



September 30, 2025

The Honorable Chuck Grassley  
Chair, Senate Judiciary Committee  
Washington, DC 20510

The Honorable Dick Durbin  
Ranking Member, Senate Judiciary Committee  
Washington, DC 20510

Dear Chairman Grassley, Ranking Member Durbin, and Members of the Committee:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write in regard to your hearing, "Examining Competition in America's Skies." Like most other industries, the airline industry is constantly evolving and innovating to serve consumers with the most affordable airfares and enjoyable flying experience possible. We hope this hearing is focused on how healthy competition in the aviation sector is benefiting consumers and will identify areas where the government can take a step back.

NTU has a long history of engaging in federal aviation policy, including helping shape the Airline Deregulation Act of 1978, one of the most transformative free market proposals ever signed into law. This law dramatically reduced government controls over the pricing, availability, and scheduling of passenger routes so companies could focus on serving markets rather than complying with government determinations. Without this law, it is possible that our current aviation transportation network would look significantly different than it exists today—arguably much worse.

Just look at the data compared to the 1970s:

1. In 1977, just 25% of Americans had flown commercial in the past year, compared to 52% in 2024.
2. In the 1970s, airfare was on average three times higher than it would be in 2025.
3. Last year, the U.S. saw 876 million enplanements (3.5 times higher than 1977) and a load percent of 81% (up from 55% in 1977).

One essential element of competition in the marketplace is the availability of variable service and pricing options that meet the equally variable preferences of customers. For some, this means menu-based pricing, while for others, it means bundled pricing. These options ensure consumers across the income scale have the ability to review and decide what type of service best fits their needs and budget. Today, there is no shortage of options across America's airports, including legacy airlines and low-cost carriers.

Just in the past four years, three new low cost airlines (Breeze, Avelo, and Aha!) have joined the market and made an immediate impact. Greater competition from lower-cost airlines puts downward pressure on prices that legacy airlines would charge to fly to-and-from the same market.

One senator on this Committee recently said “the root of the problem is a lack of competition” within the airline industry. However, this statement does not match the reality of the state of the industry. Today, no single airline controls more than 18% of industry market share; along with an evenly distributed share among the largest airlines, it can be argued that the industry is heavily and healthily competitive.

In fact, search engine growth has no doubt made competition stronger than ever. At any moment, an individual can use any device or app (such as Hopper, Google Flights, or Expedia) that will list all flights to where he or she wants to go. This allows consumers to browse airlines, cost, stops, and more in an instant. With a single click, consumers are able to compare flights and decide what best fits their budget and timeframe.

Unprecedented competition has resulted in affordable ticket prices for American consumers. According to most recent data made available by the [Department of Transportation](#), First Quarter average fares in 2025 were the most affordable on record when accounting for inflation and excluding 2021 due to the pandemic. Q1 fares were 37% cheaper than Q1 1995, and 5% cheaper than Q1 2020. This is more money in peoples’ pockets and unlocks affordable fares for individuals who may not regularly travel.

Low prices are a strong signal that an industry is competitive, with pricing being one tool that airlines use to attract new customers and retain current ones.

To be sure, more can be done to keep airline tickets affordable for all families. Rather than new regulations and rules, the best way to promote lower tickets is to actually get government out of the way, particularly when it comes to taxes and fees. All told, taxpayers can easily face a tax and fee load of 20% or more on an airline ticket, which would be far higher than what a middle-class traveling family would pay on its 1040 federal income tax return.

In doing some research, I was able to find a [one-way flight](#) from Reagan National (DCA) to Ranking Member Durbin’s home state airport of Chicago (ORD) on American Airlines for \$95.98. On the surface, it is a good deal, but the actual total for the ticket came to \$118.48 due to government-imposed taxes and fees. This includes the U.S. Domestic Transportation Tax (\$7.20), Segment Tax (\$5.20), U.S. Security Fee (\$5.60), and the Passenger Facility Charge (\$4.50). That represents a greater-than 23% increase to the cost of the fare—a hefty additional burden for many Americans.

Ironically, it is often when the government meddles in the aviation industry that competition issues arise. Such is the case with the company Spirit Airlines, a top ten U.S. airline facing distressing financial conditions, that sought a merger with Jet Blue. President Biden’s DOJ successfully blocked this transaction and ended one of Spirit’s last hopes for its competitive future. Today, the company has again filed again for Chapter 11 bankruptcy and recently announced it would furlough more than 2,000 flight attendants and pilots. Certainty consumers, and market competition, are not best served by an airline in Chapter 11 bankruptcy.

America’s airline industry is highly competitive today because of the private sector—not because of government regulatory regimes of the 1970s. As your hearing gets underway, we urge you to focus on ways to reduce cost burdens for both carriers and consumers. At the same time, it would be a major

mistake to attempt to return to heavy-handed edicts that would likely stifle competition and make airline travel too costly for many Americans.

NTU is grateful for your consideration, and I am hopeful that the evidence-based framing we have provided in these comments is useful to you. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

Thomas Aiello  
Senior Director of Government Affairs