



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
On the Twenty-Eighth day of December, 2012

World Travel Network, LLC

**Violations of 14 CFR 399.84 and
49 U.S.C. § 41712**

Docket DOT-OST 2012-0002

Served December 28, 2012

CONSENT ORDER

This order concerns advertisements by World Travel Network, LLC (WTN), that violated the advertising requirements specified in 14 CFR 399.84 and the statutory prohibition against unfair and deceptive practices and unfair methods of competition, 49 U.S.C. § 41712. It directs WTN to cease and desist from future similar violations and assesses the ticket agent a compromise civil penalty of \$10,000.

Applicable Law and Facts

As a ticket agent,¹ WTN is subject to the advertising requirements of Part 399 of the Department's rules. Pursuant to 14 CFR 399.84, airlines and ticket agents advertising airfares must state the full price to be paid by the consumer. Prior to January 26, 2012, the Department allowed taxes and fees collected by carriers and ticket agents, such as passenger facility charges and departure taxes, to be stated separately from base fares in advertisements, so long as such taxes and fees were levied by a government entity, were not assessed as a percentage of the fare price, were collected on a per-passenger basis, and their existence and amounts were clearly indicated at the first point in the advertisements where a fare was presented so that consumers could immediately determine the full fare to be paid. In print advertisements, it was permissible

¹ A ticket agent is "a person (except an air carrier, a foreign air carrier, or an employee of an air carrier or foreign air carrier) that as a principal or agent sells, offers for sale, negotiates for, or holds itself out as selling, providing, or arranging for air transportation." 49 U.S.C. § 40102(a)(45).

to place an asterisk or other symbol proximate to the advertised fare that referred the reader to the bottom of the advertisement where the nature and amount of those taxes and fees that could properly be stated separately were shown.² On the other hand, ticket agent and carrier-imposed fees, e.g., surcharges for fuel, insurance, or other such costs, were required to be included in the advertised fare.

The Department's post-January 26, 2012, change to the full-fare advertising rule requires that advertisements specifying airfares and tour package prices with an air component include in the advertised prices all taxes and government-imposed fees and all mandatory airline- and ticket agent-imposed fees. Although an advertised price must now include all taxes and carrier-imposed fees, air carriers and ticket agents are still free to provide consumers with a description of taxes and government-imposed fees and carrier-imposed fees.³ However, such descriptions may not be false or misleading, may not be displayed as prominently as the total price, may not be presented in the same or larger size as the total price, and must provide cost information on a per-passenger basis that accurately reflects the cost of the item covered by the charge. Violations of section 399.84, both before and after January 26, 2012, constitute unfair and deceptive practices and unfair methods of competition in violation of section 41712.

WTN violated section 399.84 by advertising fares without including all carrier-imposed fees and not properly disclosing government-imposed fees and taxes in its advertisements. Specifically, in late 2011, in *Express India*, WTN advertised fares from the Washington, D.C., metropolitan area to India that stated that taxes were not included, but did not give their amount. The advertisements also improperly broke out carrier-imposed fuel surcharges from the base fare. Furthermore, for a period of time in late 2011 and early 2012, WTN's Internet website advertised fares on its homepage that excluded taxes and carrier-imposed fees. Consumers learned the total price only after contacting WTN's reservation agents.

Mitigation

In mitigation, WTN states that it was unaware of the applicable regulations, it always fully disclosed all terms, conditions, and costs when any client contacted it, it modified its ads upon learning of the deficiencies, and it has been in full compliance ever since. WTN further states that it fully supports the Department's efforts to protect the public from deceptive advertising practices but is a small business that followed what appeared to it to be the industry standard with regard to its ads. WTN asserts that it had no malicious intent and was attempting to act in good faith, even if negligent non-compliance with some of the applicable regulations may have taken place. World Travel Network does not believe that enforcement action is warranted in this instance because in its view this is a first time minor offense.

Decision

² See, e.g., *Nuevo Mundo Travel Agency, Inc., Violations of 49 U.S.C. § 41712 and 14 CFR 399.80(f) and 399.84*, Order 2010-7-17 (July 22, 2010).

³ Such descriptions, if accurate, serve the public interest by allowing consumers to discern the portion of the total cost that is attributable to government sources.

The Office of Aviation Enforcement and Proceedings (Enforcement Office) views compliance with the Federal aviation statutes and regulations very seriously. We have carefully considered the information provided by WTN and continue to believe that enforcement action is warranted. The Enforcement Office and WTN have reached a settlement of this matter in order to avoid litigation. Without admitting or denying the violations described above, WTN consents to the issuance of this order to cease and desist from future violation of 49 U.S.C. § 41712 and 14 CFR 399.84, and to the assessment of \$10,000 in compromise of potential civil penalties otherwise due and payable pursuant to 49 U.S.C. § 46301.

This compromise assessment is appropriate considering the nature and extent of the violations described herein and serves the public interest.

This order is issued under the authority contained in 49 CFR Part 1.

ACCORDINGLY,

1. Based on the above information, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that World Travel Network, LLC, violated 14 CFR 399.84 by advertising fares that did not state the full price to be paid for the air transportation;
3. We find that by engaging in the conduct described in ordering paragraph 2, World Travel Network, LLC, engaged in unfair and deceptive trade practices and unfair methods of competition in violation of 49 U.S.C. § 41712;
4. We order World Travel Network, LLC, and all other entities owned or controlled by, or under common ownership and control with World Travel Network, LLC, its successors and assigns, to cease and desist from further similar violations of 49 U.S.C. § 41712 and 14 CFR 399.84;
5. We assess World Travel Network, LLC, a compromise civil penalty of \$10,000 in lieu of civil penalties that might otherwise be assessed for the violations found in ordering paragraphs 2 and 3; Of this total penalty amount, \$5,000 shall be due and payable as follows: \$500 shall be due on January 31, 2013, \$500 shall be due on March 31, 2013, \$500 shall be due on May 31, 2013, \$500 shall be due on June 30, 2013, \$500 shall be due on July 31, 2013, \$500 shall be due on August 31, 2013, \$500 shall be due on September 30, 2013, \$500 shall be due on October 31, 2013, \$500 shall be due on November 30, 2013, and \$500 shall be due on December 31, 2013. Any unpaid portion of the civil penalty amount shall become due and payable immediately if, between the date of issuance of this order and January 31, 2014, World Travel Network, LLC, violates this order's cease and desist or payment provisions, in which case World Travel Network, LLC, may become subject to additional enforcement action for any violation of the order; and

6. We order World Travel Network, LLC, to pay the penalty assessed in ordering paragraph 5, above, through Pay.gov to the account of the U.S. Treasury in accordance with the instructions contained in the Attachment to this order. Failure to pay the penalty as ordered shall subject World Travel Network, LLC, to the assessment of interest, penalty, and collection charges under the Debt Collection Act and to further enforcement action for failing to comply with this order.

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own motion.

BY:

SAMUEL PODBERESKY
Assistant General Counsel for
Aviation Enforcement and Proceedings

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