

ROBERT MENENDEZ
NEW JERSEY

COMMITTEES:
BANKING, HOUSING, AND URBAN
AFFAIRS
BUDGET
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS

United States Senate

WASHINGTON, DC 20510-3005

317 SENATE HART OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-4744

ONE GATEWAY CENTER
11TH FLOOR
NEWARK, NJ 07102
(973) 645-3030

208 WHITE HORSE PIKE
SUITE 18-19
BARRINGTON, NJ 08007
(856) 757-5353

October 31, 2008

The Honorable Mary Peters
Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Secretary Peters:

I am writing in regard to potentially deceptive fees and surcharges airlines have been charging passengers. I ask that you use your authority under 49 U.S.C. § 41712 to investigate these practices and issue clearer guidelines so that passengers can more easily compare ticket prices between carriers and are not surprised by hidden fees. There are two practices in particular that that I find particularly troublesome.

First, I understood why the airlines found it necessary to put large fuel surcharges in place when oil was close to \$150 per barrel in June and July. We were told repeatedly how these surcharges were simply a necessity in light of sky high fuel prices. But the situation with regard to oil and fuel prices has changed dramatically. Between July 2nd and last week, the spot price of Kerosene-Type Jet Fuel in the United States fell by over \$2.00 (46 percent), to its lowest level in a year. And yet most fuel surcharges are as high as ever, demonstrating that these "fuel surcharges" are not determined by the price of fuel. Moreover, these surcharges appear to be only loosely correlated with how much fuel is actually used during a flight, being instead controlled by factors such as whether one flies economy, business, or first class, how far in advance one buys a ticket, and the amount of competition on a given route. I ask the Department of Transportation to investigate whether these "fuel surcharges" have any basis in reality, or if they are being used to mislead travelers, reduce competition, and covertly increase fares.

Second, the myriad of fees that the airlines now charge often make it difficult or even impossible for consumers to find the best deal. Depending on the airline, travelers are charged varying fees for the first bag they check, the second bag they check, for selecting a seat assignment, for having a snack, for checking bags curbside, or for changing a flight.

I hope airlines are in compliance with your May 19, 2008 guidance on the disclosure of checked baggage fees, but this requirement to just post fees on an airline's website is simply not good enough. My staff has gone to several airline websites and attempted to figure out what fees they are being charged and often what pops up is a dollar figure said to represent "taxes and fees" without any way to figure out to what specific fees or taxes these charges correspond.

United Airlines, for instance, explains that fees and taxes may include a "Carrier-imposed fuel surcharges (YQ) of up to \$250 per direction of travel," but does not breakdown the charges on any given fare.

Even in cases where it is possible to tease out some of these fees, air travelers are often left to decipher tables of hidden fees. The attached table shows how difficult it is for a consumer to figure out just what they will wind up paying for their flight.

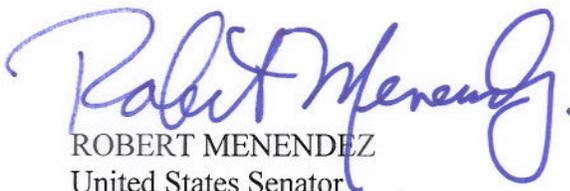
The flying public expects to be able to go to their computer and simply and easily compare ticket prices, but as it stands, that is simply impossible. I ask that you use your authority under 49 U.S.C. § 41712 to better regulate the airlines so that travelers are not victimized by misleading fuel surcharges or by hidden fees.

Specifically I ask that you:

- investigate to determine whether "fuel surcharges" actually have anything to do with fuel use or fuel costs; and
 - if there is little or no correlation I ask that you issue guidelines to ensure there is a strong correlation, because airlines should not be able to use a surcharge structure in an attempt to hide the true price of a ticket from customers or mislead them into thinking fuel costs are unrealistically high.
- investigate whether customers can determine the exact breakdown of fees, taxes, and surcharges, and whether they can do this without inputting any information like their name, address, or credit card number; and
 - if customers cannot readily access this information I ask that you issue guidelines to require airlines to have these capabilities at their websites. Customers should not have divulge personal information before determining the true cost of their airline ticket.
- investigate the extent to which using "fuel surcharges" instead of increased base fares results in savings for the airlines by reducing taxes, increasing frequent flier revenues, or avoiding corporate or bundling discounts.

Thank you for your attention to this important matter. I look forward to your prompt reply.

Sincerely,


ROBERT MENENDEZ
United States Senator

Attachment: Fees for Domestic Carriers (excluding fuel surcharges)

Provided by FareCompare.com

Updated October 20, 2008

	Reservation by Phone (per person)	1 st Checked Bag Fee (each-way)	2 nd Checked Bag Fee (each-way)	Seat Selection / Priority / Leg Room
American	\$20	\$15	\$25	None
Continental	\$15	\$15 ¹⁰	\$25	None
Delta	\$25	Free	\$50	None
Northwest	\$20	\$15 ⁹	\$25	\$5 - \$35
United	\$25	\$15 ⁷	\$50	\$14 - \$109
US Airways	\$25 - \$35	\$15	\$25	\$5 - \$30
AirTran	\$15	Free	\$25 ⁵	\$6 - \$20
Alaska	\$15	Free	\$25	None
Frontier	\$25	\$15 ¹¹	\$25	None
JetBlue	\$15	Free	\$20	\$10 - \$30
Southwest	Free	Free	Free (3+ \$25)	\$10 - \$30 ¹
	Free (no sale fares)			
Spirit		\$15 - \$25 ⁵	\$25	\$5 - \$15
Midwest	\$25	Free	\$20	\$65
Hawaiian	\$10-\$25	\$15	\$25	None
Go	Free	\$10	\$17	None
ExpressJet	Free	Free	Free	None
Virgin America	\$10	Free	\$25	\$50 - \$100
Allegiant	\$10 - \$15 ea/way	\$15 - \$25 ⁵	\$15 - \$25 ⁵	\$11 - \$13
Sun Country	\$10	Free	\$25	

	Beverage/Snack Packet	Meal	Alcohol	Oversize Bag Fee (each- way)	Overweight Bag Fee (each- way)	Standby/Confirmed Seat Fee
American	Free/none	\$3 - \$10	\$6	\$150	\$50 - \$100	\$50
Continental	Free	Free ²	\$5	\$100	\$50	\$0 - \$50
Delta	Free	\$3 - \$8	\$7	\$150	\$90 - \$150	\$50
Northwest	Free/\$3 - \$5	\$7 - \$10	\$5	\$100	\$50	\$25
United	Free	\$9	\$6	\$125	\$125	Free
US Airways	\$2/\$5 ⁸	\$7 ⁸	\$7	\$100	\$50 - \$100	\$25
AirTran	Free	None	\$6	\$29 - \$69	\$29 - \$69	\$0 - \$49
Alaska	Free	\$5	\$5	\$50 - \$75	\$50	\$0
Frontier	Free	\$3	\$5	\$75	\$75	Varies ¹²
JetBlue	Free	None	\$5	\$75	\$50 - \$100	\$40
Southwest	Free (\$3 Energy)	None	\$4	\$50	\$25 - \$50	Varies ¹³
Spirit	\$2 - \$3/\$2 - \$5	None	\$5	\$100 - \$150	\$50 - \$100	\$25
Midwest	Free (Cookie)	\$6 - \$11	\$5	\$80	\$50 - \$65	\$35
Hawaiian	Free	Free	\$6	\$160 - \$360	\$50	\$0

			\$2.5 -			
Go	\$1.5/None	None	\$3.5	\$25	\$25-50	
ExpressJet	Free	Free	\$1 - \$3	\$50	\$50	
Virgin America	Free	\$6 - \$8	\$5 - \$6	\$50	\$50 - \$100	\$0 - \$25
Allegiant	\$2/\$2-\$4	\$4	\$5	may apply	may apply	n/a
Sun Country	Free	Free	\$5	\$60	\$60	

	Travel w/ Pets (each-way)	Unaccompanied Minors (per flight)	Curbside Check- In	Non-Refundable Ticket Change Fee ⁶
American	\$100 - \$150	\$100	Free	\$150
Continental	\$125	\$75 - \$100	Free	\$150
Delta	\$150 - \$275	\$100	\$3	\$100
Northwest	\$80 - \$359	\$75 - \$100	\$2	\$150
United	\$125 - \$250	\$99	\$2	\$150
US Airways	\$100	\$100	\$2	\$150
AirTran	\$69	\$39 - \$59	Free	\$75
Alaska	\$100	\$75	\$2	\$50 - \$75
Frontier	\$100 - \$200	\$50	n/a	\$150
JetBlue	\$100	\$75	\$2	\$100
Southwest	No Pets	Free	Free	Free
Spirit	\$85	\$75	\$2	\$80 - \$90
Midwest	\$100	\$50 - \$100	Free	\$100
Hawaiian	\$35 - \$175	\$35 - \$95	n/a	\$150
Go	\$25	\$25	n/a	\$20
ExpressJet	\$50	\$50	n/a	\$50
Virgin America	\$100	\$75	n/a	\$75
Allegiant	\$100	\$100	n/a	\$50 ⁴
Sun Country	\$75	\$50	Free	\$75 - \$100

Miscellaneous Fees

-JetBlue now charges \$7 for a blanket and pillow (yours to keep)

¹ Business Select Additional Fee for Priority Boarding

² Flights 2+ hours

³ Snack Box

⁴ Trip Flex Free

⁵ Effective September 18, 2008, for reservations booked on August 14 or later

⁶ Plus Difference in Current Airfare Price

⁷ For Travel on or after August 18, 2008

⁸ New charges as of August 1, 2008

⁹ For tickets purchased on/after July 10, 2008 for travel on/after August 28, 2008

¹⁰ Goes into effect immediately for tickets purchased for travel on or after Oct. 7, 2008

¹¹ For tickets purchased on/after 9/13/08 for travel on/after 11/01/08

¹² Travelers pay the difference between their original fare and the current fare to be confirmed on the new flight.

¹³ Depending on fare, Free or customer pays the difference between the original fare and the "Anytime" fare