



# LEGISLATIVE PRIORITIES

**TRAVEL AGENCIES** – online, storefront retail locations, and hybrid business models in between – play a central role in the global travel and tourism industry. According to the latest data from the U.S. Census Bureau, there are nearly 10,000 retail travel agency locations in the U.S. employing more than 105,000 people, plus an additional 83,000<sup>1</sup> self-employed travel advisors. Ninety-eight percent of travel agencies are small businesses according to the U.S. Small Business Administration’s (SBA) size standards, and 80% of them are women-owned. In 2023, travel agencies sold 40% of air tickets totaling more than \$95 billion. Travel agencies are also responsible for booking 59% of cruises and 75% of tour packages. Overall, travel agencies are the largest single booking channel, representing 30% of total sales.

The travel and tourism industry continues to make a comeback post-pandemic, with travel rebounding to, and in some cases surpassing, 2019 levels. Year-over-year consistent growth in travel advisors is projected by the Bureau of Labor Statistics over the next ten years. Travel advisors remain in demand, but also need the tools to meet that demand.

Recent rulemakings by the Department of Transportation (DOT) highlighted that the role travel advisors play in the policy arena do not match their growing influence in the travel industry. Congress has the power to address this discrepancy through two pieces of legislation and as such, we respectfully request your support for the following legislative priorities.

## AIRLINE TICKET REFUNDS

In April 2024, DOT issued a final rule<sup>2</sup> on airline passenger ticket refunds, specifying the parameters under which consumers are due a refund in the event of a cancelled or significantly changed flight. As written, the final rule requires the “merchant of record” to refund the passenger; meaning, if the travel agency appears on the consumer’s credit card statement, the agency, rather than the airline, is responsible for providing the refund within seven days.<sup>3</sup> In nearly every case, these funds have already been passed on to the airline and are no longer in the possession of the travel agency. This could cause severe financial hardship for travel agencies, 98% of which are small businesses and typically operate on razor thin margins.

Recognizing that while the consumer was to be repaid within seven days but that the rule did not impose an obligation on airlines to refund ticket agents, the 2024 FAA Reauthorization bill (P.L. 118-63) directed DOT to write regulations to this end. In August, DOT issued a final rule<sup>4</sup> that stated airlines must “promptly transfer the funds to the ticket agent” but failed to specify a timetable for doing so.

Putting the onus of providing a refund on small business merchants of record will be catastrophic to this industry. Agency merchant of record transactions make up a significant portion of business for many small agencies in our industry, especially those who

# LEGISLATIVE PRIORITIES

specialize in group travel. Recognizing this hardship, Rep. María Salazar (R-FL), along with Reps. Dina Titus (D-NV) and Mark Alford (R-MO), introduced the Flight Refund Fairness Act ([H.R. 9552](#)) which states that any ticket agent considered a small business by SBA would not be responsible for providing a

**Please support H.R. 9552, the Flight Refund Fairness Act, to protect our nation's small business travel agencies.**

ticket refund to the consumer until the agency first received the funds from the airline.

A similar provision was included in the House-passed version of the FAA Reauthorization bill (H.R. 3935) but was ultimately removed in negotiations after the DOT rule became final, much to ASTA's objection. Please cosponsor (House) or sponsor (Senate) the Flight Refund Fairness Act to protect our nation's small business travel agencies.

## ACPAC MODERNIZATION ACT (H.R. 3780)

The ACPAC Modernization Act ([H.R. 3780](#)) is bipartisan legislation introduced to ensure that the voices of ticket agents and their consumer clients are heard within DOT's Aviation Consumer Protection Advisory Committee<sup>5</sup>(ACPAC). ACPAC is an advisory body responsible for evaluating existing aviation consumer protection programs and providing recommendations for establishing and improving aviation consumer protection programs. ACPAC membership currently consists of one representative each of U.S. airlines, consumer groups, airports, and state or local governments.

With only four committee members, this relatively small committee has great influence over the regulations considered at DOT.

**Please support H.R. 3780, the ACPAC Modernization Act, to ensure the voices of ticket agents and their consumers are heard at DOT.**

In fact, in the Department's final rule on airline ancillary fees, ACPAC was referenced more than 90 times, and nearly 40 in the above-mentioned ticket refund rule. However, travel advisors do not have a voice where policy directly affects their small businesses. Legislators agreed their viewpoints were crucial, and the provisions of H.R. 3780 were included in the House-passed version of the FAA reauthorization bill, as well as the Senate Commerce Committee version. Unfortunately, this provision was not included in the final legislation.

Since DOT regulates travel agencies as sellers of airline tickets, travel advisors should have an opportunity to weigh in on policies that affect them. As more and more consumers turn to travel advisors for their travel needs, it has become increasingly clear that a ticket agent seat should be added to this committee. Please cosponsor (House) or sponsor (Senate) the ACPAC Modernization Act to ensure the travel agency sector has a voice within DOT.

**JESSICA KLEMENT**

Vice President, Advocacy, ASTA  
[jklement@asta.org](mailto:jklement@asta.org)

[www.ASTA.org](http://www.ASTA.org)

<sup>1</sup> A conservative estimate, as this information is not captured by the federal government

<sup>2</sup> <https://www.federalregister.gov/documents/2024/04/26/2024-07177/refunds-and-other-consumer-protections>

<sup>3</sup> 20 days if payment was made by cash or check

<sup>4</sup> <https://www.regulations.gov/document/DOT-OST-2022-0089-5348>

<sup>5</sup> <https://www.transportation.gov/airconsumer/ACPAC>