

# Aviation Group Client Update

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## **AIRFARE AND AIR TOUR PRICE ADVERTISEMENT GUIDANCE**

The Department of Transportation (DOT) published guidance on airfare and air tour price advertisements. The notice provides practices the Office of Aviation Enforcement and Proceedings considers to violate 14 C.F.R. § 399.84, be unfair and deceptive, and/or be an unfair method of competition in violation of 49 U.S.C. § 41712.

If a vendor chooses to disclose the amount of taxes and fees included in the full fare, it must accurately distinguish between taxes and government fees and carrier-imposed fees. The DOT believes that combining government-imposed taxes and fees with those of carriers and agents is likely to impress upon consumers that government taxes and fees are higher than what they actually are. Advertisers who list government taxes and fees and carrier or agent fees should ensure the two are not displayed together as “taxes and fees.” Language such as “taxes and carrier-imposed fees” is acceptable.

In addition, carrier-imposed fees must represent the actual cost of the item for which a charge is assessed. Carriers should be prepared to detail the services and costs per passenger associated with its charges. The same rules apply to carriers that add fees to frequent flyer ticket offerings. Further, airlines and ticket agents who choose to advertise fares on an each-way basis, when a roundtrip purchase is required, may not offer deceptively low outbound fares. For example, one carrier advertised an outbound fare of \$102 with a return fare of \$629. Other seats on the return flight were offered for \$233. According to the DOT, the only reasonable explanation for such variations is to bait a consumer with an unrealistic fare and to induce the purchase of a roundtrip ticket at a substantially higher price.

Those subject to the full fare advertising rule and 49 U.S.C. § 41712 have 60 days from the date of the notice to ensure compliance related to the issues addressed in the notice.

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