

ROGER WICKER, MISSISSIPPI
ROY BLUNT, MISSOURI
MARCO RUBIO, FLORIDA
KELLY AYOTTE, NEW HAMPSHIRE
TED CRUZ, TEXAS
DEB FISCHER, NEBRASKA
JERRY MORAN, KANSAS
DAN SULLIVAN, ALASKA
RON JOHNSON, WISCONSIN
DEAN HELLER, NEVADA
CORY GARDNER, COLORADO
STEVE DAINES, MONTANA

BILL NELSON, FLORIDA
MARIA CANTWELL, WASHINGTON
CLAIRE McCASKILL, MISSOURI
AMY KLOBUCHAR, MINNESOTA
RICHARD BLUMENTHAL, CONNECTICUT
BRIAN SCHATZ, HAWAII
EDWARD MARKEY, MASSACHUSETTS
CORY BOOKER, NEW JERSEY
TOM UDALL, NEW MEXICO
JOE MANCHIN III, WEST VIRGINIA
GARY PETERS, MICHIGAN

NICK ROSSL, STAFF DIRECTOR
KIM LIPSKY, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEBSITE: <http://commerce.senate.gov>

September 9, 2016

Mr. Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

Consumers are increasingly frustrated and confused by the growing number of fees imposed by commercial airlines. Passengers often purchase airline tickets expecting them to cover the full cost of transportation, only to later be surprised by an ever-growing list of fees, including change fees, cancellation fees, baggage fees, seat assignment fees, and other “ancillary” fees.

On April 19, 2016, the Senate passed the bipartisan Federal Aviation Administration (FAA) Reauthorization Act of 2016, which contained several provisions intended to provide additional consumer protections regarding the imposition of certain ancillary fees. In addition, the legislation directed the Government Accountability Office (GAO) to review airline change, cancellation, and baggage fees. Unfortunately, the House of Representatives declined to include this and several other consumer-friendly provisions in legislation to extend the FAA’s operating authority through September 2017.

GAO has previously studied the issue of airline-imposed fees – most recently in 2010.¹ Since then, however, the types of airline fees imposed and the total revenue derived from these fees have grown substantially. In light of these changes and as members of the Senate Committee on Commerce, Science, and Transportation, we request that GAO conduct an updated study of airline ancillary fees and their impact on consumers.

Specifically, we request that GAO’s study include the following elements:

- 1) A description of the types of optional or ancillary fees imposed by commercial air carriers, as that term is defined by 49 U.S.C. § 40102, as of the date of this request and

¹ See Government Accountability Office, *Commercial Aviation: Consumers Could Benefit from Better Information about Airline-Imposed Fees and the Refundability of Government-Imposed Taxes and Fees* (July 2010) (GAO-10-785). In 2012, GAO also conducted a review of delayed baggage trends, including options for compensating passengers when unreasonable delays occur. See Government Accountability Office, *Delayed-Baggage Trends and Options for Compensating Passengers* (June 14, 2012) (GAO-12-804R).

The Honorable Gene L. Dodaro

September 9, 2016

Page 2

the stated service provided. At a minimum, we request that GAO focus on the following ancillary fees:

- a. Checked baggage fees;
 - b. Preferred seating fees;
 - c. Change fees;
 - d. Cancellation fees; and
 - e. Unaccompanied minor fees.
- 2) A summary of the actual fee charged for each of these ancillary or optional services on June 1, 2010 (to the extent possible) and on June 1, 2016. As part of this analysis, we request that GAO:
- a. Study the increase, if any, in the types of fees during that historical period;
 - b. Quantify any increase in fee revenue derived during that period in both dollar figures and on a percentage basis; and
 - c. Analyze how the percentage of airline revenue derived from base fares and ancillary fees has changed during that period.
- 3) How each airline calculates these ancillary fees, including what criteria they use to determine how much to charge for each fee.
- 4) The relationship between these ancillary fees and the actual cost incurred by the airline for providing the service covered by the fee.
- 5) To the extent applicable, how each airline refunds optional or ancillary fees when the ticket with which the fees are associated is cancelled (either voluntarily by the consumer or involuntarily), the service on which the fee is based is not delivered, or the service is delayed (in the case of checked baggage fees).
- 6) Steps taken by other countries or regulatory bodies, such as the European Union, to increase consumer fairness and reduce confusion in the context of airline ancillary fees.
- 7) Whether further regulatory action by the Department of Transportation under existing authorities could increase consumer fairness and reduce confusion concerning airline ancillary fees.
- 8) Whether further legislative action by Congress could increase consumer fairness and reduce confusion concerning airline ancillary fees.

Thank you in advance for your assistance with this request. We look forward to your reply and timeframe for completing this study.

The Honorable Gene L. Dodaro
September 9, 2016
Page 3

Sincerely,



BILL NELSON
Ranking Member



RICHARD BLUMENTHAL
Ranking Member, Subcommittee on
Consumer Protection, Product Safety,
Insurance, and Data Security



EDWARD J. MARKEY
Member

cc: The Honorable John Thune, Chairman