

Dept. of Justice: AG Kaul urges Congress to adopt new consumer protections to protect airline industry customers

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MADISON, Wis. – A bipartisan coalition of 40 attorneys general, including Attorney General Josh Kaul, yesterday sent a letter urging Congress to enact new consumer protection measures for airline industry customers whether as part of a financial relief package or in separate legislation as soon as possible.

“Any airline bailout must be accompanied by robust protections for consumers. The CARES Act provided strong protections connected to the airline industry’s federal relief, and any additional relief should too,” said Attorney General Kaul.

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, Attorney General Kaul and his colleagues 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; and
- 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 taxpayer protections connected to federal stimulus funds received airline industry. Since passage of the CARES Act, however, the attorneys general note that consumers continue to experience issues with certain airlines. Consumer 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; 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. The coalition notes that these examples are particularly disturbing considering airlines benefited from taxpayer-funded federal relief payments and loans. To be sure, the attorneys general recognize the importance of protecting the industry and its employees during this difficult time; they also believe that doing so is compatible with protecting consumers. If there is insufficient time or ability to include critical consumer protections as part of the enacted relief measures, then Congress should act to do so in subsequent legislation as soon as possible.

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

With the backing of 40 of the nation's attorneys general, the National Association of Attorneys General (NAAG) has chosen to endorse the letter as one of its official policy positions. Historically, NAAG endorses less than a dozen policies a year. The

full text of the letter can be read here.

Joining Attorney General Kaul, are attorneys general from Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Guam, Hawaii, Idaho, Illinois, 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, and Washington.

[Read the letter.](#)