

# [***Airlines Take Their Fight Against Junk Fees To Court***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C1M-5FM1-DXVP-5015-00000-00&context=1516831)

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**Byline:** Megan Poinski, Forbes Staff

**Highlight:** The published version of Forbes' CFO newsletter delivers the latest news for chief financial officers and other budget-focused leaders to inboxes every Tuesday.

**Body**

**This is the published version of Forbes' CFO newsletter, which offers the latest news for chief finance officers and other leaders focused on the budget. Sign up here to get it delivered to your inbox every Tuesday.**

**As airlines enter the busy summer travel season, new regulations are moving them to get busy with litigation**. Lobbying group Airlines for America, as well as American Airlines, Delta Air Lines, United Airlines, JetBlue Airways, Hawaiian Airlines and Alaska Airlinessued the U.S. Transportation Departmenton Monday over a new regulation from the Biden Administration to combat so-called junk fees.

President Joe Biden has denounced these less visible fees which are added to ticket prices for things like checking or carrying-on luggage, or being able to select seats **as being unfair to consumers**. Last month,as the regulation was issued, Transportation Secretary Pete Buttigieg told MSNBC that the whole idea of capitalism supports allowing people to comparison-shop, but when airlines add upcharges for common needs, it makes it less fair.

In a statement shared with**Forbes**, Airlines for America**said airlines already disclose all fees associated with air travel**to consumers prior to them purchasing a ticket, and the new rules will greatly confuse consumers who will be inundated with information that will only serve to complicate the buying process.

This is the latest example of industry suing the government to fight back against regulations.**Groups and companies in industries ranging from farming to banking to electricity to manufacturing have taken their grievances with policies to the courts**. Results have been mixed, based on the laws that underpin the regulations, the arguments presented and the judges that rule on them. However, airlines are just one of the industries Biden has said are plagued with junk fees others include hospitality and ticket sales so this case could set the tone for the future of companies abilities to create consumer fees.

**It also may be just the beginning of commercial airlines court fight**. Last week, Congress passedlegislation reauthorizing the Federal Aviation Authority. One of the provisions, which has also been touted by Biden, requires airlines to refund customers for flight delays longer than three hours and international delays longer than six, or offer them credit that stays valid for five years.

**ECONOMIC INDICATORS**

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A person shops at a supermarket in Miami Beach.

CHANDAN KHANNA/AFP via Getty Images

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When is bad economic news good economic news? If you ve been paying attention, you know the answer is right now. Last week delivered a couple more not-so-positive economic indicators, and the stock market s reaction was largely positive.**New jobless claims rose much more than expected last week**.A total of 231,000 new Americansfiled for unemployment benefits for the first time between April 27 and May 4, well above consensus forecasts. This is the largest amount of new jobless claims in the last nine months, adjusted for seasonality. On Thursday, after the unemployment report came out, thestock market hit a five-week high, as analysts hoped that a weaker job market may lead to faster interest rate cuts.

While market insiders are loving the less positive financial news,ordinary consumers are not.**Consumer sentiment fell to its lowest level of 2024 this month**, hitting a level of 67.4 far less than economist forecasts of 76. Joanne Hsu, director of the monthly survey done by the University of Michigan, said this score means consumers are now seeing negative developments of top economic indicators, expressing worries that inflation, unemployment and interest rates may all be moving in an unfavorable direction in the year ahead.

**STOCK MARKET NEWS**

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A GameStop store in a Chicago strip mall.

Scott Olson/Getty Images

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Another reason why the stock market is booming:**Companies are announcing stock buybacks**. It s part of the reason Apple surged after reporting earnings earlier this month it also announced a$110 billion buyback. Buybacks can make acompany s shares more valuable, which helps companies reward investors without paying dividends.Goldman Sachs analysts expectS&P 500 stock repurchases to grow by 13% to $925 billion this year, and hit more than $1 trillion next year.

But**the return of hot meme stocks is also buoying markets**. Meme stock celebrity Roaring Kitty, whose real name is Keith Gill,returned to social mediaSunday with a picture of a man leaning forward in a gaming chair. Roaring Kitty helped lead the 2021 day trader campaign against investors betting on GameStop s demise, but had been silent on social media since June of that year. On Monday, GameStop saw its stock price shoot up more than 100%. Therally continued this morning, with GameStop stock up as much as 112% its highest price since the 2021 meme stock peak, with its market cap increasing $13 billion since Friday. AMC s shares also are riding the wave, seeing an increase of up to 129% today.

**HUMAN CAPITAL**

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Budrul Chukrut/SOPA Images/LightRocket via Getty Images

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**Microsoft is shuttering four of its game studios**, surprising many industry watchers. The company is closing down Arkane Austin, Tango Gameworks, Alpha Dog Studios and Roundhouse Games. senior contributor Paul Tassi writesthat**Redfall**, Arkane s most recent release, was poorly received possibly because it was retooled too many times but Xbox Game Studios Head Matt Booty had said last June that there were no plans to close the studio. At an event last week, Xbox President Sarah Bond gave what Tassi described as acorporate-speak non-answerto why Tango Gameworks creator of hit Xbox game**Hi-Fi Rush** was closed.

**FACTS + COMMENTS**

**President Biden announced huge tariff hikes**on several goods thatcould be imported from China, including items in the tech sector electric vehicles, solar cells and lithium batteries as well as medical products, steel and aluminum.

**$18 billion:** Value of Chinese goods that will be affected by the new rates, according to the White House

**100%:** New tariff on Chinese electric vehicles. The current rate is 25%

**In response to China s unfair trade practices and to counteract the resulting harms :** The Biden Administration s reasoning for the tariffs, according to aWhite House statement

**STRATEGIES + ADVICE**

***Politics*** are taking center stage in the news, but**workplace discussion of them can have disastrous consequences**. Here are some ways to have these conversations andkeep damages to a minimum.

Pre-pandemic,**in-person meetings were key to establishing trust**. Today, all meetings don t occur face-to-face. Here are some tips tobuild that trust in a digital environment.

**VIDEO**

**QUIZ**

This week, workers at two Alabama automobile manufacturing plants**vote on joining the United Auto Workers union**. Which company do they work for?

A. Hyundai

B. Volkswagen

C. Mercedes-Benz

D. Tesla

See if you got the answerright here.

**Load-Date:** May 16, 2024

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