



October 18, 1994

THIS LETTER WAS SENT TO TOUR OPERATORS THAT HAD SPONSORED FOOTBALL BOWL GAME TOURS IN THE PAST. A SIMILAR LETTER WAS SENT TO AIRLINES.

This letter concerns preparations which are now being made for the promotion and sale of air tour packages to the 1995 Rose Bowl and other bowl games. I am writing to you and other companies, who have in the past engaged in this type of activity, because of my concern for consumers who will soon be shopping for these tours. For your information, similar letters are being sent to representatives of all the larger U.S. airlines, both scheduled and charter carriers, and other companies or organizations that we expect will have a significant direct or indirect involvement in the marketing of air transportation and related services to such sporting events.

As you are probably aware, last season a large group of University of Wisconsin supporters purchased air tour packages to attend the 1994 Rose Bowl. The package price supposedly included a game ticket. However, many of these fans either had to make substantial additional payments to secure game tickets or were unable to obtain game tickets at any price. It appears that the game ticket availability problem stemmed from ticket brokers making unfulfilled commitments to tour operators.

Moreover, on further examination it was determined that a variety of other questionable activities apparently had taken place, all of which had a real and/or potential adverse impact on consumers. Among the possible compliance problems were advertising violations, failure to file Public Charter prospectuses with DOT as required, and failure to include required information in prospectus filings that were made. The advertising issues centered around the failure of promoters to provide elements of the air tour package that had been promised in solicitation materials. The lack of game tickets was the most serious example of such problems. There also were several instances in which air carriers operated charter flights, which were sold to the general public, but which failed to conform to the requirements of our Public Charter rules, including the provisions aimed at protecting consumer funds and avoiding passenger inconvenience.

The Department has just issued a Notice of Proposed Rulemaking to seek comment from the industry and the public on a new rule that will provide additional specific protections to consumers who purchase air tour packages to "special events," including bowl games. In the meantime, the purpose of this letter is to alert you to the potential for consumer harm and seek your cooperation in a heightened effort to monitor the promotion and sale of such tours in the upcoming bowl game season, and to ensure that persons shopping for these packages will have confidence that what is being offered will, in fact, be provided.

To the extent that your company enters into a contractual arrangement with an airline for either scheduled or charter air transportation for a bowl game, we ask that you exercise some level of active inquiry to establish,

the type and scope of tour components being offered,

that all of the components have been contractually committed to the supplier, and

if game tickets are being offered, that they be available in sufficient number, and that the contractual commitment for the tickets be directly traceable to the actual sponsor of the bowl game.

We seek your cooperation and assistance to ensure that the upcoming bowl game season is an enjoyable and secure traveling experience for consumers. Should you have any questions, please call Hoyte B. Decker, Jr. of my staff at (202) 366-5957.

Sincerely,

Steven Palmer

Assistant Secretary

