

Who We Are

Open Allies for Airfare Transparency represents more than 250 stakeholders in the air travel distribution system:

- More than half of the 53 companies with annual sales of more than \$100 million on Travel Weekly's 2010 "Power List," as well as corporate travel departments from many of the world's leading companies.
- Leading U.S.-based trade and advocacy organizations, including the American Society of Travel Agents, Business Travel Coalition, Interactive Travel Services Association, and Association for Passenger Rights.
- Given the negative impact that hidden fees and fragmented systems have on travelers around the world, leading international organizations have joined Open Allies as well, including the European Technology and Travel Services Association, Advantage (the United Kingdom's largest independent travel group), ABRACORP (a Brazilian organization that represents more than 40 percent of corporate travel revenue in that country), Association of Canadian Travel Agencies, Travel Agents Federation of India, Confetur (which represents 200 travel agencies across Mexico) and Scottish Passenger Agents Association.

4WellnessTravel	ArthroCare Corporation	Colpitts World Travel	European Technology and
A & I Travel Service, Inc.	ASAP Travel	Columbia Basin Travel (Travel	Travel Services Association
A Plus Travel Corp.	Association for Airline	Leaders)	European Tours
A QUICK TRIP INC.	Passenger Rights	Colwick Travel	Examinetics
ABC Global Services	Association for Wedding	Commonwealth Business	Executive Travel
Abracorp	Professionals International	Travel Group, Inc.	Expedia
Activa Travel	Association of Canadian	CONFETUR	Explore Tours
ADA Travel	Travel Agencies	Conlin Travel	Federal-Mogul
Adam Travel	Assurant, Inc	Connections Travel Service	Flathead Travel Service
Adelman Travel Group	Athina Tours SRL	Converteam UK LTD	FLORENCIA Servicios
Adler Travel Agency	Atlas Travels	Copastur Viagens e Turismo	Turisticos
ADTRAV Travel Management	ATPI Group	Ltda.	Fox Travel
Advantage Travel	Aviasales.ru	Corporate Travel Solutions	FrandecTravel Services
Advantage Travel Centres	Avoya	Courtesy Travel	Fred Imbert Travel
Advent Travel/Travel Leaders	Azumano Travel - American	Cresta World Travel	Freeman
Minneapolis	Express	Crowley Maritime	FUNTOR
Adventure Travel	Balboa Travel Management	Corporation	Gambro Lundia AB
AHY Travel & Tours	Batt-travels and tours ltd	Cruceros To Go	Geraci Travel
Airport Travel	Bay Area Travel Inc.	Cruise Planners	Ghiaturs
Airport Travel Agency	BCD Travel	Cruise Travel Vacations	GKR Consulting, LLC
Aladdin Travel and Meeting	Bellver Viatges	Cruise Trips for Two	Global Crew Logistics/CTCH
Planners	Blue Ribbon Business Travel	CSC	GlobalPoint Travel Solutions
Alaska Travel Source	International, Inc.	Dart Corporate Travel	GlobalWay , Turismo
Alatur	Boca Express Travel	DHL Global Business Services	Educacional
All About Travel	Bowne of Dallas	Directravel	Green Earth Travel LLC
All Seasons Travel	Breton Village Travel	Divertivajes	Gulivers Travel
All-Travel.com	Business Travel Coalition	Dubai Travel & Tour Agents	Hamilton, Miller, Hudson &
Alpha & Omega Travel	Caldwell Travel	Group	Fayne Travel Management
Altria	Candleridge Travel	Duluth Travel	Corporation
Amadeus	Caribbean Travel Agency, Inc.	El Sol Travel	HealthCare California
American Council for	Carroll Travel	Emely Tours, Dominican	Hess Corporate Travel
International Studies	Casto Travel	Republic	Hidden Treasure Tours
American Society of Travel	Century Travel Services	Emergency Travel Service, LLC	Hostway Viagens
Agents	Child Travel/Albany Travel	Enfoque Turistico, S.A. de C.V.	Interactive Travel Services
Antelope Travel Greece	Christopherson Business	Entertainment Travel Service	Association
Anthony Travel Inc.	Travel	Envoy Travel	Intermex
APB Travel	CI Travel	ESF travel	International Tours & Cruises
Applied Materials, Inc.	Class Tour	Estilo Viajes	Interview Travel
ARTA Travel	Classic Travel & Tours, Inc.		Islatur Lalianxa

Open Allies for Airfare Transparency is a coalition of individuals, companies, and organizations that believe that all airline fares and fees should be transparent to the traveling public. Our members include more than 250 of the world's leading travel management companies, corporate travel departments, consumer groups, and travel agencies.

OPEN ALLIES FOR AIRFARE TRANSPARENCY

KEEPING AIRLINE TRAVEL COMPETITIVE AND TRANSPARENT

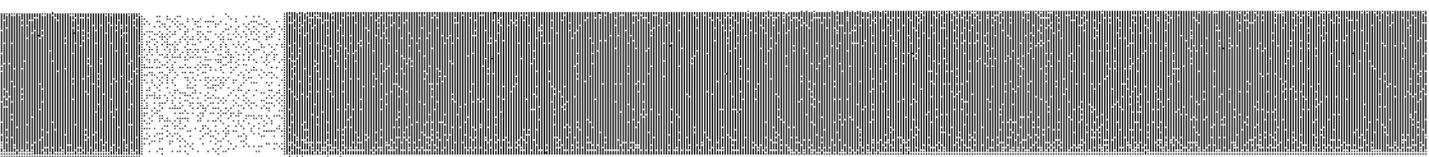
iwantmytravel.com
J Walker Service Group LLC
Jim's Travel Link
Journey House
Just Marketing International
KBACE Technologies
Kraft Foods
La Casa del Viaje
Latin Holdings
Let's Travel
Liberty Global Europe
Location Travel Corp.
Logitech
LXR Travel
MacNair Travel Management
Main Street Travel
Maringa Passagens e Turismo
Maritz Travel Company
Maupin Travel Inc.
Meghdutam Travels Canada Inc.
Mena Travel International
Menno Travel Service
Milne Travel
MKI Travel and Conference Management
Motor City Travel
Mundo Joven Travel Shop SA de CV
Net Tour Viagens e Turismo
NOVA Chemicals
Oasis Travel
Olaari Destinos Turisticos
Omega World Travel
OMT Travel Production
Oracle
Orange Blossom Travel
Orbitz Worldwide
Orion Travel
OT&T Travel Management
Ovation Travel Group, Inc.
Papa John Johns / Taylor Productions
Passageways Travel - AMEX
PATROTUR
Pauline's Travel
Penn State University
PLATINUM VIAGENS E TURISMO
Plaza Tours / Viajes Plaza
Polk Majestic Travel Group
Prego Viajes
Primus Turismo & Viagens Ltd
Pryde Travel
Quiksilver
Randall's Travel Services
REZJET
Roberta's Travel Solutions
Royaltour Travel Agency
S.R. Travel Service
Sabre
Sanditz Travel
SATH
Scottish Passenger Agents Association
Sevilla Sol Viajes
Shop and Bargain for You
Singh's Travel
Softvoyage
Solida Viagens Ltda.
Spears Travel / Travel Leaders
Springdale Travel
Sreenath Sager
Stellar Travel
STERIS Corporation
Sterling Vacations
STW Turismo
Summit Travel Group
Sun Travel
Sunjet Travel Agency
Superior Choice Travel
Suzi Davis Travel
Sybase, Inc.
Textron
The Travel Collection
The Travel Company
Edinburgh
The Travel Gallery
The Travel Team
TLG Travel Management
TMC
Total Travel Adventures
Tour East Holidays (Canada) Inc.
Tradytec
Tramex Travel
Travel Agents Federation of India
Travel and Transport, Inc.
Travel Connections
Travel Dynamics Group Inc.
Travel Experts, Inc.
Travel Leaders (Framingham, MA)
Travel Leaders (Memphis, TN)
Travel Leaders (Plano, TX)
Travel Malta Destination Management Ltd.
Travel Management Corporation - Global Star
Travel Management Group
Travel Management Partners
Travel One
Travel Quest
Travel Solutions, Inc.
Travelbusiness
Traveling Times, Inc.
Travelink
Travelocity
Travelport
TravelStore Inc.
Traveltech/Frosch
Travizon
Trimble Navigation Limited
Sunnyvale
titravel
Tubby Lohmer's Travel Leaders
Turismo GT
Turismo Sibarita
Two Scots Travel
Ulmer Travel Service Inc
Ultramar Travel Management
UNIGLOBE Travel International LP
Universal Travel / American Express
Up and Away Travel
USTRavel
Vaisala Products & Technology
Valerie Wilson Travel, Inc.
Vanilla Sky
Viaja Agencia
VIAJES AEROMEDELLIN
LALIANXA- ORG AVIATUR
Viajes Caribe
Viajes Gallana Inc
Viajes Lincoln
Viajes Mundomex
Viajes Nosana
Viajes San Luis 400
Viatges Bellver
Viatoris
VillaTours
Vimsa Tours
Virtuoso
Vista Travel Inc.
Viva Travel
Warwick Travel Service
Wayland Travel/ATD-Adventure Travel Desk
WeekEnd Turismo Ltda
White Reizen Jetaircenter
Wilcox World Travel and Tours
Williamsburg Travel
Windsor Travel
Wings Travel Group
Wood Travel
World Travel
World Travel Bureau, Inc.
World Travel Service
World Travel, Inc.
Worldwide Cruises SRL
Wright Travel
Your Travel Center Inc.

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www.faretransparency.org

Consumers Deserve Fee Transparency

Comments on DOT-OST-2010-0140



The Problem

U.S. air carriers now “unbundle” their airfares and charge additional, separate fees for services that were once included in the base price – such as checked baggage, boarding options, seating preferences and meals.

These fees affect tens of millions of American air travelers every year – i.e. the impact is large and growing.

In 2010, U.S. airlines collected more than \$9.2 billion through more than 100 different types of such “ancillary” fees.

Ancillary fees sometimes represent 25%, 50% or more of the base fare.

Airlines do not share their ancillary fees with third parties distributors such as travel agencies and online travel sites, although more than 50% of air travel is booked through such non-airline outlets.

Why not? Airfares appear artificially low without the fees. And the first airline to disclose them will suffer a competitive disadvantage against other airlines who do not, as its fares will appear more expensive.

The Problem

- Millions of travelers are being surprised by the fees; corporate travel management is dysfunctional.
 - In a survey last year, 2/3 of travelers said they have been surprised at the airport by unexpected fees that increased the cost of their trips, prompting widespread anger and strain on travel budgets.
 - Corporations cannot manage million-dollar travel budgets based on expense reports of “misc fee” purchased separately from the ticket.
- Airline refusal to share the fees with third-party distributors means millions of travelers get incomplete information and comparison shopping becomes difficult, if not impossible.
- **In summary, the air travel marketplace is failing, because airlines are hiding their fees to make their prices appear deceptively lower than they actually are, and millions of consumers are being harmed because they cannot calculate or compare the full cost of air travel while shopping.**

Fares Quoted v. Actual Cost for an Easter Weekend Flight Washington, DC to Boston, MA with Two Bags and Extra Legroom

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Step 1: Select a Departing Flight From Washington, DC to Boston, MA

Fri Apr 22, 2011 - Sun Apr 24, 2011 | 1 Adult [Change Your Search](#)

Flights Starting at
\$128
Total \$149

Alternate Airport from: **\$98**
Total \$119

Flight + Hotel 2-Nights from: **\$254**

Important Information

Information about your flight results
• Flights departing close to your preferred time are shown below

Lowest Fare Summary

- AirTran Airways
- Delta Air Lines
- United
- JetBlue Airways
- Continental Airlines

To Show Original Results: [Reset Filters](#)

Sort the Flights Shown Below by:

- By Departure Time By Airline
- Non-Stops**
\$128
 Total \$149
- \$133**
 Total \$154
- \$133**
 Total \$154
- \$138**
 Total \$159
- \$148**

Actual Cost

Cheap Flights!

JetBlue: \$138 + \$90 = \$228
 04/22/2011 04/24/2011

Delta: \$133 + \$120 = \$253

Airtran: \$128 + \$130 = \$258

Continental: \$148 + \$120 = \$268

United: \$133 + \$158 = \$291

Expedia Onetravel

Argentina

Note: United legroom is an estimate based on a similar length trip, and Continental's legroom fee was not included, as neither airline discloses its fees for that option, and Continental's could not be estimated. Delta does not make that option available to fliers.

The Effects

- Today's marketplace incentivizes airlines to hide their fees – and shift their pricing from base fares (visible) to ancillary fees (hidden) – as most travelers will not see those fees until after the ticket purchase has been completed.
- Once a ticket has been purchased, the consumer is stuck with the fees imposed by the carrier it has chosen, given the difficulty and expense in changing airlines.
- This pricing scheme is neither transparent, nor comprehensible to consumers. It creates uncertainty, raises consumers' costs, reduces choice, and eliminates inclusive fare and fee comparison.
- **Market forces cannot be expected to fix this problem, as the overwhelming financial incentive is for airlines to keep their fees hidden.**

Airline Withholding of Fee Information is a Market Failure

- Largest corporate customers have demanded access to ancillary fees through existing pipelines, but airlines have paid them no heed.
- Third-party distributors would facilitate the sale of more ancillary fees, driving more airline profit, but they have been denied access.
- Competition is failing to solve the problem because airlines share the same financial incentive to hide their prices from consumers, and the first company to share such information would be punished by appearing more expensive.

How to Solve the Problem

- The solution is straightforward and has two integrated elements:
 - Require airlines to share all of their fees through any sales channels they decide to use for their fares
 - Require that fees be shared in a way that enables consumers to buy ancillary services along with their ticket purchases
- This would simply be an extension of existing regulations against deceptive pricing in airfares, extending that same requirement to the previously-bundled services that used to be included in the fare.
 - Other mandatory disclosure rules already exist for code-share and change-of-gauge flights

Concerns Raised by Airlines

Claim: The airlines say they will be forced to do business with GDSs and other travel distributors.

Fact: The airlines can choose to do business – or not – with whomever they want. This rule would simply require them to share their full fare and fee information through any sales channels with which they decide to do business.

Claim: The airlines say current distribution technologies cannot handle ancillary services.

Fact: The primary fare distribution system, ATPCO, which is owned by the airlines themselves, has successfully tested the technology to distribute most optional fees with 26 airlines and confirms it is ready to go. It works today.

As ATPCO told the Department of Transportation (DOT) in its comments:

“The ATPCO Optional Services product was designed to enable the display and quotation of optional fees either as a catalog of services or as part of an all inclusive “total price” quote. Therefore, ATPCO, through its ATPCO Optional Services product, can fully support airlines’ specific needs in complying with the proposed rule described in the NPRM, should such a requirement be imposed by the Department.”

Concerns Raised by Airlines (cont.)

Claim: The airlines say the market will fix this issue, as companies resolve it through private negotiations with one another.

Fact: Airlines have an economic incentive to keep their fees hidden. Any partial disclosure reached through negotiation will provide only a fraction of the fees necessary for consumers to have apples-to-apples price comparison across airlines.

Claim: The airlines say it would be too expensive to implement.

Fact: The cost of airline compliance is negligible – a \$3,000 fee and de minimis data entry costs. There is no additional technology investment required.

Claim: The airlines say they cannot provide customization of their services to individual travelers with this requirement.

Fact: The technology exists today to authenticate individuals and offer them customized bundles of services through existing sales channels, if the airlines would only make that information available.

Is Disclosure on Airline Websites Enough?

Through a May 2008 Guidance, DOT already requires a minimal level of baggage fee disclosure on airline web sites.

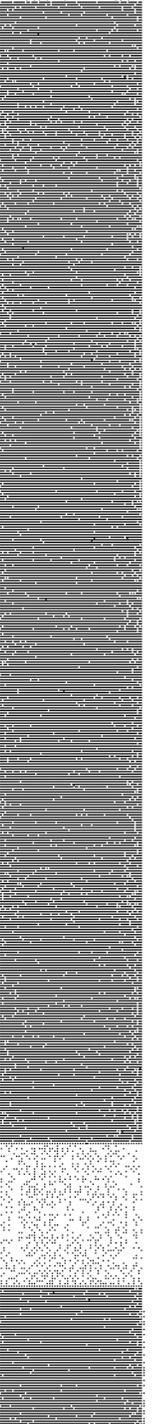
The rule proposed in the NPRM at proposed section 399.85 would enhance this disclosure of checked baggage fees and fees for other ancillary services on airline websites and (for checked baggage fees) in e-ticket confirmations.

Although a positive step, this is an incomplete solution that will not address the broader problem of hidden fees.

Partial disclosure is no disclosure at all for the 50%+ of travelers who do not make their purchase on an airline web site.

Even on the airlines' sites, baggage disclosures are often buried in lengthy fine print and/or not presented during the shopping process, an airline tactic that would likely be extended to other common fees if not prevented by DOT.

The only way to guarantee that consumers will be able to fully compare total prices of air transportation is to require full electronic disclosure and transactability of ancillary services through all of the sales channels that each airline decides to use for fares.



What Should DOT Do?

DOT has the authority and the statutory obligation to protect air travelers from unfair pricing schemes, such as these.

Because of federal preemption, consumers' ability to protect themselves is extremely limited.

Therefore, DOT should:

Require all airlines to make their complete fare and ancillary fee information available and transactable through every sales channel in which they choose to distribute their fares.

Our proposal for this regulatory approach is consistent with the President's policy set forth in Executive Order 13563.

This approach is simple, market-oriented, low cost, and of critical importance to air travelers. There are no legal, technical, or economic obstacles. The airline industry simply needs a regulatory nudge to create the required transparency.

