



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

Issued by the Department of Transportation
On the Third day of September, 2013

Raj Travel, Incorporated

**Violations of 14 CFR 399.84(a) and 399.85(b),
and 49 U.S.C. § 41712**

Docket OST 2013-0004

Served September 3, 2013

CONSENT ORDER

This order concerns violations by Raj Travel, Incorporated (Raj Travel) of 14 CFR 399.84(a), which requires that all airfare and air tour prices advertised include all government-imposed taxes and fees and all airline and ticket agent-imposed fees, 14 CFR 399.85(b), which requires baggage fee disclosures, and the statutory prohibition against unfair and deceptive practices and unfair methods of competition, 49 U.S.C. § 41712. It directs Raj Travel, a ticket agent,¹ to cease and desist from future similar violations of the Department's full-fare advertising rule 14 CFR 399.84(a), and baggage fee disclosure requirement of 14 CFR 399.85(b) and assesses the company \$10,000 in civil penalties.

¹ A "ticket agent" is defined as "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).

Applicable Law

As a ticket agent, Raj Travel is subject to the full fare advertising rule, 14 CFR 399.84(a), and the baggage fee disclosure rule, 14 CFR 399.85(b). On April 25, 2011, the Department issued a set of rules designed to enhance protections for air travel consumers that, among other things, requires carriers and ticket agents to comply with the Department's full-fare advertising rule as written. Under 14 CFR 399.84(a), the advertised price must include all government-imposed taxes and fees and all airline and ticket agent-imposed fees.² Although charges included within the single total price listed (e.g., government taxes) may be stated separately or through links or "pop ups" on websites that display the total price, such charges may not be false or misleading, may not be displayed prominently, 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. In addition, under 14 CFR 399.85(b), all airlines and ticket agents with a website marketed to consumers in the United States, are required to clearly and prominently disclose on the first screen in which the carrier offers a fare quotation for a specific itinerary selected by a consumer, that additional fees for baggage may apply and where consumers can see the applicable baggage fees.³ This rule, which became effective on January 24, 2012, ensures that consumers are not deceived and are given accurate and complete information on which to base their travel purchase decisions. Violations of sections 399.84(a) and 399.85(b) constitute unfair and deceptive practices in violation of 49 U.S.C. § 41712.

Facts

From at least March 1, 2012, Raj Travel's website failed to meet the requirements of 14 CFR 399.84(a) and 399.85(b). Specifically, Raj Travel's primary web page listed numerous fares that did not include taxes and fees, but instead were followed immediately by the statement "+ Taxes" and modified by a second statement at the bottom of the page directing customers to "Call for Details." There was no way for the consumer to know the full fare without calling. Furthermore, the web page did not contain language disclosing, via a link or any other means, the possibility of additional baggage fees. Failing to include the additional taxes and fees in the fare quoted on the primary web page and failing to provide clear and prominent notice regarding additional baggage fees violates 14 CFR 399.84(a) and 399.85(b), and 49 U.S.C. § 41712.

Further, since March 15, 2012, Raj Travel published advertisements in emails and on social media sent to potential customers via the internet that also failed to state the entire price to be paid by the consumer. The emails and social media advertisements stated fare

² 76 Fed. Reg. 23110 (April 25, 2011).

³ An agent may refer consumers to airline websites where specific baggage fee information may be obtained or to its own site if it displays airline baggage fees. 14 CFR 399.85(b); guidance available at <http://airconsumer.dot.gov/rules/guidance.htm>.

amounts, but supplemented the statement "+Taxes" with the statement "*** For more details please contact our Agents ***". As such, the advertisements also violated sections 399.84(a) and 399.85(b), and section 41712.

Mitigation

In mitigation, Raj Travel states that it is a small, ethnic travel agency that serves an important need of a community. Its success depends on its reputation in the community. Raj Travel states that it believed that it was following what was the industry standard at the time regarding advertising. However, it was unaware of the specific requirements of the applicable regulation until it was notified by the Office of Aviation Enforcement and Proceedings (Enforcement Office). Raj Travel states that once it learned of the deficiencies, it modified its ads to comply with the regulations. Raj Travel states that it has been in full compliance ever since. It communicated with representatives from the Department of Transportation seeking guidance and compliance.

Raj Travel understands that the purpose of the Department's fare advertising and baggage fee disclosure regulations is to protect the public from deceptive advertising practices and it supports such regulations. Raj Travel states that it had no malicious intent to deceive or harm the public. It was acting in good faith to comply with the applicable regulations. Raj Travel believes that it provides an important service to the public at large and the Fiji community in particular.

Decision

The Enforcement Office has carefully considered the information provided by Raj Travel but continues to believe enforcement action is warranted. The Enforcement Office and Raj Travel have reached a settlement of this matter in order to avoid litigation. Without admitting or denying the violations described above, Raj Travel consents to the issuance of this order to cease and desist from future violations of 49 U.S.C. § 41712 and 14 CFR 399.84(a) and 399.85(b), and to the assessment of \$10,000 in compromise of potential civil penalties otherwise due and payable pursuant to 49 U.S.C. § 46301.

The compromise assessment is appropriate considering the nature and extent of the violations described herein and serves the public interest. It establishes a strong deterrent to future similar unlawful practices by Raj Travel and other ticket agents.

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 Raj Travel, Incorporated, violated 14 CFR 399.84(a) by advertising fares that did not state the full price to be paid for the air transportation;

3. We find that Raj Travel, Incorporated, violated 14 CFR 399.85(b) by failing to clearly and prominently disclose on the first screen of its website in which it offered a fare quotation for a specific itinerary selected by a consumer that additional airline fees for baggage may apply and where consumers could view the applicable fees;
4. We find that by engaging in the conduct described in ordering paragraph 2 and 3, above, Raj Travel, Incorporated, engaged in unfair and deceptive practices and unfair methods of competition in violation of 49 U.S.C. § 41712;
5. We order Raj Travel, Incorporated, and all other entities owned or controlled by, or under common ownership and control with Raj Travel, Incorporated, its successors, affiliates, and assignees, to cease and desist from further violations of 14 CFR 399.84(a) and 399.85(b) and 49 U.S.C. § 41712;
6. We assess Raj Travel, Incorporated, 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, 3 and 4, above. Of this total penalty amount, \$5,000 shall be due and payable in twelve monthly installments. The first payment of \$500 is due and payable within 30 days of the date of issuance of this consent order. The next ten subsequent monthly and equal installments of \$410 are due and payable the 10th of each month, commencing November 10, 2013 through August 10, 2014. The last monthly installment of \$400 is due and payable on September 10, 2014. The remaining \$5,000 shall become due and payable if Raj Travel, Incorporated, violates this order's cease and desist provisions during the thirteen months following the service date of this order, in which case Raj Travel, Incorporated, also may be subject to further enforcement action; and
7. Payment shall be made through Pay.gov to the account of the U.S. Treasury. Payment shall be made in accordance with the instructions contained in the attachment to this order. Failure to pay the penalty as ordered shall subject Raj Travel, Incorporated, 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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