

Client Bulletin

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Airline Passenger Protection Rules Take Effect and Are Expanded

On August 23, 2011, U.S. Department of Transportation consumer protection rules applicable to domestic and foreign air carriers took effect. The regulations require all air carriers to refund baggage fees if the bag is lost during transport, in addition to compensating the passenger for the lost bag or for damage for delay in connection with the transportation of baggage. Air carriers now are required to disclose all optional fees on their website, including fees for baggage, meals, cancellation or change of reservation penalties and charges for advanced or upgraded seating.

Additionally, the new rules double the amount of compensation to which passengers are eligible in the event they are involuntarily offloaded from an oversold flight. The new limits for denied boarding are US\$650, or double the one way price of the ticket, whichever is less, for delays up to four hours and up to US\$1,300 for longer delays.

The controversial lengthy tarmac delay rules were expanded to cover foreign carriers' international flights from U.S. airports. A hard four-hour time limit on tarmac delays has been set, with exceptions possible for safety, security or air traffic control delays. In the event that a foreign air carrier's flight is subject to tarmac delays, food and water must be provided to passengers after two hours. There is also a requirement that lavatories be working and that necessary medical treatment be available.

The tarmac delay rules, which came into effect as to domestic U.S. carriers last year, provided for a three hour tarmac delay rule for domestic flights. While it was predicted that this rule would be unworkable, very few long tarmac delays have

been reported and to date no carrier has been fined for noncompliance. The practical result is that air carriers are cancelling flights in advance rather than risking long tarmac delays which could result in penalties under the federal regulations. As a practical matter, this option may not be as available to international carriers with limited flights from U.S. airports.

In addition to the rules which took effect this week, there are new passenger protection rules which are scheduled to go into force on January 24, 2012. These new measures include a requirement that all taxes and fees be included in advertised fares, a ban on post-purchase price fare increases, freedom from cancellation penalties if a reservation is cancelled within twenty-four hours after it has been made, required disclosure of baggage fees and prompt notification of delays over thirty minutes.



Should you wish any further information concerning the foregoing or if you have any questions, please feel free to contact us at the address shown below.

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