

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 545

To amend the Federal Trade Commission Act to provide for regulation by the Federal Trade Commission of advertisements by air carriers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1995

Mr. SCHUMER introduced the following bill; which was referred to the Committee on Commerce and, in addition, to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Federal Trade Commission Act to provide for regulation by the Federal Trade Commission of advertisements by air carriers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Airfare Advertising  
5 Reform Act of 1995”.

1 **SEC. 2. FEDERAL REGULATION OF ADVERTISEMENTS BY**  
2 **AIR CARRIERS.**

3 (a) REGULATION BY FTC.—Section 5(a) of the Fed-  
4 eral Trade Commission Act (15 U.S.C. 45(a)) is amended  
5 by adding at the end the following new paragraph:

6 “(4) Notwithstanding paragraph (2), the Commission  
7 is empowered and directed to prevent air carriers and for-  
8 eign air carriers subject to part A of subtitle VII of title  
9 49, United States Code, from disseminating, or causing  
10 dissemination of, any advertisement in violation of para-  
11 graph (1), including any false, misleading, or deceptive ad-  
12 vertisement.”.

13 (b) AMENDMENT TO FEDERAL AVIATION ACT.—Sec-  
14 tion 41712 of title 49, United States Code, is amended—

15 (1) by striking “On” and inserting “(a) GEN-  
16 ERAL RULE.—Subject to subsection (b), on”; and

17 (2) by adding at the end the following new sub-  
18 section:

19 “(b) LIMITATION WITH RESPECT TO ADVERTISE-  
20 MENTS BY AIR CARRIERS.—No action may be taken under  
21 this section with respect to a violation of this section if  
22 the violation also constitutes a violation of section 5(a)(1)  
23 of the Federal Trade Commission Act and the Federal  
24 Trade Commission is empowered to take an action with  
25 respect to the violation pursuant to section 5(a)(4) of such  
26 Act.”.

1 **SEC. 3. ADVERTISEMENT OF RATES FOR AIR TRANSPOR-**  
2 **TATION BY AIR CARRIERS.**

3 (a) ISSUANCE OF FINAL RULE.—Not later than 90  
4 days after the date of the enactment of this Act, the Fed-  
5 eral Trade Commission shall pursuant to section 18(a)(1)  
6 of the Federal Trade Commission Act issue a final rule  
7 which identifies methods of advertising rates for air trans-  
8 portation by an air carrier or foreign air carrier which con-  
9 stitute unfair or deceptive acts or practices in or affecting  
10 commerce (within the meaning of section 5(a)(1) of such  
11 Act).

12 (b) MINIMUM REQUIREMENT.—The final rule issued  
13 pursuant to subsection (a) shall at a minimum provide  
14 that disseminating, or causing dissemination of, any writ-  
15 ten advertisement for air transportation between 2 points  
16 by an air carrier or foreign air carrier which contains a  
17 rate for such air transportation shall constitute an unfair  
18 or deceptive act or practice in or affecting commerce  
19 (within the meaning of section 5(a)(1) of the Federal  
20 Trade Commission Act) unless—

21 (1) the advertisement clearly and conspicuously  
22 discloses all material restrictions governing the offer  
23 to provide such air transportation at such rate;

24 (2) such rate includes all costs for obtaining  
25 such air transportation (including any taxes, fees,  
26 fuel, and other surcharges and mandatory charges)

1 and is the round trip rate (if purchase of a round  
2 trip ticket is required for obtaining such rate); and

3 (3) the advertisement also contains (in print  
4 which is adjacent to the print stating such rate and  
5 which is not smaller than  $\frac{1}{4}$  of the size of the print  
6 stating such rate) the minimum number of seats per  
7 flight to which such rate applies.

8 For the purposes of paragraph (3), such rule shall provide  
9 that the minimum number of seats referred to in such  
10 paragraph may be stated separately for flights occurring  
11 on different days of a week.

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