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Country Place Travel, Inc.

October 15 1997

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OFFICE OF LITIGATION

Mr. Thomas Ray
Attorney, Office of General Counsel
U. S. Department of Transportation
400 Seventh Street, SW, Room 4102
Washington, D. C. 20590

OST-97-2881-7

DEPARTMENT OF TRANSPORTATION
OFFICE OF GENERAL COUNSEL
97 OCT 23 AM 11:45
OFFICE OF LITIGATION

Dear Mr. Ray:

The attached document entitled, "Profile of an Airline Industry Out of Control and Its Adverse Impact on Consumers and Travel Agencies", is designed to provide you with sufficient cause to launch an investigation into the charges I am making against the major airlines of our country.

Sir, I am convinced that if the American people are given an opportunity to testify before an authority of our federal government regarding these matters, an incredible picture will emerge that will more than justify a certain degree of re-regulation of the domestic airlines in the United States.

It's ironic that it was a Democratically controlled Administration and Congress that saw fit to give the airlines the extensive freedoms they have enjoyed for twenty years due to the deregulation of the airline industry. And it is ironic that it was during a Republican administration in 1987 that the federal government saw the necessity to impose new regulations on the airlines in the area of Computer Reservations Systems biases in how they displayed schedules and availability to travel agencies when dealing with consumers. I say ironic, since I have recently heard that one party is the party of deregulation while the other party is the party of regulation at the federal level. Well, I don't buy it. I believe my federal government will do what is right at the time, given the discovery of relevant facts and circumstances from the people of our country. In the late 1970's, it was right to deregulate the airline industry. In 1987, it was right to impose new regulations on the airlines in the area of CRS biases, after they had demonstrated an inability to operate fairly in the market place when totally unbridled in this area.

And now, in numerous ways, I believe the airlines have demonstrated once again their ability at taking advantage of consumers in deceptive and underhanded ways, in a market place that is not free, that is de facto monopolistic, and even incredible as it may seem, predatory. It's time to take back some of the freedoms they were given, and to take control of a market situation that is way out of control, to the total frustration of consumers everywhere.

Please take the time to read what I have written. And then please assign your staff to look into these issues. I will be available to answer questions about these issues upon your request.

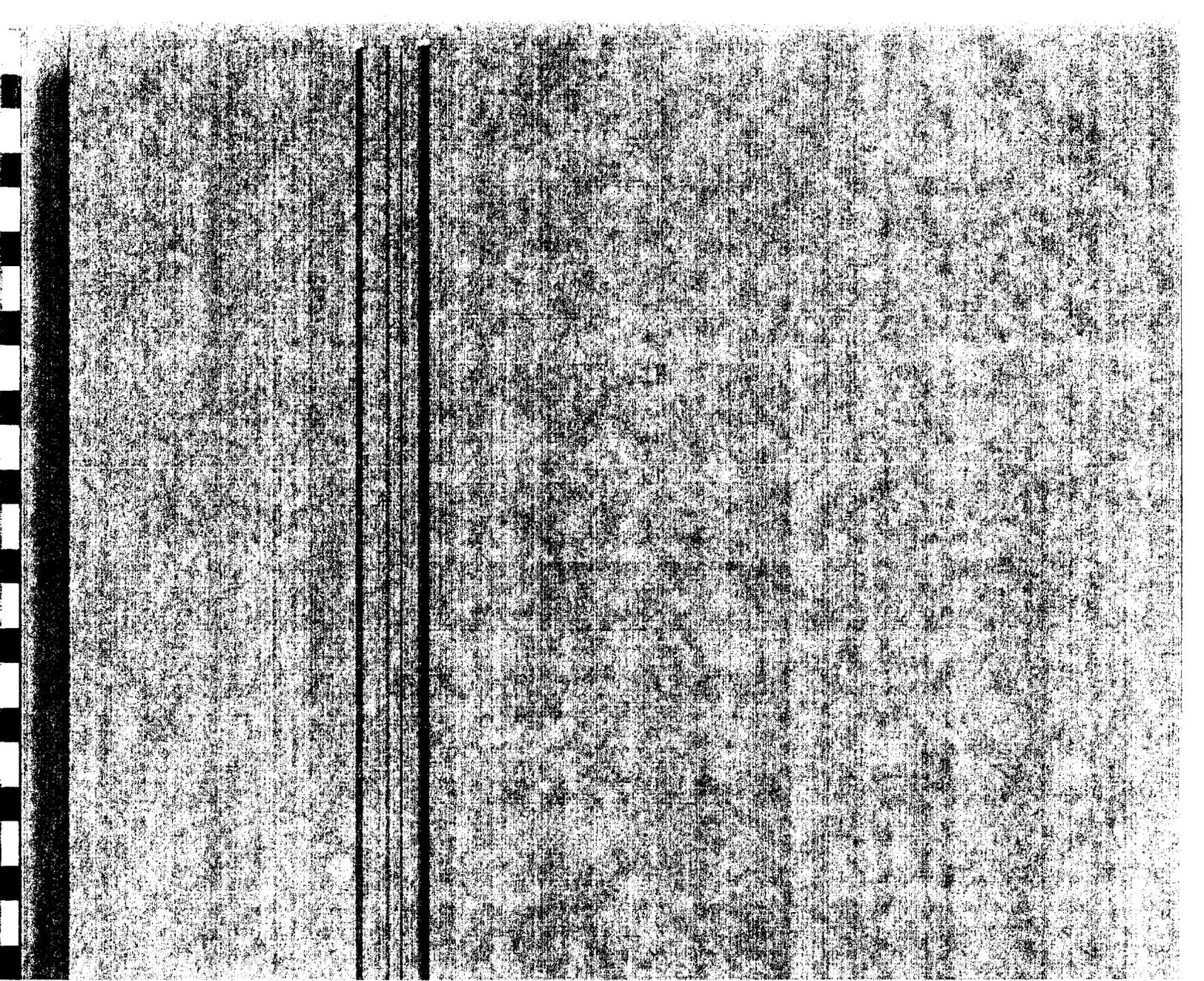
In addition, I understand you are in the discovery phase now of citizen comments in preparation for upcoming hearings on CRS Regulations, referred to above, that are due to expire soon. Please consider adding my concerns to the docket of issues already planned to be reviewed in these formal proceedings. Many of my concerns are CRS related as you will see. I look forward to hearing from you or members of your staff concerning these serious issues.

Sincerely,

Lawton Roberts
Owner, UNIGLOBE Country Place Travel, Inc.

Attachment

24pp



UNIQUE
Travel

**PROFILE OF AN
AIRLINE INDUSTRY
OUT OF CONTROL
AND
ITS ADVERSE IMPACT ON
CONSUMERS
AND TRAVEL AGENCIES**

PREPARED ON SEPTEMBER 24, 1997 BY:
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PURPOSE STATEMENT:

1. The first purpose of this document is to tell a two-fold story of an airline industry totally out of control. First is the story of an airline industry that in recent years has been guilty of taking advantage of the consumer through a combination of consumer practices that would be unacceptable by the standards of decent business practices in any other industry. Second is the story of an airline industry that has been guilty of taking advantage of the travel agency industry through a combination of punitive and predatory practices that are coordinated and imposed in such a fashion as to spell the certain demise of the nearly 40,000 travel agencies in the United States, plus the elimination of approximately 250,000 jobs in the retail travel business in this country in the near future if allowed to stand.
2. The second purpose of this document is to solicit the support of the consumer, the free press and 40,000 travel agencies together with their 250,000 employees in calling on our elected officials at the national level, and the courts if needed for temporary protection from further predatory and punitive action by the airlines.
3. The third purpose of this document is to serve as a magnet to bring together all interested and affected parties to both formally and informally address these issues in free and open debate, whether it be in the printed press, radio and TV talk shows, courtrooms or ultimately and hopefully the halls of the United States Congress.
4. The fourth purpose of this document is to suggest specific solutions to all of these issues, and to provide direction and assistance to the United States Federal Government, including the legislative, executive and judicial branches for their assistance in imposing solutions to the problems presented herein.

PREAMBLE

In the 1970's, 1980's and first half of the 1990's, the airline industry and the travel agency industry could best be described as a happy marriage. The consumer also benefited from the years immediately following federal deregulation of the airline industry in 1978. There were several cornerstones that could always be counted on by the consumer.

First, immediately following deregulation of the airline industry, low air fares were always present, due primarily to the presence of many new low fare airlines.

Second, there was considerable competition in the airline industry. This helped maintain the presence of low fares.

And third, due to the marriage between travel agencies and airlines which had existed for many years, the consumer could always be assured that the lowest air fare available could be found by calling or visiting a travel agency, whose purpose was primarily to save consumers time and money by assisting in the search for the best air fare, not to mention the value added services that travel agencies have traditionally provided to consumers over many decades.

Since April, 1995, however, several of these basic cornerstones have either come under attack or are no longer prevalent. In short, the airlines have taken advantage of both the consumer and travel agencies with their new found freedoms given to them through deregulation.

First, low air fares are more scarce now than ever before. This is probably due to a number of reasons which I'll elaborate on more in the body of this document.

Second, there is a lack of competition, especially within major airline hub cities, which is causing outrageously high air fares from these cities. It's as though there is some kind of hand's off agreement among the major airlines for a list of seemingly protected cities.

And third, the consumer can no longer count on the marriage between airlines and travel agencies to ensure that he or she can always obtain the best fare from a travel agency. And the sad fact of this one issue is that while one airline may advertise a deal only available by contacting that airline directly, the consumer will not know if it is truly the very best deal in the market place, and thus will be the ultimate loser. In fact, the marriage is so broken that travel agencies can no longer make a living based on what airlines are now paying us, even though travel agencies still account for 80% of all airline sales. They have suggested that we charge the consumer to make up for what they have taken from us in what now amounts to two rounds of commission cuts, the first in April, 1995, and the second one just announced on Friday, September 19, 1997 to the travel agency community. Without travel agencies, the airlines will be able to raise air fares even more than the 15% which they have thus far in 1997 over 1996, (in four separate increments), and this in a year of inflation below 3%, not to mention a year of record profits for the airlines. And the consumer will lose the main tool they have had for years to save them both time and money in shopping for the best air fare, the travel agency. If drastic measures are not adopted very soon to deal with these issues, the U. S. Department of Transportation's recent position statement that it's in the consumer's best interests to use a travel agency to find the best air fare will have little meaning.

In this document, I will present specific examples of how the major airlines are taking advantage of both the consumer and travel agencies, and are laughing all the way to the bank since in many cases they have the protection of existing federal trade laws or other federal statutes, (or the absence of same), to protect them from the collaboration or organized efforts of travel agencies to oppose them in any way. . This must change.

A. HOW THE MAJOR AIRLINES ARE TAKING ADVANTAGE OF CONSUMERS:

1. **PROBLEM: MANY FARE-PAYING PASSENGERS ARE BEING DENIED BOARDING:** During the first quarter of 1997, according to the U. S. Department of Transportation, Delta Air Lines alone denied boarding to 5,229 paying passengers. These were people who paid their good money for a reservation on a specific flight. They probably had specific reasons why they were wanting to travel on those flights to those specific cities and on those specific dates. Yet due to the customary and commonly accepted practice by the major airlines of overbooking flights, or selling reservations for more seats than are physically on each plane, (sometimes 130% to 150% of seats are sold on given flights), often passengers are told they must take a later flight. This is the only retail industry in America I know of that permits the retailer to sell more of a product to the public than they have in stock. When was the last time a major appliance chain got away with selling 130 refrigerators when it only had 100 to sell. Now the airlines will tell you that the reason they practice overselling flights is because of the no-show factor. Well I believe the no show factor alone is not the only reason. If that appliance store could get away with keeping the money on those 130 sales even when they only had 100 to sell, wouldn't he be tempted to do so? Of course the answer is yes, and that is just what is happening in the airline industry. Even if you make a reservation, pay for your seat in advance, and cancel well in advance, many times you will be unable to get your money back. Quite an incentive for overbooking!!! **SOLUTION:** The simple solution to this problem is outlaw overbooking of flights. As for the issue of consumers making reservations with no intention of flying, or simply forgetting to cancel the reservations, the airlines could adopt a policy similar to hotel chains that would provide clear deadlines by which to cancel without additional penalty. And if the passenger fails to cancel the reservation by the cancellation deadline, he buys the seat, thus protecting the airlines from any loss of revenue on this very perishable product. Normally, hotels ask for cancellations by no later than 24 to 72 hours prior to arrival for a refund with no penalty. This normally provides hotels with sufficient time to resell the room and avoid any loss of revenue. Exceptions are resort hotels or holiday travel times whereby longer cancellation deadlines may apply, and for just reason. The consumer who decides to buy a refrigerator, only to change his mind well before delivery date because he found a better one or the same or similar one at a lower price can expect a refund. And to use the analogy once again of a perishable travel product such as a reservation for a hotel room, the consumer here also expects and will receive a refund if canceling before the deadline. But not the airline consumer. Not only does he pay his good money for a reservation, but each and every time he goes to the airport, there is a possibility he will be denied the service for which he has already paid, and if he does cancel well in advance of flight date, in many cases there will be no refund issued at all, unless he dies. Incidentally, the zoo-like atmosphere which often occurs at the gate area of overbooked flights, and even follows itself onto the plane after passengers have boarded as gate agents busily search for candidates to bump or for volunteers to give up their seats could be avoided entirely. And guess what eliminating the zoo-like atmosphere at the gate would do toward assisting the airlines in improving their poor on-time performance records, not to mention helping the consumer to get to his or her destination on time. The practice of overbooking flights if not changed will continue to both inhibit competition and restrain trade.

2. **PROBLEM: NON-REFUNDABLE AIR FARES:** Only in the airline industry are retailers allowed to keep the consumers' money even if the consumer decides they don't want the product or service as originally planned, and cancel their order well in advance. Even if there is absolutely no need for the service now or later, the consumer is out his or her money, tough!!! The airlines will say this issue is also related to the problem of consumers making reservations but not showing up for the flight. Since the airlines are actually taking the consumer's money well in advance of flight time, usually no later than two to three weeks in advance of flight date for non-refundable excursion fare reservations, I don't buy this at all. **SOLUTION:** Adopt the same guidelines with regard to non-refundable advance purchase fares that should be adopted to avoid overbooking of flights, namely implement some common-sense guidelines by which if a certain type of reservation is not canceled, then and only then will it become non-refundable.
3. **PROBLEM: CONSUMERS REQUIRED TO PAY \$50.00 JUST TO RECEIVE THE NEW LOWER AIR FARE WHEN THE AIRLINES CUT THE PRICE ON TICKETS THE CONSUMER IS ALREADY HOLDING.** Once again, the airline industry is the only retail industry in America where the consumer can purchase a product or service, and then prior to using this service fail to benefit from whatever new sale price the retailer places on the identical service, even when the conditions for obtaining the new lower fare can still be met. Presently, the airlines charge the consumer a fee of \$50.00 in order to receive the new lower fare, whether the consumer purchased the reservation through a travel agency or directly with the airlines. Presently, the travel agency is permitted by the airlines to retain \$15.00 of the \$50.00 for processing the paperwork and making the necessary changes in the computer reservations system to change the reservation from the original fare to the new lower fare. **SOLUTION:** The consumer should only be charged the \$15.00 fee, either by the airline or the travel agency, and only to cover the cost of handling the necessary changes to the reservation. Why does the airline receive \$35.00 from this transaction when it is processed entirely by a travel agency? What right does the airline have to penalize the consumer for asking for the new lower fare?
4. **PROBLEM: INSTANT PURCHASE FARES:** Once again, only in the airline industry is the consumer pressured to make an instant decision on a regular basis when it comes to air fares. Prior to 1997, the airlines would permit any reservation to be held for up to 24 hours after booking before requiring a purchasing decision by the consumer. However, earlier in 1997, the major airlines adopted a new type of fare they are calling "instant purchase" fares in their computer reservations systems. These new fares do not permit the consumer to have any time to shop for a better fare on a different airline. This is a definite restraint-of-trade issue and must be stopped. What do most people do if pressured by a salesman when considering any other purchase? Walk and shop. But in the case of airline reservations, no time for shopping is permitted. A part of the problem is the number of fare changes which I'll address as a separate issue. **SOLUTION:** Reprogram the airline-owned computer reservations systems to permit any reservation to be retained with a protected fare for 24 hours from the time the reservation is made and before ticketing is required, while the consumer has an opportunity to shop, either with the assistance of their travel agent, or by calling multiple airlines direct. Get rid of the high-pressure casino-like atmosphere that has become the norm in trying to quote air fares to the consumer. Travel agents shouldn't have to predict the odds on whether a certain air fare is or is not going to be changed by the airlines over the next 30 minutes or 24 hours. It's made it impossible to answer the consumer's question, "How much is that ticket?"

5. PROBLEM: CONSTANT FARE CHANGES THROUGHOUT THE DAY: Prior to 1997, most air fare changes were made overnight in batch mode in the computer reservations systems. Now however, as a further part of the “you must buy it now” syndrome that the airlines have imposed on both the consumer and travel agencies, the airlines are making numerous fare changes in their computer reservations systems at almost any time throughout the day. It is no longer possible to deal in any kind of stable price environment, and this is very frustrating both for consumers and for travel agents. Often, when a local Atlanta consumer talk show host will announce a special fare sale to Hawaii or to Alaska, by the time consumers call their travel agents, the sale has been withdrawn. It’s as though someone in the airline industry were listening to these public announcements, and were directing people in the computer centers regarding which fares to discontinue and when to discontinue them. I don’t recall ever visiting any other retail store where that store’s employees were busily and constantly changing prices on the merchandise, even in front of consumers as they were trying to shop. I can’t imagine such an environment in any other retail industry. But yet it is a common practice by the airlines every day. Often, customers will call into our agency to receive a fare quote, call back 30 minutes later after having a chance to evaluate the cost and need for the trip only to find out the fare has gone up hundreds of dollars. That’s right, I said hundreds of dollars! I know I previously said that airfares had gone up 15% in 1997 year-to-date over 1996, but individual fares for a specific route may fluctuate hundreds of dollars from day to day. Now “that’s not any way to run a railroad,” or an airline for that matter. However the airlines will tell you that they are merely exercising a practice known as “Yield Management”. I call it “Consumer Squeezing”, as a tool for the airlines to make up for their own bad planning and poor management. **SOLUTION:** Restrict all fare changes to midnight-6:00am, Eastern Standard Time, period.

6. PROBLEM: NO INTERLINE AGREEMENTS BETWEEN MAJOR AIRLINES

AND LOW FARE AIR LINES: One of the permitted practices of our day by current laws and regulations allows major airlines such as Delta, United, American, Continental and Northwest to refuse to enter into "Interline Agreements" with low fare airlines such as Valujet, Vanguard, Corporate Express, Midway, Southwest, etc. One example of how this adversely impacts the consumer and further restrains trade is when the consumer is bumped from a flight on a major airline, the consumer does not have the option of using a low fare airline to get from point A to point B, even if the low fare airline has the next flight to the desired destination. A good example of this occurred in Atlanta recently when one of our customers was on the verge of being denied boarding by Delta, she asked Delta when was the next flight on any airline to Nashville. The Delta gate agent told her it was hours later. She was on the verge of missing an important company board meeting in Nashville that evening. She had purchased her ticket about 30 days in advance of this flight. In desperation, she called our agency. I personally took her call to offer assistance. She asked what the next flight was to Nashville, and I advised her it was on Corporate Express, scheduled to leave within the hour. Corporate Express is a low fare airline that serves several cities from Nashville, Tennessee. My customer then confronted the Delta gate agent with this new information that there was a Corporate Express flight within the hour which he had failed to mention earlier. At this time, the Delta employee advised my customer that Delta does not have an interline agreement with Corporate Express, and therefore she could not use her Delta ticket to travel on Corporate Express to Nashville. Without going into a lot of detail, I am proud to say that my customer was able to convince Delta that they were about to make a serious and costly mistake, whereupon they bumped someone else and placed her on her original flight. The absence of Interline Agreements among all D. O. T. approved airlines also has other ramifications for consumers, such as not being able to purchase a single ticket on trips involving multiple air lines if one of them is a low-fare airline. This is another example of restraint of trade. **SOLUTION:** Change the laws and federal regulations that allow major airlines to pick and choose who they want in their fraternity of "interline" airlines, such that if an airline is licensed by the Department of Transportation to fly in the United States, it has earned the right to be treated like a first class airline, just like the majors. Make it illegal for any airline to relegate any other airline to second class status in any way, thus further harming their chances of becoming successful in an industry in dire need of competition.

7. PROBLEM: LITTLE OR NO COMPETITION IN MAJOR AIRLINE HUB CITIES:

Between the late 1980's and early 1990's, a trend toward key cities in the USA dominated by one major airline appeared. For example, after the demise of Eastern Airlines in 1989, no other major airline seemed to dare enter Delta's turf in Atlanta, and this despite the success that Eastern had enjoyed in the Atlanta market over many years. In fact at one time, Eastern Airlines had more flights out of Atlanta than Delta, Atlanta's hometown airline. Attempts since the demise of Eastern have been unsuccessful in bringing another major airline to Atlanta. It's as though Atlanta has been carved out as the property of Delta. The fact that Atlanta is a potentially lucrative market for a strong competitor of Delta was no more evident than during the rapid early successes of a new relatively weak competitor, the new low fare carrier Valujet prior to their unfortunate accident in May, 1996. Just ask the growing number of business travelers in Atlanta who rather than always fly Delta now always seek an alternative to Delta, including driving when a flying alternative doesn't exist. Just ask the city government of Atlanta about their failure over several years to lure another major airline to Atlanta. Why is this? Why is it that 80% of the airline market in the cities of Cincinnati and Salt Lake City are served by only one carrier, Delta? Why is it that 80% of the airline market in Minneapolis and Memphis and Detroit is served by Northwest? Why is it that two years ago Delta suddenly and drastically reduced their presence in Dallas Fort Worth, after investing heavily in this market? Is it because Dallas is American Airlines territory? Why is it that Continental serves 80% of the markets in Houston and Cleveland? Why is it that Continental suddenly a few years ago pulled almost entirely out of the Denver market after campaigning and investing heavily among businesses and travel agencies to achieve a dominant market share? Whatever the answers to these questions are, having cities entirely dominated by a single major airline results in much higher air fares for the consumer in these cities. Recent Department of Transportation studies have drawn the same conclusion that the average air fare for flights originating from hub cities such as the ones mentioned above is considerably above the average air fare per air mile for the rest of the U. S. market. Obviously the lack of competition fosters higher prices, certainly no new revelation here. For example, the round trip air fare for a last minute business traveler not staying over a Saturday night traveling from Atlanta to Nashville, Tennessee is \$696.00!! This air fare amounts to \$1.62 per air mile round trip based on a distance of 215 miles one way between Atlanta and Nashville. If this same benchmark were used in pricing transcontinental air fares from New York City to Los Angeles, the price of a round trip coach class ticket for the last minute business traveler would be \$7,967, based on 2,459 air miles each way between New York and Los Angeles. The lack of competition in certain hub city markets permits the airlines to gouge consumers when they have to travel on these city-pairs. Markets or city-pairs where there is reasonable competition reveals air fares more within reason, such as Atlanta-Chicago, (presently \$298 round trip), or New York-Miami, (presently \$318 round trip from JFK airport). Once again, when the only competition out of these hub cities is low fare air lines, then at the very least, consumers should be allowed to purchase interline tickets, or tickets with combinations of segments on both a major air line and a low fare air line. **SOLUTION:** Initiate an investigation into the absence of competition in all hub cities served by major airlines throughout the U. S. In addition, require the major airlines to connect passengers and their baggage with all DOT approved passenger airlines doing business in the U. S, with full Interline Rights.

8. PROBLEM: CONSUMERS ARE LURED BY THE FREQUENT FLYER PROGRAMS OF MAJOR AIRLINES ONLY TO DISCOVER THAT IN MANY CASES THE AIRLINES CAN'T DELIVER ON FREE TICKETS: We have a policy in our agency when it comes to assisting a customer with a land-only vacation package that if they are planning to combine our land package with frequent flyer free tickets they believe they have earned from a major airline, we first hand them the phone, assist them in contacting that airline's frequent flyer redemption center, and wait as we see frustration mounting on the faces of the customer as he tries to secure his free tickets with the airline. Often, the customer leaves in disgust unable to finalize his plans for a dream trip with his family simply because the major airline he or she had been traveling with for years didn't have enough seats available for redemption on frequent flyer awards. Flexibility on the part of the customer in changing either travel dates, flights or even destinations is often demonstrated, and still more often than not results in failure to secure a frequent flyer seat reservation from the airline reservationist in their frequent flyer redemption center. **SOLUTION:** The airlines should be required to lift their cap on the maximum number of seats that can be redeemed on any given flight so as to make it a floating cap based on the percent of advance reservations for revenue passengers on any given flight. This will ensure that flights about to go out less than 50% filled would open up additional seats to frequent flyer passengers. In addition, airlines should be required to disclose to the consumer the fact that frequent flyer miles represent only a 2% discount off the normal air fare, and that only when redeemed. When they can't be redeemed, they are worth nothing. Finally, airlines should be required to keep records on and publish statistics concerning the chances of redemption on any given city pair. Just like it is law in most states and maybe the nation that contests require the sponsoring organization to publish the chances of winning each prize in each category, the major airlines should be required to record each attempt at redemption for tickets to Hawaii, and publish periodically the statistics concerning actual redemptions versus attempts at redemption for each destination market. Perhaps if these statistics were published to the American public, fewer people would be lured into airline loyalty by these frequent flyer programs, and thus more competition based on price and service would result, rather than less competition based on gimmicks.

B. HOW THE MAJOR AIRLINES ARE TAKING ADVANTAGE OF TRAVEL AGENCIES AND ARE SYSTEMATICALLY SEEKING TO ELIMINATE TRAVEL AGENCIES FROM THE RETAIL AIR TRAVEL INDUSTRY

- 1. PROBLEM: THE MAJOR AIRLINES ARE USING THE COMPUTER RESERVATIONS SYSTEMS WHICH THEY OWN AND/OR CONTROL TO MANIPULATE AND THREATEN TRAVEL AGENCIES:** During the course of assisting a customer in making his or her final travel arrangements, it has been common practice for years to work with the customer in booking flights for a specific customer several different times until their plans remain unchanged. It is the nature of business travelers to change travel plans, sometimes several times before accepting a ticket. For years, travel agencies never heard from airlines that there was any problem here. Suddenly however the major airlines are crying foul to travel agencies whenever we book a customer on a flight but the customer changes his mind and winds up not taking that flight on that date. The airlines claim they are being billed by the very CRS systems they created, own and control for segments booked by travel agencies whenever the customer changes his mind and does not travel on that flight or that date. Even though the travel agency cancels the original booking, and refunds the customer his money to apply to another booking, (it's usually a refundable air fare since it is a weekday trip not staying over a Saturday night), the airlines are now billing travel agencies \$50.00 per booking not traveled. They call these bookings "Passive Bookings". This is a practice that is normal within the course of doing business with and for business travelers by travel agencies. But suddenly the airlines say it's not normal for a customer to change his travel plans. If he does, travel agencies are going to have to pay. Another important element of this issue is the fact that these same CRS systems created, owned and controlled by the major airlines, have for years incentivized travel agencies with contracts that rewarded agencies based on achieving a certain volume of airline segment booking productivity within each month per reservations computer. Now the airlines are penalizing agencies for achieving what their CRS companies expect us to do. And all travel agencies can do is feel the vise grow tighter and tighter between the CRS companies and their owning airlines. One penalizes us for not issuing certain numbers of booked segments each month, and the other penalizes us when we do. **SOLUTION:** First, declare a moratorium on all airline debit memos issued to travel agencies as penalties for doing what our customers expect us to do in being flexible with them as their plans change from day to day. In other words, no more debit memos from airlines to travel agencies for passive bookings. Second, investigate the billing arrangements between the CRS companies and the airlines that result in travel agencies being billed additional penalty fees or debit memos for just doing our job.

Third, require the CRS companies to become completely divested from the airlines that own them within a reasonable time frame. Fourth, make it illegal for any airline to own or control a computer reservations system used directly by the public. Fifth, make it illegal for a CRS company to divulge information to any airline or other party regarding the booking activity of any travel agency. Sixth, make it understood that the customer profile data which now exists on the mainframes of the CRS companies is the property of the travel agency, which in this relationship is the customer of the particular CRS company, and shall under no circumstances be divulged to any airline or other third party. Seventh, require all CRS companies to provide a copy on floppy disk or compact disk of a given travel agencies customer profiles to that travel agency at least once each year, and without additional expense to the travel agency. Presently CRS companies generally refuse to provide customer profile data to travel agencies, since this makes it much more difficult for a travel agency to switch from one CRS system to another. At best, they will only provide it in bulky hard-to-use printouts, when the data resides on their mainframe computers and could readily be made available on a computerized medium compatible with PC use in a travel agency. Eighth, make it legal for groups of travel agencies to develop and own a Computer Reservations System of their own, and to operate it for a profit. Ninth, require the Department of Transportation to extend the current DOT guidelines on airline CRS systems, now set to expire within the next few months, while new guidelines providing more protection for the consumer and travel agencies similar to those mentioned above are considered. Thanks to the present level of regulation that now exists within the current D. O.T. guidelines for CRS's, airlines had to remove clear biases toward their own airline from the CRS systems they each owned at the end of the 1980's. Let me hasten to point out that this new level of federal regulation that was added to Department of Transportation guidelines for CRS systems was actually added about 10 years after federal deregulation of the airline industry, because then as now the airlines were not able to police their own industry to prevent abuse of either the consumer or travel agencies without federal regulatory intervention.

- 2. PROBLEM: THERE IS NO LONGER A LEVEL PLAYING FIELD BETWEEN THE MAJOR AIRLINES AND TRAVEL AGENCIES REGARDING THE AVAILABILITY OF ALL AIR FARES TO CUSTOMERS:** Prior to 1995, it was consistently true that the consumer could always count on all air fares being offered through travel agencies, thus establishing the cornerstone reason why people choose to use a travel agency for airline reservations, namely the assurance that they could always receive the best air fare, and could save time and money in the process without having to spend hours researching air fares with many different airlines direct. This is no longer the case. Now, the major airlines are attempting to lure customers away from travel agencies by offering selected discount fares that can only be obtained by either calling the airline direct, or in some cases visiting that airline's internet web site. In addition, other incentives are now being offered to the public for bypassing a travel agency and going direct to the airline such as additional frequent flyer bonus miles, \$99.00 companion fare tickets, etc. This is an obvious attempt by the airlines to not only steal customers away from travel agencies with gimmicks, but also to make it more difficult for the consumer to know how to always find the best fare. Consumers will be lured into believing they received the best fare, when they may have overlooked a better deal on a low fare air line that only their travel agency knew about. This will result in consumers paying more for airline tickets in the long run, not less. **SOLUTION:** Require all air fares to be published in all public medium of access, including travel agency CRS systems, and then let us compete with the airlines on service. Historically the public has leaned heavily toward travel agencies to help them in finding the best fare because of superior service and a lack of a self-serving motivation they will always find at any one airline. It's not the mission or job of an employee at Delta to dare suggest any airline other than Delta to the consumer. There is still something to be said for being independent, unbiased, and purely customer oriented which travel agencies are. If it's in the best interests that the consumer travel on Corporate Express to Nashville from Atlanta, the travel agent will tell them that. I don't believe Delta or United or any other major air line would.

- 3. PROBLEM: THERE IS NO LONGER A LEVEL PLAYING FIELD BETWEEN THE MAJOR AIRLINES AND TRAVEL AGENCIES REGARDING THE AVAILABILITY OF ALL TYPES OF AIRLINE RESERVATIONS TO CUSTOMERS:** Prior to 1997, it has been a common practice of business travelers to be creative in the ways they planned their flights in order to combat the often outrageously high air fares that business travelers must endure for midweek travel with no weekend stay. During 1997, there has been a sudden crackdown by the major airlines against travel agencies for a practice commonly known as "Back-To-Back" tickets. An example of this is when a customer needs to fly round trip from Atlanta to Los Angeles where the round trip fare for travel within the same calendar week is \$1,756.00. In order to reduce this expense to his or her business, the customer might request two weekend excursion tickets, with the first one originating in Atlanta and the second one originating in Los Angeles. These would actually overlap, but the customer would only use the first coupon from each ticket, and could wind up purchasing two weekend excursion tickets for a total of about \$750.00, or less than one-half of the cost of the original midweek ticket. The crackdown by the major airlines has been discussed widely in the travel agency industry trade press. In essence the major airlines have issued decrees to the travel agency community forbidding us from issuing any Back-To-Back tickets. If we do and are caught by new software the airline-owned CRS companies have loaded at the direction of the airlines, the travel agencies will be billed for the difference between the two excursion fare tickets like the ones used in my example above and the one midweek business man or woman's special at \$1,756.00. In fact, numerous travel agencies all over America are already receiving debit memos from the airlines for these punitive charges. It doesn't take a rocket scientist to determine that at our present commission levels of no more than 8% up to a maximum of \$50.00 based on announcements by the major airlines, including United and Delta thus far, as of September 24th, that travel agencies are going in the hole fast. All this while the airlines refuse to guarantee their own reservationists will not issue these same Back-To-Back tickets to the customer direct, (Another means for the airlines to steal customers away from travel agencies, rather than winning them based on fair competition and good service). Another form of creative ticketing that business travelers have used for years to reduce the cost of flying is known as "Hidden City Fares". An example of this method of obtaining a lower fare is due to another anomaly in airline air fare structures. Many times a ticket will fare at a lower price if the return trip is extended to a city beyond the intended terminal city for the passenger. For example, a round trip ticket from Atlanta to Philadelphia would often be cheaper if it were booked as Atlanta-Philadelphia-Atlanta-Jacksonville. The passenger would simply get off the plane in Atlanta on the return flight, and could save hundreds of dollars on his air fare. This too has been outlawed by the airlines as far as travel agencies are concerned. However, an executive of American Airlines was recently quoted in a recent travel industry publication that American could not guarantee that its own reservationists wouldn't be involved in issuing back-to-back tickets. In fact, recently several travel agencies in the Dallas area caught American red-handed in the act of issuing back-to-back tickets directly to customers who normally use travel agencies.

SOLUTION: Create a level playing field whereby both airlines and travel agencies are prohibited from the same kind of ticketing practices or both are permitted to participate in these practices such as Back-to-Backs. And then if certain practices are prohibited yet one or the other violates the ticketing rule, stiff penalties should be imposed on the guilty party. This includes all types of ticketing rules, including blackouts for holidays, etc. Whatever the ticketing rules are, they must be adhered to consistently by both parties in order to create a level playing field for the consumer.

4. PROBLEM: THE AIRLINES ARE STEALING THE HARD EARNED

COMMISSIONS OF TRAVEL AGENCIES: It is a common practice of airlines recently to issue what they call "Recall Commission Statements". Often this is for no other reason than the travel agency's customer upon checking in at the airline counter in the airport is asked to let the airline ticket agent see his ticket, whereupon the airline ticket agent issues a new ticket to the customer for no apparent reason, and sends the original ticket issued by the travel agency to the airline's accounting department which promptly issues a "Recall Commission" to the travel agent. This can also occur when the least little change happens to the original reservation, including such minor changes as flight number changes, equipment changes or other changes initiated by the airline. In short, this is a method for the major airlines to steal more of the measly revenue they have dolled out to travel agencies. Since we sold our customer on their airline in the first place, it seems we should deserve to retain our original commission, even if the itinerary changes. **SOLUTION:** Make it illegal for the airlines to recall commissions earned by travel agencies except where refunds are granted to the customer by the airline, and only on refundable tickets. Make it illegal for airlines to switch tickets for customers from those issued by travel agencies to those issued by airlines. And even when a new ticket is required, if the old ticket is applied to the new ticket, a recall commission should not be allowed on the first ticket under any circumstances.

5. PROBLEM: AIRLINES KEEP A DISPROPORTIONATE SHARE OF PENALTIES AND FEES THEY CHARGE CONSUMERS FOR CHANGES TO RESERVATIONS EVEN WHEN TRAVEL AGENCIES DO THE WORK:

The airlines charge consumers \$50.00 plus the difference in air fare each time the consumer makes a permitted change to a non-refundable ticket. This is intended to offset the cost of handling the transaction for the consumer. However, whenever a travel agent makes the reservation and reticketing change for the consumer, the travel agency is only allowed to keep \$15.00 of the \$50.00 consumer penalty fee, even though the airline did none of the work for the consumer in making the change to the reservation and to the ticket. **SOLUTION:** Airlines should be required by regulation to allow travel agencies to keep 100% of any consumer penalty fees imposed by the airline under the circumstances of published airline penalty fees whenever the travel agency and not the airline does the work of making the change for the consumer.

6. PROBLEM: SINCE APRIL, 1995, THE AIRLINES HAVE CUT OUR PAY EVERY SINGLE MONTH: Prior to 1995, the major airlines had lured entrepreneurs into the travel agency business with the promise and long-time practice of a 10% commission on all airline sales. However, in April, 1995, the major airlines with only 45 days notice abruptly capped our commissions on domestic tickets to 10% up to a maximum of \$50.00 on any domestic ticket, regardless of price. Simple mathematics reveals that the commission level on a \$1,000 airline ticket suddenly dropped 50%!!! The impact of this type of pay cut has not only been devastating to the travel agency community, it has also cost consumers in the form of a new type of fee previously nonexistent for simple airline tickets, namely travel agency service fees. In fact, included in the original broadcast fax announcement from the first airline to cut commissions, Delta, was a suggestion that travel agencies make up the difference by charging service fees to the consumer. What a sneaky way to stick it to the consumer one more time, this time through the back door of travel agency service fees. Now to the issue of the cut that keeps on cutting. With the mathematics of a commission CAP, and not just a commission rate cut, the new commission structure first announced around February 14th, 1995 by Delta and followed by all the other major airlines except TWA within 72 hours, (how fast they do act together, kind of like fare increases), has the mathematical effect of continuing to cut our pay with each passing month, or with each passing fare increase. Previous to 1995, the way travel agencies would receive pay increases was through the simple percentage commission method. Whenever the airlines needed to raise air fares to offset increases in expenses due to increases in inflation, rent, utilities, salaries, etc. they would do what any other retail business does, raise prices. Now however, whenever the airlines raise fares, travel agencies do not benefit. No longer do we have a method of even keeping up with inflation. In fact, since the first round of commission cuts in 1995, our net effective overall average commission rate for domestic airline tickets has dropped from about 8.5% in April, 1995 to about 7.5% in July, 1997. This amounts to an additional cut of 11.76% in our net effective commission rate. As expenses go up, our revenue goes down. Meanwhile, the airlines are keeping all of the 15% increase in air fares they have imposed on the consumer just in 1997 alone, reporting outrageous record profits to Wall Street. It seems the characteristic of greed which permeated the 1980's in Wall Street Corporate America has reappeared in the 90's within the airline industry. This method of capping our commissions rather than just cutting the rate of commissions is nothing less than predatory. It will continue to cut and cut and cut until more and more agencies have to close their doors, just what the airlines want. They'll say that we should only be paid up to a maximum amount because our unit costs don't reflect the different levels of commission amounts we received under the old structure. My reply to that is that their air fares of \$696.00 for a round trip ticket to travel 215 miles between Atlanta and Nashville don't reflect their actual unit costs for providing that service either. But the free economy has up until now rewarded the sales person a higher amount for selling a higher priced product, whether it is an automobile, a house, an appliance, or even a tip for a high priced meal. Does a waiter work proportionately greater to receive a 15% tip on a \$100 meal than the waiter serving the table next to him for the \$75.00 meal? Of course not, but our free market system of rewarding the sales process with a commission based on percent of product or service price has worked well for years.

The products or services that command a higher price offset the loss leaders that every business has which actually costs that business rather than makes that business money. Now travel agencies no longer have a way to offset our loss leader services. Studies have shown that the average ticket or airline reservation costs a travel agency about \$40.00 to process. On a domestic ticket priced at \$250.00, travel agencies receive \$25.00. On a domestic ticket priced at \$118.00, travel agencies receive \$11.80. So guess what all airline reservations for fares less than \$500.00 are to the average travel agency, (at the newly imposed rate of 8% commission up to a maximum of \$50.00)? Loss leaders actually draining the bottom line!!! Get the picture? What the major airlines have essentially done is implement price controls on the travel agency industry while they are free to raise their own prices as much as 15% or more in less than a year. But these aren't just any old price controls. These are CAPPED price controls. At least the last time our nation implemented wage and price controls back in the early 1970's, they were for a certain maximum percentage increase, not a maximum or capped amount. Once again, it doesn't take a rocket scientist to see what the ultimate result of CAPPED commissions will soon be, No More Travel Agencies. But wait, the airlines aren't through with us yet. On Friday, September 19, 1997, all travel agencies in the United States received notice that United Airlines was going to FURTHER REDUCE OUR COMMISSIONS, by cutting the percentage of all domestic airline tickets below \$500.00 from 10% to 8%, while maintaining the CAPPED MAXIMUM at \$50.00. This amounts to an additional 20% reduction in our income. In addition, United also announced it was cutting travel agency commissions on international air fares from 10% to 8%, but without a cap. At this time, international air fares have not been capped by any airline. The reason? There's more competition on international flights than on domestic flights. While deregulation in the U. S. domestic airline was well intended, it assumed the airlines would not abuse their new found freedoms. Sadly they have proven that assumption false, and have taken advantage of both the consumer and travel agencies in both these and other examples. **THE DECISION TO CUT OUR COMMISSIONS WAS PUNITIVE.** For years, travel agencies made business decisions based on an expected level of income from airline commissions. Rent, CRS contracts, salaries and other expenses were based on long term decisions including an assumption of commission income from airline sales based on a long time industry practice of paying 10%. **THE DECISION TO CAP COMMISSIONS WAS AND IS PREDATORY.** It's the **CUT THAT KEEPS ON CUTTING.** By it's very nature, a commission that is CAPPED is predatory, because it keeps on cutting with each passing month.. Eventually, any business whose income continues to fall has to close its doors. Probably by the time this document gets read, all the other major airlines will have followed United Airline's lead in implementing this latest commission cut. On September 23rd, Delta Air Lines announced they would join United in further reducing travel agency commissions in a manner identical to United. **SOLUTION:** First, Congress or the Department of Transportation or someone needs to file an injunction against this latest round of commission cuts imposed by United, and against any other airline that might follow suit. Second, Congress needs to conduct open hearings to determine the extent of damages to travel agencies already caused by the first round of capped commissions. Third, Congress needs to direct the federal government to force the airlines to **REINSTATE OUR 10% COMMISSION LEVEL WITH NO CAPPED MAXIMUM.** In this way and only this way can travel agencies hope to survive in the future.

CONCLUDING STATEMENT

As the owner of a retail travel agency, I am **ASKING CONGRESS TO SCHEDULE OPEN HEARINGS** as soon as possible to investigate all of the issues I have identified, both concerns for the consumer and concerns for the travel agencies.

ASK CONSUMERS: Ask consumers if they are happy with the level of service they are now receiving from this nation's major airlines.

Ask consumer John S. Sieh, who recently wrote into the Atlanta Journal Constitution on June 23, 1997 concerning his opinions about the service on Delta Airlines,

“I would make all Delta employees go through a reorientation program. Customer service is where most U. S. airlines fail consistently against their foreign competitors. If Delta wants to stand out among its competitors, do it here.”

Ask consumer William Mosby who also wrote into the Atlanta Journal Constitution on June 23, 1997,

“Clean the planes! In the past year I have flown Delta several times and only once was the airplane clean. Twice the bathroom smell was so bad that you didn't have to be in it to smell it. There is no excuse for that.”

Ask consumer R. R. White who also wrote into the Atlanta Journal Constitution June 23rd to say, I'd make them (Delta Airlines upper management) fly the truly great airlines of the world, document what they (foreign airlines) do right and what we (U. S. domestic airlines) do wrong, and present recommendations for improvement. In short, I'd send them (Delta's management) out into the cold, cruel travel world I know and have them see what it's like!”

Ask consumer William Brown who also wrote into the Atlanta Journal Constitution June 23 to say to Delta Airlines,

“Basically, save the millions in self-gratifying advertising and spend it on customer service improvements, employee morale and service systems.”

Ask consumer and nationally syndicated columnist Andy Rooney who wrote a hilarious but factual article entitled “Not Quite Cookiegate” which was published in the Atlanta Journal Constitution on May 9, 1997 and I am sure dozens of other newspapers across the United States. Mr. Rooney's article was entirely about the pathetic meal service now found on Delta Air Lines, and I'm sure on most if not all U. S. domestic airlines.

Ask consumers, especially businesses, if they are pleased with the price of their airline trip. Ask consumers to verify the concerns I've documented on their behalf. Ask consumers if their travel agent helps them save time and money in selecting the best air fare to meet their needs. And consumers how they feel about facing the prospect of not getting on the flight they paid for just so the airlines can sell more tickets than they have seats. Ask consumers how they feel about non-refundable air fares. Even car buyers are protected with refund rights through lemon laws. Ask consumers how they feel about having to pay \$50.00 more just to get the new lower fare on the ticket they have already purchased. Ask consumers how they feel about instant purchase fares, and not having the time to shop for the best fare before having to make an instant high-pressured decision on an air fare. Ask consumers how they feel about the number of price changes that occur within the same business day while they are trying to finalize their decisions on their trip.

ASK TRAVEL AGENCIES: We're talking about an entire industry here, employing hundreds of thousands of people throughout the United States. We're talking about a national resource, well respected among consumers. Of course we have our bad apples just like every other industry, but just because isolated instances of bad business practices are revealed doesn't justify labeling our entire industry as worthy of extinction. The travel scams promising free trips that most citizens in the United States have been exposed to either in their mailbox or over the phone, do not originate from a legitimate licensed and bonded retail travel agency. These usually originate from fly-by-night operations set up in some boiler room environment. Just because Delta Air Lines or American Air Lines discover employees dealing in drugs in Miami doesn't justify labeling Delta or American as a company full of drug dealers. Look into our industry, and you will find we are respectable business men and women, involved in our communities in helping raise money for Easter Seals, or sending kids to summer camp, or serving in our local civic organizations or homeowners associations or churches or synagogues. We're Americans with a right to make an honest living just like everyone else. We work hard, and we expect to get paid for what we do, not to be run out of business just so some fat cat airline can brag on Wall Street about a new record profit. Ask the consumer. See what the American consumer's opinion is of the value of travel agencies in saving the consumer time, money, and in adding other value to the process of selecting and purchasing a travel product. How about the sheer ability to talk to a live person face to face, someone who has been there. Ask Travel Agent Lisa Healy, President of Rhealy Travel Inc. of North Olmsted, Ohio to explain her article in "Tour and Travel News" of April 28, 1997 in which she asked the question,

"What if all the travel agencies in the U. S. decided that they were not going to make a single reservation for 48 hours?"

Ask Travel Agent, Donna J. Eisinger, CTC Travel Consultant and Owner of Let's Travel/3DI Travel Inc. of Irvine, California who in this same April 28, 1997 issue of "Tour and Travel News" said,

"After 17 years in the travel industry, as an owner of an agency and a professional CTC Certified Travel Consultant, I am appalled at the manner in which agents are being treated by the airlines today. We are selling your product. We are paying a fee every month to sell your product, and we are doing it on leased equipment while trying to live up to the stipulations set down by the owner of the CRS. The only communications we seem to receive from the airlines are threats, warnings, debit memos, addendums to ARC regulations and commission caps. I remember some time ago when we received "thank you" and we felt good about the work we were doing. Can you imagine how we feel during this recent deluge of warnings and threats? I personally feel like a child in kindergarten being spanked on the hands and warned, "Never do that again?" What are we doing wrong? We sell your product, spend time explaining to our clients why air fares have increased again, try to explain why airfares are higher to a city in the next state than they are across the ocean, defend you in most cases and dedicate sometimes 12 hours a day to working in this industry. And in appreciation from "our partners," we receive yet another threatening letter warning us we are going to pay dearly for using our CRS for "unproductive or passive segments."

Ask Travel Agent Brenda Geiger of Geiger Travel in Indianapolis who wrote to "Travel Weekly" in their May 29, 1997 issue stating,

"It eats away at me every time I try to explain to our clients why they have to pay \$500 to sit next to a friend, who bought their ticket yesterday for \$250. And it burns me when I tell my child that Mommy isn't going to have a job soon. ; And I feel it when she asks why I can't just work harder. I expect to hear that from a 5 year-old. But I never thought I would be so constantly condemned for my efforts by those whom I supposedly worked with and for. I placed my agency for sale today. Any takers?"

Ask Travel Agent Steve Cosgrove, owner of Dynamic Travel and Cruises in Southlake, Texas, whose story about the lack of a level playing field between airlines and travel agencies made the front page of the August 11, 1997 issue of "Travel Trade" Magazine. Mr. Cosgrove said that a random survey by five Ft. Worth area travel agencies in a recent 15 day period showed that airline ticket vendors were making back-to-back reservations without mentioning that the fares are "illegal" or that the customer was doing anything wrong. Up to 10 calls were made to Delta ;and American by each travel agent and in at least two cases, the airline reservation agent actually recommended a back-to-back ticket. Mr. Cosgrove was quoted as saying,

"Why are we passively lying down to the airlines while they steal clients from us by allowing their own reservationists to do the things they are telling us not to do? Are we accepting an unlevel playing field? ...I have very strong doubts that airlines intend to police themselves. I think they look at this as another way to encourage clients, many corporate clients, to book direct."

Ask Travel Agent Donna Smith, President of Seminars International Travel in Woodland Hills, California, who wrote in the June 9, 1997 issue of "Tour and Travel News",

"Until the agents form a strong, single-purpose, unified voice with a slogan and a banner, we will be no better off than the slaves in the days of ancient Rome. If there is a Spartacus out there, we need you now to organize our group to prevent unfair practices that I believe have occurred."

Ask Travel Agent Nancy King, CTC of Magic Carpet Travel, city unknown, but reachable at znancy@rain.org who was quoted in the May 5, 1997 issue of "Travel Trade Magazine",

"I hope we are not seeing the end of our industry, but I would rather lock the door with dignity than accept below-poverty-level wages."

Ask Travel Agent Marci Finn, Travel Agent at World Travel International located in Montoursville, Pennsylvania who wrote to "Tour and Travel News" just a few weeks after the April 28, 1997 letter to the editor from Donna Eisinger quoted above in this document, stating,

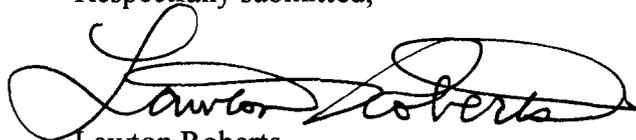
"Donna J. Eisinger took the words right out of my mouth, ('An Open Letter To The Airlines' dated April 28th). Approximately two weeks ago, I was discussing the same airline problems with my manager. The airlines treat us like we're enemies. They just keep cutting and cutting away at our commissions and benefits. It is so true that if a manufacturer or any other company treated their sales people like the airlines treat us, the sales people would leave. I just wish that each and every travel agency would band together and discontinue selling airline tickets, outside of packages, to see what the airlines would do. They aren't seeing the fact that they would have to hire additional personnel, install additional telephone lines, computers and equipment, to deal with all of the additional travelers (not to mention to deal with their problems that we agents usually deal with). Thank you Donna Eisinger, for saying what we all are thinking. Now, if someone could just get all of us together to prove our point, we'd be on the right track to getting the treatment and pay we deserve!"

Ask any travel agent including myself why we have not presented these issues before now and we will tell you it is because of our fear of an airline industry that can put any one of us out of business in a moment's notice by instructing the Airline Reporting Council which the airlines also own and control to "pull our plates", or suspend our authorization to issue any more tickets on that airline. Imagine the impact of losing a Delta authorization plate in a hub city controlled by Delta, or a United authorization plate in a hub city controlled by United, or an American authorization plate in a hub city controlled by American, etc., etc.

ASK THE MAJOR AIRLINES INCLUDING UNITED, AMERICAN, DELTA, CONTINENTAL, NORTHWEST AND U. S. AIRWAYS: Ask the airlines when they are going to stop denying boarding to fare paying passengers on flights. Ask the airlines when they are going to stop selling more tickets than they have physical seats on each flight. Ask the airlines when they are going to start making airline tickets refundable under reasonable circumstances just like every other retail product or service that is sold in our country. Ask the airlines when they are going to stop charging consumers \$50.00 just to receive the benefit of a new lower fare which they would have qualified for in the first place if they had just waited for the sale, especially when the work of reissuing the ticket is handled by a travel agent. Ask the airlines when they are going to stop making air fares a high pressure game by threatening to withdraw them in an instant if the consumer doesn't buy now, this instant!! Ask the airlines why they can't just change prices once a day, at night, rather than manipulating the consumer with constant price changes throughout the day. Ask the major airlines why they don't permit low-fare airlines to be members of the big-airline fraternity known as "Interline Agreements", and thus give consumers the chance for a better air fare on at least a portion of their itinerary, and the low fare airlines a better chance for survival. Ask the major airlines why they are mysteriously absent from each others' major hub cities. Ask the airlines why they don't publish the statistics concerning the actual low probability of a frequent flyer actually obtaining the free ticket reservation he wants to all destinations that airline flies. Ask the airlines why they don't publish the statistics to the consumer concerning what the actual dollar value of frequent flyer miles is, including how much they actually sell miles for to other retail companies to be used in joint marketing promotions between the airline and say an American Express Credit Card Company for example. Ask the airlines about how they use the Computer Reservations Systems which they own to control and manipulate travel agencies. Ask the airlines about how they use the Air Transport Association which they also own to further manipulate travel agencies through Computer Reservations Systems. Ask the airlines about how they use the Airline Reporting Council which they also own to control, punish and manipulate travel agencies. Ask the airlines why there is no longer a level playing field among all methods of airline sales distribution for all fares and all types of tickets. Ask the airlines about their practice of stealing the hard-earned commissions of travel agencies by exchanging tickets issued by travel agencies for tickets issued by airline agents, and then issuing the travel agency a recall commission statement. Ask the airlines why they shouldn't give travel agencies the fees the airlines charge consumers for changing airline reservations in those cases where the travel agency does all the work. Ask the airlines why they have established a commission structure that effectively cuts deeper into travel agency pockets with each passing month. Ask them if this predatory practice is intended to eliminate travel agencies eventually. And then explain to them that the simple mathematics of a commission cap will eventually do just that.

And finally, ask the airlines why they have abused the consumer and the travel agent so severely in recent years, and why they have abused the freedom that you, the United States Federal Government gave them when you deregulated the airline industry some twenty years ago. And then inform them that due to their inability to manage and control their industry without abusing the freedoms and rights of others, namely the consumer and the travel agency industry, that you, the U. S. Federal Government, will impose new controls on the airlines that will be designed to restore the rights of the consumer and the rights of travel agencies in this nation. And if once again the rights of the consumer have been protected and restored by the actions of this travel agent in bringing these issues to your attention, then I will have done what I should have done and what every travel agent in America does every single day, look out for the consumer in an unbiased and professional way. Please help us to continue this mission in the future by ensuring our survival today.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lawton Roberts". The signature is fluid and cursive, with a large initial "L" and "R".

Lawton Roberts

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