



December 16, 2022

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

**RE: Comments from the Travel Management Coalition
DOT Proposed Rulemaking on Airline Ticket Refunds and Consumer Protections
Docket Number DOT-OST-2022-0089
RIN 2105-AF04**

Dear Secretary Buttigieg:

On behalf of the Travel Management Coalition (“Coalition”), we submit comments in response to the Department of Transportation (DOT) Proposed Rulemaking on Airline Ticket Refunds and Consumer Protections. As ticket agents that primarily book business travel in the U.S., the Coalition appreciates the opportunity to provide input into this important rulemaking.

The Travel Management Coalition represents six of the largest travel management companies (TMCs) in the U.S., including Internova, American Express Global Business Travel, BCD, CWT, CTM North America, and Direct Travel. As ticket agents, TMCs book an average of 26% of airline travel for U.S. customers annually. Due to their size, Coalition members received little to no government financial assistance during the COVID-19 pandemic and are still recovering the pandemic’s impact on business and international travel, which were depressed due to government travel restrictions and testing requirements.

While the Coalition supports the Department’s overall goal of strengthening consumer protections, and preparing for public health emergencies that could impact a customer’s decision to fly, our members are concerned that the requirements as proposed do not reflect the role of ticket agents, including corporate travel managers, in the marketplace. TMCs facilitate transactions between a customer and an airline. **Requiring TMCs, as ticket agents, to be responsible for a customer’s refund, credit or voucher under this rule when it is the airline that is the party determining flight schedules, evaluating and issuing refunds, credits or voucher requests, would create mis-placed liability and uncertainty for travel management businesses where they have no control.**

Further, loose guardrails around when a customer is eligible for a credit or voucher due to a health-related circumstance could significantly increase the time required of ticket agents to assist with these requests, and introduce uncertainty if airlines are not making decisions and clearly communicating those decisions to the ticket agent and customer in a timely way.

As such, the Coalition is requesting the following changes to the rule and provides responses to specific questions posed below. These include:

- Ticket agents should not be liable for refunds when the Merchant of Record (MOR) is the airline, which is the case in nearly all of the transactions Coalition members facilitate for their customers. In these cases, the ticket agent provides the airline with the customers' credit card information, and the airline charges the customer directly. It is clear to the consumer who the MOR is, as the entity (in most cases, the airline), appears on the consumer's credit card statement. When the airline authorizes a refund, it refunds the customers' card directly. TMCs do initiate refunds for customers through the Global Distribution System (GDS), if they have the airline rules and a waiver code. But ticket agents need clear rules for refund eligibility prior to initiation; ticket agents will not initiate a refund on a non-refundable ticket without having airline authorization or unless the airline cancels the flight first. Once initiated, the airline processes the refund through the GDS, and the funds go back on the customer's credit card. If airline protocol is not followed, the airline can issue a debit memo to the TMC, meaning the TMC is responsible for the cost of the ticket, unless resolved to the satisfaction of the airline.
- In those rare circumstances where the TMC is the MOR, the rule should specify that the ticket agent is not required to provide a refund to the customer until the airline has refunded the cost of the ticket to the ticket agent. This is to ensure that the ticket agents would not be required to issue refunds without funds available to do so.
- Airlines, not ticket agents, should have the sole responsibility to evaluate, decide, and communicate to the ticket agent and customer, in a clear and timely way, whether a customer is eligible for a refund, ticket or voucher in any circumstance posed in the rule, whether it relates to a cancelled or changed flight, or a health-related reason requested by the consumer. Ticket agents should never be put in a position to have to make that determination, and then hope the airline agrees; otherwise, ticket agents could be left financially responsible when an airline issues a debit memo to the ticket agent – even if the MOR is the airline.

Additional Comments

Applicability

- The proposed rule should only apply to those transactions that have a point of sale (POS) in the U.S.

Cancelled/Significantly Delayed/Changed Flights: Refund Requirements

- In those rare cases where the TMC is the MOR and relying on the airline to confirm eligibility, the mandatory refund timeframe should only start when the airline authorizes the refund – and provides payment to the ticket agent in a specified period of time, in order for the ticket agent to refund the customer. DOT may choose to set a specific period of time in this circumstance.

- A refund authorized by an airline should be made to the original form of payment. This is the simplest and most direct way to refund the customer. If DOT directs an alternative form of refund payment at the customer's choosing, it should be the longer deadline of 20 days, not 7.

Service Charges – Ticket Agents

- It is reasonable and in line with current practice for the ticket agent to retain a service charge for the original booking as the agent still did the work, and cost was incurred by the agent. Such agent service fees are already disclosed to consumers as they are billed to the consumer with the agent as the MOR in a separate transaction when the airline is the MOR for the ticket cost; therefore, we do not see a need for additional disclosure requirements.
- In some circumstances, there may be an additional service fee incurred for the processing of refunds, but this would be disclosed within a client agreement. Such circumstances may include those cases where extra paperwork is involved to verify eligibility. In any event, the ticket agent would always retain the original service fee. When the ticket agent is not the MOR, as in nearly all cases, the service fee is billed separately by the TMC to the customer.

Health-related Credits or Vouchers: Evidentiary Documents

- Health-related evidentiary documentation should be entirely up to the airlines to require, as the carriers evaluate, and approve or deny the requests – not ticket agents. Ticket agents should not be required to evaluate whether a traveler is eligible for a health-related credit or voucher.
- Customers should provide any evidentiary information required by the airline directly to the airline, even if the ticket agent is the MOR. We believe it is important to limit the number of parties with access to a passenger's private health information, and as an intermediary, we do not believe ticket agents should be required to hold or transmit this information from the customer to the airline.
- If the airline does authorize a credit or voucher to the customer for a health-related reason, it is not reasonable nor current practice for the ticket agent to issue a travel credit or voucher. This should be issued by the airline if the airline authorizes it, directly to the customer, regardless of whether the ticket agent is the MOR. This creates another complication, however, for business travel, as companies do not want travelers going directly to the airline and getting credits or vouchers in their name for personal use. And many airlines will require the traveler to work with the TMC on refunds and exchanges. Therefore, it is important to find a way for customers to communicate health-related information directly to the airline, but allow the TMC to track the ticket, and if approved, receive the authorization from the airline and manage the credit. Traceability of the ticket is very important to our corporate customers. There is no way to initiate a request for a voucher through the GDS system, as there is for a refund; a credit request is easier, but in either circumstance, additional paperwork is required.
- We also recommend against requiring airlines or ticket agents to issue a non-expiring credit or voucher – while we recognize doing so provides consumers with greater flexibility, this creates financial uncertainty for businesses.

Thank you again for the opportunity to comment on this impactful rulemaking. We stand ready to answer any additional questions.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Ellis". The signature is written in a cursive, flowing style.

Kimberly Ellis
Executive Director
Travel Management Coalition