

# Congress of the United States

Washington, DC 20515

August 2, 2024

The Honorable Pete Buttigieg  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

We are writing to request swift action on regulations impacting small businesses from the Department of Transportation under the FAA Reauthorization Act of 2024 (P.L. 118-63) which directed the department to issue regulations requiring air carriers to promptly transfer funds to ticket agents if the ticket agent was responsible for providing an airline refund but is no longer in possession of the funds.

On April 26, the Department published a final rule concerning airline refunds and consumer protections. The rule requires the “merchant of record” to pay airline refunds to consumers for canceled or significantly changed flights. In certain circumstances, the merchant of record may be a ticket agent or travel agency that managed the booking for their clients and not the airline. Beginning October 28, 2024, travel agencies – 98 percent of which are small businesses – will be responsible for providing consumer refunds with money they no longer have to address situations beyond their control.

While we understand the actions of the Department is to ensure timely refunds to consumers, the rule failed to establish how and when airlines must then reimburse the merchant of record when they are responsible for the refund.

We have been hearing significant concerns on the impact from many of our constituents in the travel advisor industry that the impact of this rule as written will have unintended negative consequences. For example, businesses specializing in large group bookings with comprehensive and complex itineraries can spend tens of thousands of dollars on airline tickets per booking. They simply do not have the capital to provide airline refunds to clients without first receiving the funds from the airline. This can and will affect their bottom line, and in some instances, could put their small businesses at risk.

While the Department states in the rule that it believes the market will address situations like these, this will undoubtedly take longer than the six months until the rule becomes effective. Therefore, we strongly urge you to expedite the production of the new regulation as required by the FAA Reauthorization bill and provide these small businesses with the assurance, come October 28, that a canceled or significantly changed flight will not impose an untenable financial burden on them.

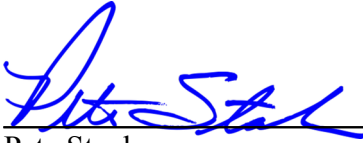
Sincerely,



Beth Van Duyne  
Member of Congress



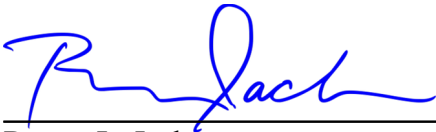
Maria Elvira Salazar  
Member of Congress



Pete Stauber  
Member of Congress



James C. Moylan  
Member of Congress



Ronny L. Jackson  
Member of Congress