

October 2, 2020

ATTORNEY GENERAL RAOUL URGES CONGRESS TO ADOPT NEW CONSUMER PROTECTIONS TO PROTECT AIRLINE INDUSTRY CUSTOMERS

Chicago — Attorney General Kwame Raoul, as part of a bipartisan coalition of 40 attorneys general, sent a letter urging Congress to enact new consumer protection measures for airline industry customers as part of a financial relief package or in separate legislation as soon as possible.

“The COVID-19 pandemic has negatively impacted many industries, including airlines as people limit travel during the pandemic,” Raoul said. “Congress should act to prevent layoffs and furloughs for Illinois airline workers. However, any relief for the airline industry must also include protections for consumers, particularly those who voluntarily cancel their flights for reasons related to the pandemic.”

The United States passenger and cargo airline industry received nearly \$60 billion in federal stimulus funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Congress is currently considering extending federal support by another six months and granting the industry an additional \$28 billion in payroll support.

[In a letter](#) to House Speaker Nancy Pelosi, Senate Majority Leader Mitch McConnell, House Minority Leader Kevin McCarthy and Senate Minority Leader Charles Schumer, Raoul and the attorneys general called on Congress to enact the following consumer protections either in conjunction with additional financial support to prevent airline industry layoffs and furloughs, or as soon as possible thereafter:

- Requiring carriers that receive federal financial relief to provide full refunds to customers who voluntarily cancel their flight reservations for reasons related to COVID-19.
- Strengthening existing laws requiring refunds for flight cancellations to be remitted in full and according to federal law, and preventing delays in the issuance of refunds or expirations that effectively cancel the value reimbursed.
- Authorizing state attorneys general to enforce federal airline consumer protection laws, thereby broadening consumer violation enforcement beyond a single federal agency.

In enacting the CARES Act, Congress included several consumer protections connected to federal stimulus funds the airline industry received. Since passage of the CARES Act, however, Raoul and the attorneys general note that consumers continue to experience issues with certain airlines. Consumer complaints range from failure to expeditiously provide refunds, as required by law, when flights were cancelled or significantly delayed; to failing to provide customers a means to promptly redeem vouchers or credits; and to not providing a reliable way for customers to resolve such problems. These problems resulted in consumers losing thousands of dollars in flight credits.

Finally, Raoul and the coalition request that if attorneys general are not provided dual consumer enforcement authority, the federal government provide a more transparent and robust consumer complaint process. In particular, Raoul and the attorneys general request authority for the consumer complaint investigation process to be removed from the U.S. Department of Transportation and moved to an agency more focused on consumer protection, such as the U.S. Department of Justice or the Federal Trade Commission.

Joining Attorney General Raoul are attorneys general from Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Guam, Hawaii, Idaho, Indiana, Iowa, Kentucky, Maine, Maryland,

Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Dakota, Vermont, Virginia, Washington and Wisconsin.



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October 1, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
House Minority Leader
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
United States Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Senate Minority Leader
United States Capitol
Washington, DC 20510

**RE: Federal Fiscal Relief to the Airline Industry and
Appropriate Consumer Protections**

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader
McCarthy, and Minority Leader Schumer:

As you know, the American airline industry and cargo air carriers received federal stimulus support of nearly \$60 billion earlier this year with the passage of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.¹ This action by Congress helped a critical industry avoid potentially insurmountable economic losses and thousands of worker furloughs or layoffs. As a condition of receiving taxpayer funds, the CARES Act prohibited worker furloughs through September 30, 2020; prevented buy backs of airlines stock within a set time until after federal loans are fully paid off; and prohibited the issuance of shareholder dividends while relying on federal relief.² We are grateful that Congress conditioned federal support on strict adherence to these requirements, which further protected taxpayer monies and public confidence.

Today, passenger and cargo air carriers and their employee unions continue to urge Congress to extend federal support to keep the industry afloat and prevent hundreds of thousands of employee furloughs and layoffs. Last week, new legislation was introduced in the U.S. Senate to extend federal support by another six months and grant the industry an additional \$28 billion in payroll support.³

State attorneys general are on the front lines of protecting American consumers from deceptive and unfair practices by industries. To that end, we strongly urge Congress that any further

¹ 15 U.S.C. §§ 9042(b), 9072.

² 15 U.S.C. §§ 9042(c), 9074.

³ Air Carrier Worker Support Extension Act of 2020, S. 4634, 116th Congress (2020).

financial relief provided to the airline industry be coupled with, or followed by, appropriate consumer protection measures. Specifically, in addition to financial relief to the airline companies, Congress should consider and enact the following protections:

- requiring carriers that receive federal financial relief to provide full refunds to customers who voluntarily cancel their flight reservations for reasons related to COVID-19;
- strengthening existing laws requiring that refunds for flight cancellations be remitted in full and according to federal law, and preventing delays in issuance of refunds or expirations that effectively cancel the value reimbursed; and
- authorizing state attorneys general to enforce federal airline consumer protections, thereby broadening consumer violation enforcement beyond a single federal agency.

In the CARES Act, Congress established strong taxpayer protections connected to the airline industry's receipt of federal relief. Yet during COVID-19, it was revealed that not all airlines are acting in a manner that is fair to consumers. For example, recently the Colorado attorney general requested that the U.S. Department of Transportation ("USDOT") investigate a number of alleged violations by Frontier Airlines.⁴ In this case, USDOT Secretary Elaine Chao was alerted to more than one hundred complaints from across 29 states received against a single airline—and the pace of complaints has only accelerated since that time. Complaints range from failure to expeditiously refund customers, as required by law, when flights were cancelled or significantly delayed; to failing to provide customers a means to promptly redeem vouchers or credits; to not providing a reliable mechanism for customers to resolve such problems thereby leading to consumers losing thousands of dollars in flight credits. None of these examples are acceptable in any case but are particularly egregious when an airline has availed itself of federal relief payments and loans.

If dual enforcement authority is not given to the state attorneys general, then we urge the federal enforcement authority to make its consumer complaint process more transparent, robust, and easy to navigate. In addition, we recommend that authority for investigation of consumer complaints concerning airlines be moved from the USDOT to an agency more focused on consumer protection such as the U.S. Department of Justice or the Federal Trade Commission.

In the coming days, should Congress act on an extension of the CARES Act relief for airlines, we strongly encourage Congress to include these reasonable consumer protections in such a bill or in subsequent legislation. Thank you for your

⁴ Letter from Colorado Attorney General Phil Weiser to U.S. Secretary of Transportation Elaine L. Chao (Sept. 1, 2020), <https://coag.gov/app/uploads/2020/09/Colorado-AG-letter-to-USDOT-re-Frontier-9.1.2020-final.pdf>.

consideration of this request.

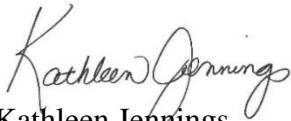
Sincerely,



Mark Brnovich
Arizona Attorney General



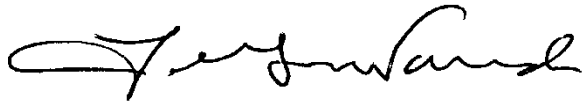
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California Attorney General



Kathleen Jennings
Delaware Attorney General



Leevin Taitano Camacho
Guam Attorney General



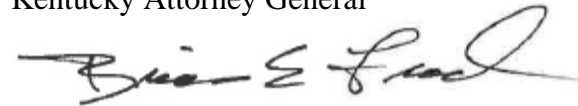
Lawrence Wasden
Idaho Attorney General



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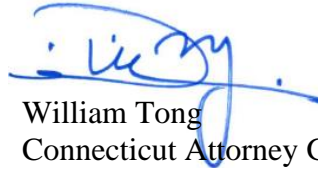
Daniel Cameron
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Brian Frosh
Maryland Attorney General



Phil Weiser
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Connecticut Attorney General



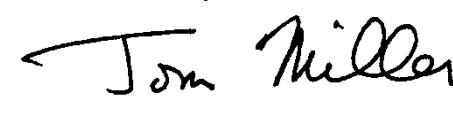
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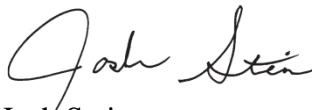
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Montana Attorney General



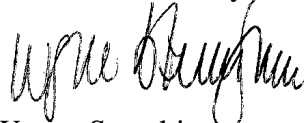
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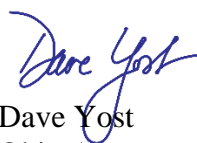
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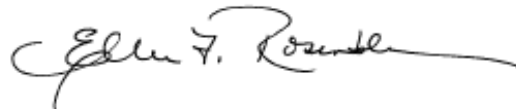
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