

U.S. Department of Transportation Expands Airline Passenger Protections

WASHINGTON, DC – U.S. Transportation Secretary Ray LaHood today announced new airline passenger protections that will require airlines to reimburse passengers for bag fees if their bags are lost, provide consumers involuntarily bumped from flights with greater compensation, expand the current ban on lengthy tarmac delays, and disclose hidden fees. The rulemaking finalized today builds on passenger protections issued by the U.S. Department of Transportation in December 2009, which prohibited U.S. airlines operating domestic flights from permitting an aircraft to remain on the tarmac for more than three hours, with exceptions for safety, security and air traffic control related-reasons. The rule also required U.S. airlines to provide basic services such as access to lavatories and water in the event of extended tarmac delays.

“Airline passengers have a right to be treated fairly,” said Secretary LaHood. “It’s just common sense that if an airline loses your bag or you get bumped from a flight because it was oversold, you should be reimbursed. The additional passenger protections we’re announcing today will help make sure air travelers are treated with the respect they deserve.”

Lost Bags and Bag Fees. Airlines will now be required to refund any fee for carrying a bag if the bag is lost. Airlines will also be required to apply the same baggage allowances and fees for all segments of a trip, including segments with interline and code share partners. Airlines are already required to compensate passengers for reasonable expenses for loss, damage or delay in the carriage of passenger baggage.

Full Disclosure of Additional Fees. Airlines will also have to prominently disclose all potential fees on their websites, including but not limited to fees for baggage, meals, canceling or changing reservations, or advanced or upgraded seating. In addition, airlines and ticket agents will be required to refer passengers both before and after purchase to up-to-date baggage fee information, and to include all government taxes and fees in every advertised price. Previously, government taxes and fees were not required to be included in the up-front fare quotation.

In addition, the rule announces that the Department will issue a supplemental notice of proposed rulemaking later this year that would require, among other things, that ancillary fees be displayed at all points of sale.

Bumping. Today’s rule doubles the amount of money passengers are eligible to be compensated for in the event they are involuntarily bumped from an oversold flight. Currently, bumped passengers are entitled to cash compensation equal to the value of their tickets, up to \$400, if the airline is able to get them to their destination within a short period of time (i.e., within 1 to 2 hours of their originally scheduled arrival time for domestic flights and 1 to 4 hours of their originally scheduled arrival time for international flights). Bumped passengers are currently entitled to double the price of their tickets, up to \$800, if they are delayed for a lengthy period of time (i.e., over two hours after their originally scheduled arrival time for domestic flights and over 4 hours after their originally scheduled arrival time for international flights). Under the new rule, bumped passengers subject to short delays will receive compensation equal to double the price of their tickets up to \$650, while those subject to longer delays would receive payments of four times the value of their tickets, up to \$1,300. Inflation adjustments will be made to those compensation limits every two years.

Tarmac Delays. The new rule expands the existing ban on lengthy tarmac delays to cover foreign airlines' operations at U.S. airports and establishes a four hour hard time limit on tarmac delays for international flights of U.S. and foreign airlines, with exceptions allowed only for safety, security or air traffic control-related reasons. Carriers must also ensure that passengers stuck on the tarmac are provided adequate food and water after two hours, as well as working lavatories and any necessary medical treatment.

The extended tarmac delays experienced by passengers on international flights operated by foreign carriers at New York's JFK Airport during the December 2010 blizzard was an important factor in the Department's decision to extend the tarmac delay provisions to foreign air carriers and establish a four hour tarmac delay limit for international flights.

The Department of Transportation's rule will make air travel simpler and easier in a number of other ways, including:

- Requiring airlines to **allow reservations to be held** at the quoted fare without payment, or cancelled without penalty, for at least 24 hours after the reservation is made, if the reservation is made one week or more prior to a flight's departure date.
 - Requiring airlines to promptly **notify consumers of delays** of over 30 minutes, as well as cancellations and diversions. This notification must take place in the boarding gate area, on a carrier's telephone reservation system and on its website.
 - **Banning post-purchase fare increases** unless they are due to government-imposed taxes or fees, and only if the passenger is notified of and agrees to the potential increase at the time of sale.
 - **Requiring more airlines to report** lengthy tarmac delays at U.S. airports with DOT, including data for international flights and charter flights. Previously, only the 16 largest U.S. passenger carriers were required to file this data, and only for domestic scheduled flights.

Secretary LaHood announced the first airline consumer protection rule in December 2009, and that rule has resulted in the near-elimination of lengthy tarmac delays. Between May 2010 and February 2011, the first full 10 months the rule was in effect, the largest U.S. airlines reported only 16 tarmac delays of more than three hours, compared to 664 from May 2009 through February 2010. The new rule also required these airlines to post on-time performance information for each domestic flight they or their code-share partners operate.

Most provisions of the rule will take effect 120 days after its publication in the *Federal Register*. The final rule, proposed rule and comments are available on the Internet at www.regulations.gov, docket DOT-OST-2010-0140.