

Consumer Protection and the Travel Agency Industry: *A View from the Front Lines*

Presentation Before the Advisory Committee for Aviation
Consumer Protection

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About ASTA

- 8,000 domestic members
- 900 international members in 170 countries
- Members include:
 - Traditional/brick and mortar travel agents
 - Travel management companies
 - Online travel agencies (Travelocity, Orbitz, etc.)
 - “Allied” members



About the Industry

- Travel agents sell the majority of air travel, 2/3 of cruises and tours
- \$136 billion/144 million trips sold in 2011
- \$95 billion sold by “traditional” travel agents
 - Air: \$60 billion (45 percent of the market)
 - Cruise: \$9.6 billion (68 percent)
 - Tours: \$7.8 billion (67 percent)
- Three percent growth forecast for 2012
- 83,000+ jobs / \$5.6 billion in payroll / 98% of businesses SBA-eligible
- “Value Proposition” – Why do consumers use travel agents?



ASTA and Consumer Protection

- “Front lines” of consumer travel issues
- Long record of working with USDOT on consumer protection issues, including:
 - Enhancing Airline Passenger Protections #1, 2 and 3
 - Oversales and Denied Boarding Docket
 - Antitrust Issues
 - ASTA staff sat on DOT’s tarmac delay task force (2008)



ASTA and Airline Ancillary Fees

- Top consumer protection priority
- ASTA members encounter ancillary fee frustration when dealing with:
 - Leisure Travelers/Families
 - Business Travelers
 - Small Businesses
- Travel agents and their customers **cannot** effectively comparison-shop under current system



Ancillary Fees (Cont.)

- Example – A couple flying round trip from DCA to Fort Lauderdale with one checked and one carry-on bag each and want to make sure they can sit next to each other. Their search results today:

Option	Airline	Flights	Dates	Price
#1	Spirit	301 / 394	15 Jul / 20 Jul	\$197.58
#2	US Airways	1715 / 1728	15 Jul / 20 Jul	\$ 205.60
#3	JetBlue	1483 / 1482	15 Jul / 20 Jul	\$228.60

Ancillary Fees (Cont.)

- Same example, if the couple had true ancillary fee transparency and could see and purchase ancillaries at the point of sale. Under this scenario, the couple would have chosen option #3 and ultimately saved \$209.96.

Option	Airline	Flights	Dates	Price	Bag Fees	Seat Fees	True Price
#1	Spirit	301 / 394	15 Jul / 20 Jul	\$197.58	\$116	\$20	\$333.58
#2	US Airways	1715 / 1728	15 Jul / 20 Jul	\$ 205.60	\$50	Free	\$255.60
#3	JetBlue	1483 / 1482	15 Jul / 20 Jul	\$228.60	Free	Free	\$228.60

