



May 22, 2024

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

Dear Secretary Buttigieg:

On behalf of the American Society of Travel Advisors (ASTA) and the more than 160,000 Americans who work at travel agencies across the country, I am writing to ask for your swift action on regulations as directed to the Department of Transportation under the Securing Growth and Robust Leadership in American Aviation Act (P.L. 118-63), legislation to reauthorize the Federal Aviation Administration (FAA) for the next five years.

On April 26, the Department published a [final rule](#) relating to airline refunds and consumer protections. As you know, ASTA is firmly opposed to the regulations as written, as they require ticket agents, including small business travel agencies who appear as the merchant of record, to pay airline refunds for a cancelled or significantly changed flight. To ASTA's disappointment, the FAA reauthorization legislation did not reverse this requirement, and starting on October 28, travel agencies will be responsible for providing consumer refunds with money they no longer have to address situations they had zero control over.

Let's not forget that airline bad behavior and the resulting consumer frustration during the pandemic was the driving force behind these regulations. Despite that the crux of the rule is providing timely refunds to consumers – and in this instance the ticket agent is the consumer – the Department failed to take a position on how and when large airlines must reimburse small ticket agents when a ticket agent is responsible for the refund. Congress had the sense to recognize this as a problem and directed the Department to draft regulations in this vein. Specifically, the law states: “The Secretary shall issue regulations requiring air carriers and foreign air carriers to promptly transfer funds to a ticket agent if—(A) the Secretary has determined that the ticket agent is responsible for providing the refund; and (B) the ticket agent does not possess the funds of the passenger.”

Since the final rule was published, ASTA has conducted several webinars for our members and one common theme has emerged. While ticket agent merchant of record transactions may be limited, less than 10 percent of travel agency bookings per the Department, for those it affects, it affects them greatly. We've heard from numerous members whose businesses specialize in large group bookings with all-encompassing

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itineraries who spend tens of thousands of dollars on airline tickets *per booking*, to the tune of millions *per year*, who do not and will not have the capital to provide airline refunds to these clients without first receiving the refund by the airline. We understand the Department believes the market will address these situations; however, it has been our members' experience that doing so will take longer than the six months provided in the final rule.

As such, we strongly encourage you to produce the regulation required by the new law immediately and provide these travel agencies with some assurance that a cancelled or significantly changed flight will not be an unsustainable financial burden for them.

Given the urgency of this situation, we would be happy to provide any additional information you require to move forward with our request. In the meantime, if you have any questions, please do not hesitate to contact Jessica Klement, ASTA Vice President, Advocacy, at (703) 739-8711 or jklement@asta.org.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Zane Kerby". The signature is fluid and cursive, with the first name "Zane" and last name "Kerby" clearly distinguishable.

Zane Kerby
President and Chief Executive Officer