Taking Flight? State AGs Battle Airline Mergers and Soaring Traveler Frustration.

Authors: AG Studies Staff and Policy Fellows

If holiday travel weren't stressful enough, complaints against U.S. airlines reached record highs last year. Frustrated flyers have dealt with sharply rising airfares, lengthy delays, overbooked flights, missing bags, and refunds that never arrived—problems compounded by a highly concentrated industry and a federal complaint system that was only recently updated.

As airline consumer complaints continue to rise, state attorneys general (state AGs) are stepping up. Working with the U.S. Department of Justice (DOJ), they've blocked mergers and alliances that threatened to cut flights, hike fares, and weaken service.

State AGs have also pressed Congress to give states real power to hold airlines accountable while continuing to champion stronger consumer protections for passengers—from clearer pricing to fairer refund rules.

Now, through a partnership with the Department of Transportation (DOT), state AGs can directly investigate airline complaints and refer misconduct cases for priority federal review and enforcement. It's a sweeping effort to rein in an industry that too often leaves travelers stranded.

State AGs Fight To Protect Airline Consumers

Here's a closer look at how state AGs are using their authority to safeguard airline consumers.

1. Stopping Airline Deals That Hurt Travelers.

With only four airlines dominating about 80% of the U.S. market, some state AGs are stepping in to block mergers and alliances that could leave passengers with even fewer choices.

In 2021, six states and D.C. joined the DOJ in suing to dismantle the "Northeast Alliance" between JetBlue and American Airlines, the largest U.S. airline. The AGs warned that travelers could face fewer flights, higher fares, and weaker service. They argued that the venture effectively functioned like a merger—limiting competition on some of the nation's busiest routes.

With a federal court order ending the alliance upheld on appeal, the AGs secured a major win for consumers. American and JetBlue also agreed to pay nearly $2 million in legal fees to D.C. and the participating states.

In 2023, a new AG coalition joined the DOJ's challenge to JetBlue's proposed acquisition of Spirit Airlines. The group argued that eliminating the nation's largest low-cost carrier would leave budget-conscious flyers with fewer seats and less affordable options. After a federal judge sided with the states and blocked the merger, JetBlue and Spirit terminated the $3.8 billion deal.

In an industry dominated by a few giants, state AGs wield antitrust tools to stop airline consumers from paying the price of reduced competition—safeguarding choice, quality, and affordability in air travel.

2. Pushing Congress to Give States Real Power Over Airline Misconduct.

Pandemic-era airline disruptions fueled thousands of complaints at state AG offices across the country, many concerning missing refunds and credits. Though some offices were able to assist a few individuals, their hands were mostly tied due to the Airline Deregulation Act of 1978.

This federal legislation preempts states from enforcing consumer protection laws against airlines, making DOT the main enforcer. However, state AGs can still take action against travel agencies that use deceptive marketing tactics to sell airline tickets.

In 2022, a bipartisan coalition of 38 AGs, led by then-Arizona AG Mark Brnovich and Colorado AG Phil Weiser, urged Congress to amend the law to allow state AGs to hold airlines accountable under state and federal consumer protection laws. They argued that DOT had failed to keep up with the surge in consumer airline complaints, leaving travelers without timely relief.

State AGs are eager to act as airline watchdogs—protecting residents the same way they do in almost every other corner of the consumer economy. For everyday travelers, this authority could mean faster help, stronger oversight, and a smoother ride home.

3. Cracking Down on Airline Complaints Through New State-Federal Partnership.

While state AGs remain mostly blocked from enforcing airline consumer protection laws, they've recently found a new way to act. On April 16, 2024, DOT launched the bipartisan Airline Passenger Protection Partnership with 18 state AGs—four more have since joined.

This agreement empowers participating state AG offices to investigate airline consumer complaints, make preliminary findings, and refer violations to DOT for priority review and

enforcement. It also provides AGs with access to DOT's modernized complaint database, equipping them with stronger tools to identify patterns of misconduct.

By opting in, state AGs are bringing state-level oversight into a system that has long relied on a single federal agency to police nationwide airline misconduct. They're using every tool available to protect travelers, making it harder for airlines to skirt the rules and dodge accountability.

4. Advocating for Stronger Airline Consumer Protections.

State AGs have long pushed for rules that make air travel fairer and less costly. Back in 2017, a group of 17 AGs, led by Pennsylvania, opposed DOT's plan to withdraw a proposed rule requiring airlines and third-party booking companies to disclose baggage and other fees up front, warning that hidden costs confuse consumers and undermine price transparency.

State AGs sprang into action again in 2020, as the pandemic fueled a surge of nearly 90,000 refund complaints at DOT—a reported increase of over 5,000 percent from the year before. While Congress debated extending billions in relief to airlines under the CARES Act, a bipartisan coalition of 40 state AGs urged federal lawmakers to attach strong consumer protections, including full refunds for cancellations related to COVID-19 and other safeguards.

New York AG Letitia James stepped up for passengers facing troubling flight delays and cancellations in 2022. She pressed DOT to stop airlines from "knowingly advertising and booking flights they do not have the adequate staff to operate," pointing to cases where travelers were left stranded and forced to shoulder all the resulting costs. When the Biden administration later announced plans to create a new rule requiring airlines to compensate travelers for long delays and cancellations caused by the carrier, AG James publicly backed the move.

Michigan AG Dana Nessel helped shape new federal protections for airline passengers while chairing the DOT Aviation Consumer Protection Advisory Committee. Following the committee's recommendations, new rules went into effect in 2024, requiring airlines to refund passengers for canceled or significantly changed flights, extra services not provided, and significantly delayed checked baggage.

But now, consumer protections for airline passengers face new challenges under shifting federal policy. The Trump administration has already withdrawn the Biden-era proposal requiring airlines to pay passengers hundreds of dollars in cash for lengthy, avoidable delays—removing a key safety net for travelers.

Meanwhile, some airline lobbyists are pushing for changes that could erode key consumer safeguards, including automatic refunds for canceled flights, "all-in airfare pricing," and free family seating. They're even asking DOT to terminate its Memoranda of Understanding allowing state AGs to investigate airline consumer complaints. In a political landscape tilting away from consumers, state AGs' persistent advocacy is more essential than ever.

State AGs Go The Extra Mile For Frustrated Flyers

As millions of Americans take to the skies this season, state AGs are defending their dignity and rights. Even when federal law limits their reach, state AG advocacy gives travelers a stronger voice. By challenging anticompetitive mergers, securing agreements with DOT, and pushing for stronger consumer protections, these top-ranking public interest lawyers are protecting frustrated fliers—not just during the holidays, but all year-round.

The Leadership Center for Attorney General Studies is a non-partisan organization dedicated to educating the public about the important role state attorneys general play in addressing pressing issues, enforcing laws, and bringing about change.