

GARY C. PETERS, MICHIGAN, CHAIRMAN

THOMAS R. CARPER, DELAWARE  
MARGARET WOOD HASSAN, NEW HAMPSHIRE  
KYRSTEN SINEMA, ARIZONA  
JACKY ROSEN, NEVADA  
JON OSSOFF, GEORGIA  
RICHARD BLUMENTHAL, CONNECTICUT  
LAPHONZA R. BUTLER, CALIFORNIA

RAND PAUL, KENTUCKY  
RON JOHNSON, WISCONSIN  
JAMES LANKFORD, OKLAHOMA  
MITT ROMNEY, UTAH  
RICK SCOTT, FLORIDA  
JOSH HAWLEY, MISSOURI  
ROGER MARSHALL, KANSAS

# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

DAVID M. WEINBERG, STAFF DIRECTOR  
WILLIAM E. HENDERSON III, MINORITY STAFF DIRECTOR  
LAURA W. KILBRIDE, CHIEF CLERK

December 4, 2024

## VIA E-MAIL

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

Dear Secretary Buttigieg:

On November 26, 2024, the Permanent Subcommittee on Investigations (“PSI” or “the Subcommittee”) released a report titled “The Sky’s the Limit – The Rise of Junk Fees in American Travel.” The report details the findings of the Subcommittee’s year-long investigation into fees airlines charge for products and services that were once included in the price of a ticket (“ancillary fees”) at five major U.S. airlines: American Airlines, Delta Air Lines, United Airlines, Frontier Airlines, and Spirit Airlines. The Subcommittee found that the five airlines collected \$12.4 billion in combined revenue from seat fees between 2018 and 2023, that some airlines appear to avoid the 7.5% transportation excise tax by deeming some ticket costs to be ancillary fees, and that Frontier Airlines and Spirit Airlines paid \$26 million in combined incentive payments to gate agents and other personnel between 2022 and 2023 to enforce airline bag policies. The Subcommittee’s findings suggest that Frontier and Spirit’s incentive payments to gate agents may inappropriately encourage abuse of discretion when it comes to deciding whether a passenger has complied with airline bag policies, potentially forcing customers to choose between paying an unjust bag fee or missing their flight.

I write to request that the Department of Transportation (“DOT”) review the Subcommittee’s report, which is enclosed with this letter, and conduct a thorough investigation into Frontier and Spirit’s policies, practices, and training surrounding the payment of incentives to gate agents and others charged with applying discretion in the application of bag policies. I further urge that, if the DOT determines that either Frontier or Spirit have engaged in unfair or deceptive practices in their implementation of ancillary incentive payments, it should prohibit the practices in question and assess civil penalties if appropriate.

The Subcommittee’s investigation of American Airlines, Delta, United, Frontier, and Spirit, which together control 60% of the domestic air travel market, also revealed how the decline in airline competition has harmed American consumers. Airline industry consolidation over the past 20 years has left a handful of major airlines that implement ancillary fee increases in lock step, often leaving customers no way to avoid certain fees. Pursuant to the DOT’s October 24, 2024, Request for Information on Competition in Air Transportation, I request that the DOT consider the Subcommittee’s findings and recommendations as it pursues its public

The Honorable Pete Buttigieg

December 4, 2024

Page 2 of 2

inquiry into the state of competition in air travel together with the Department of Justice. To this end, please include the Subcommittee's report in the inquiry's public docket. Thank you for your attention to this matter.

Sincerely,



Richard Blumenthal  
Chairman  
Permanent Subcommittee on Investigations

cc: The Honorable Ron Johnson  
Ranking Member

The Honorable Merrick Garland  
Attorney General  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Enclosure