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Provision Designed to Protect Consumers from Unreasonable Airline Fees Dropped by Congress

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The American airline industry celebrated this past Saturday as Congress <u>decided to drop a provision</u> that would have given the Department of Transportation the authority to determine if airline fees were "reasonable and proportional." Congress will be voting on the measure this week, before the September 30 deadline.

The "reasonable and proportional" fee provision had been <u>supported by consumer groups</u>, <u>celebrated as a bipartisan effort</u>. The provision was part of a compromise between chairman of the Commerce, Science and Transportation Committee, Republican Senator John Thune (R-SD) and chairman of the Transportation and Infrastructure Committee, Representative Bill Shuster (R-PA), Democrat leaders, and Republicans in other committees.

The Trump administration's Department of Transportation told Congress <u>it opposed the measure</u>, going so far as to say that many new consumer protections were deemed to be "unnecessary and wasteful." The Department of Transportation's deputy general counsel, James Owens, said the provision was a "giant step backwards" and presented a risk of wider regulation that would hurt both consumers and air carriers.

Airlines make significant profits from fees that are largely seen as unreasonable by consumers. In 2017, airlines charged passengers \$4.6 billion in fees related to baggage, seat assignment, and flight changes. Given how much they stood to lose, it is no surprise that airlines heavily lobbied against the provision. Airlines for America, an airline trade group that represents United, Southwest, and American among others, publicly stated that the provision should be rejected, arguing that it would result in "government-mandated price controls."

It is also worth noting that the airline industry is heavily involved in politics, having contributed \$2.4 million to incumbents in Congress for the November 6 election cycle and over \$12.4 million to incumbents in the last ten years. In 2017, Airlines for America spent \$8.59 million on lobbying efforts, likely due to the FAA reauthorization bill as well as the viral video of a United passenger being violently removed from his flight.

