided a substantial boost to airline passenger rights and protections. Today’s actions build on rules issued in December 2009 and April 2011 aimed at enhancing airline passenger protections.

The 2009 and 2011 rules prohibited airlines from forcing passengers to remain stranded onboard aircraft on the tarmac for more than three hours on domestic flights and more than four hours on international flights, with exceptions for safety, security and air traffic control related-reasons. The tarmac delay rule has virtually eliminated excessive tarmac delays.

The Department’s pro-passenger rules have also made travel simpler and easier for consumers in a number of other ways including by:

* requiring airlines to reimburse passengers for bag fees if their bags are lost;
* allowing passengers to hold a reservation made directly with an airline without payment or cancel a reservation within 24 hours without penalty if the reservation is made one week or more prior to a flight’s departure date;
* providing consumers who are involuntarily bumped from oversold flights with greater compensation;
* requiring carriers to disclose fees for baggage, meals, canceling or changing reservations, and other optional services on their websites;
* requiring airlines to promptly notify consumers of delays of over 30 minutes, as well as cancellations and diversions; and
* mandating that advertised and listed airfares must be the entire fare to be paid by the consumer, including all government taxes, in every advertised price.

**A Strong Enforcement Record.** The Administration has also had a get-tough approach to enforcing consumer protection rules which has led to millions of dollars in sanctions. Since 2009, the Department has taken more enforcement actions, through cease and desist orders, than in the preceding 12 years combined­. These orders have assessed over $32.5 million in civil penalties for violations of airline consumer protection and disability rules. Among these are precedent-setting orders against airlines for violations of rules regarding the enplaning and deplaning of travelers with disabilities, the fair treatment of family members and survivors in the wake of aviation disasters, and rights of passengers during tarmac delays.