



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

Issued by the Department of Transportation
On the Eleventh day of October, 2012

Worldwide Travel, Inc.

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

Docket OST 2012-0002

Served October 11, 2012

CONSENT ORDER

This consent order concerns advertisements by Worldwide Travel, Inc., that violated the full fare advertising requirements specified in 14 CFR 399.84, as well as 49 U.S.C. § 41712, which prohibits unfair and deceptive practices and unfair methods of competition. This order directs Worldwide Travel to cease and desist from future violations of section 399.84 and section 41712, and assesses the ticket agent a compromise civil penalty of \$15,000.

Applicable Law and Facts

As a ticket agent, Worldwide Travel is subject to the advertising requirements of Part 399 of the Department's rules. Pursuant to 14 CFR 399.84, carriers 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 ad valorem in nature, i.e., 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. Violations of section 399.84 constitute unfair and deceptive practices in violation of 49 U.S.C. § 41712.

Prior to January 26, 2012, in print advertisements, it was permissible 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.¹ After January 26, the breakout of taxes and government fees was prohibited.²

Notwithstanding the requirements of Part 399, for a period of time during 2011, Worldwide Travel's print advertisements in the *Pakistan Post* listed fares to Pakistan from the United States that stated that taxes and surcharges were extra, but did not give their amount. Consumers were made aware of the total price only after calling Worldwide Travel's telephone agents. Worldwide Travel's failure to provide proper notice of taxes and fees that could then be legally stated separately from the fare violated 14 CFR 399.84 and 49 U.S.C. § 41712.

Mitigation

In mitigation, Worldwide Travel states that it is disappointed that the Department believes enforcement action is warranted in this instance. Worldwide Travel further states that this is a first time offense, that it is a small business, and that it was unaware of the Department's advertising requirements. After being contacted by the Department, Worldwide Travel immediately withdrew the advertisement in question. Finally, Worldwide Travel states that the violation is minor and that it incorrectly believed that its advertisements were lawful because other travel agents advertising in the same media as Worldwide Travel were advertising in a similar manner.

Decision

The Department views compliance with the Federal aviation statutes and regulations very seriously. The Office of Aviation Enforcement and Proceedings (Enforcement Office) has carefully considered the information provided by Worldwide Travel and continues to believe that enforcement action is warranted. The Enforcement Office and Worldwide Travel have reached a settlement of this matter in order to avoid litigation. Without admitting or denying the violations described above, Worldwide Travel 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 \$15,000 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.

¹ 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 2010-07-17 (July 22, 2010).

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

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 Worldwide Travel, Inc., 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, Worldwide Travel, Inc., engaged in unfair and deceptive trade practices and unfair methods of competition in violation of 49 U.S.C. § 41712;
4. We order Worldwide Travel, Inc., and all other entities owned or controlled by, or under common ownership and control with Worldwide Travel, 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 Worldwide Travel, Inc., a civil penalty of \$15,000 in compromise of civil penalties that might otherwise be assessed for the violations found in ordering paragraphs 2 and 3. Of this total penalty amount, \$7,500 shall be due and payable in five equal installments of \$1,500 each. The first payment of \$1,500 shall be due and payable on or before November 1, 2012, the second installment due and payable on or before December 1, 2012, the third installment due and payable on or before January 1, 2013, the fourth installment due and payable on or before February 1, 2013, and the last installment due and payable on or before March 1, 2013. The remaining portion of the civil penalty amount, \$7,500 shall become due and payable immediately if Worldwide Travel violates this order's cease and desist provision within one year following the date of issuance of this order or fails to comply with this order's payment provisions; and
6. We order Worldwide Travel, Inc., to pay the penalty through Pay.gov to the account of the U.S. Treasury. Payments shall be made in accordance with the instructions contained in the Attachment to this order. Failure to pay the penalty as ordered shall subject Worldwide Travel,

Inc., 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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