



**Testimony of Greg Principato
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before the

**House Transportation and Infrastructure Committee
Subcommittee on Aviation
*Airline Delays and Consumer Issues***

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Chairman Costello, Ranking Member Petri, members and staff of the House Transportation and Infrastructure Subcommittee on Aviation, thank you for allowing Airports Council International-North America (ACI-NA) the opportunity to participate in this important hearing on airline delays and consumer issues. My name is Greg Principato and I serve as President of ACI-NA. ACI-NA member airports enplane more than 95 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America. Nearly 400 aviation related business are also members of ACI-NA.

ACI-NA applauds the Committee for its tireless work on H.R. 2881, the “Federal Aviation Administration Reauthorization Act of 2007.” H.R. 2881 will serve as the catalyst to reducing airline delays and passenger inconvenience by modernizing the U.S. air traffic and airport system. We especially commend the Committee for providing airports the financial tools necessary to build critical safety, security and capacity projects, including new runways, taxiways and terminals to meet growing airline passenger needs by increasing the ceiling on the Passenger Facility Charge user fee to \$7.00. By doing so, airports can meet the growing passenger demand by planning *now* to invest in modern, secure, comfortable and environmentally compliant facilities for air travelers.

We also are grateful to the Subcommittee for including the “Departure Queue Management Pilot Program” advocated by ACI-NA in H.R. 2881. While FAA has effective Traffic Flow Management programs in place that allow aircraft being delayed to

avoid extensive airborne holding that wastes fuel and produces air pollutants, there is no comparable program for aircraft on the airfield. Each year hundreds of thousands of aircraft are given clearance to taxi, only to spend time idling in long queues or penalty boxes while awaiting their place at the head of the runway. In fact, June 2007 was the worst month in 10 years for taxi-out times, the time between an aircraft leaving the gate and actually taking off. DOT statistics indicate that 462 flights waited for more than three hours to take off. While July 2007 was slightly better, with 276 flights not taking off for more than three hours, something clearly needs to be done. The departure queue management provision, allowing FAA to establish a pilot program at up to five airports, will assist in the development of additional traffic management tools, methodologies, and procedures that will allow controllers to manage the flow of taxiing aircraft on the ground, so as to avoid excessive queues. When implemented, this pilot program will have the added benefit of greatly reducing the amount of fuel burned and emissions produced by taxiing or idling aircraft on the airfield.

Impact of Delays on Airports: Demand for air travel is growing and airline delays are rising at an alarming rate. According to the Department of Transportation (DOT), the airline industry's on-time performance in the first six months of 2007 was the worst since DOT began gathering comparable data in 1995. Moreover, according to the Bureau of Transportation Statistics latest numbers, in July over thirty percent of all commercial airline flights arrived late. Unfortunately, many industry experts are predicting delays to only increase.

Airports are greatly affected by extended delays and extraordinary flight disruptions. While the vast majority of airports have contingency plans in place to work with airlines in assisting passengers when weather or other factors cause irregular operations, 2007 has proved to be a challenging year.

Airport Efforts to Reduce the Frequency and Severity of Delays: Airports, in cooperation with the airlines, are being pro-active with creating and implementing contingency plans to reduce the frequency and severity of delays. As was discussed by the Department of Transportation Inspector General, the vast majority of airports have contingency plans to assist airlines when such assistance is requested. This is an important point – airports do not have and are not seeking the regulatory authority to interfere with an airline’s operations during an extended ground delay. However, we do agree that airport operators should work more closely with air carriers in enhancing contingency plans, including offering assistance after an aircraft has been on the tarmac for an agreed-upon period of time. Many airports are already scheduling meetings with their airline partners and the provision in H.R. 2881 requiring the development of “emergency contingency plans” by air carriers and *large and medium hub airports* will further enhance these communications.

The Port Authority of New York and New Jersey (PANYNJ) is a good example of an airport that has been proactive in this area. Anticipating that there may be unusual situations where an airline may face an imbalance between the number of terminal gates and the number of flights, including severe weather circumstances, a policy was

implemented several years ago at the Port Authority's airports (Newark Liberty, New York LaGuardia and New York Kennedy) to mitigate the passenger impact. Entitled the *Port Authority Passenger Recovery in Cooperation with the Airlines* (PAPRICA), the Port Authority has pledged to locate alternate airport locations to safely off-load airport passengers in the event that ground delays strand passengers on planes for more than two hours. This policy urges all carriers to notify airport operations staff to determine if an alternate plan can be developed to allow passengers to safely disembark at another location. The location could be another carrier's gate, a remote hardstand, a cargo building ramp or other aeronautical site from which passengers can be transported to the terminal intended for arrival or departure.

In addition to PAPRICA, airports across the country are working with the airlines in implementing similar contingency plans to successfully combat irregular operations. Just last week, more than 40 industry representatives from thirteen airports and six major airlines gathered at Dallas/Fort Worth International Airport (DFW) to facilitate better planning to collectively respond to significant service disruptions affecting passengers. The session also provided an opportunity for airport and airline staff to identify passenger needs and share best practices across the industry to minimize passenger discomfort during irregular operations. One airport discussed its detailed plans for deplaning passengers using airside portable stairways it had purchased to utilize during a disruptive event. Accommodating unaccompanied minors, providing sleeping mats, diapers, infant formula, pharmaceuticals, medical assistance and developing unified passenger communications plans were also covered. The single most important conclusion,

however, was the need for airports and airlines to employ the same techniques that have long been successfully used to plan for emergencies, snow storms and construction disruptions.

Require All Code-Sharing Airlines To Report On-Time Performance and

Mishandled Baggage Data: ACI-NA also believes it is important to provide passengers comprehensive information upon which to make their air travel decisions and to reasonably compensate them for travel disruptions. We believe that DOT regulations should be expanded to all airlines that code share with a major or national airline to report delay and mishandled baggage information to the Bureau of Transportation Statistics. As of January 2007, only 19 airlines were required to submit such data on a monthly basis, based on the current regulation for airlines with revenues exceeding one percent of the industry's total domestic scheduled-service passenger revenues to file. Given the fact that regional code-sharing airlines now provide nearly 50 percent of daily departures, enplane one-quarter of industry traffic and exclusively serve 70 percent of U.S. airports, this change is long overdue.

More Effectively Measure How Delays Affect Passengers: DOT now collects data on the number and length of flight delays, but not the impact on passengers. ACI-NA agrees with the aviation consumer organizations that the current reports do not provide complete data, lacking statistics on the impact on air travelers of flight cancellations and diversions. Earlier this year, DOT stated that it does not compile data on cancellations, which in June 2007 totaled one in 20 flights. Further, DOT data indicated that U.S.

airlines are operating at some of the highest load factors in the history of the industry, making it more difficult for a bumped passenger to be accommodated on a later flight. According to the most recent Bureau of Transportation (BTS) statistics, record load factors were reached in June for combined domestic and international system flights and for domestic flights. The June load factor for domestic flights was 86.4 percent, exceeding the previous high of 84.9 percent in July 2006. Given the fact that airlines are operating at historically high load factors, it can take many hours or even days for passengers to be re-accommodated. DOT data does not capture the impact of these rebooking problems which result in significant passenger delay and inconvenience.

Modify Involuntary Bumping Compensation: ACI-NA strongly believes that involuntary denied boarding compensation should be increased. In recent comments filed with the Department of Transportation (DOT), ACI-NA supported revision of Part 250 compensation available to passengers who are involuntary denied boarding. While we understand that ticket prices have fluctuated over the last twenty-nine years since the current compensation (\$200/\$400 limit) amounts were established, inflation has significantly reduced the current value of compensation formulas. Additionally, the number of passenger complaints filed with the DOT has increased, along with the number of delayed and cancelled flights. ACI-NA recognizes the tension between passengers' needs for reliable air transportation and the financial benefit to both air carriers and consumers from the airline industry's practice to overbook. However, given the fact that both airfares and load factors are at historic highs, the maximum limits on compensation for denied boarding should be increased. ACI-NA applauds the House for enacting a

provision requiring that final regulations be promulgated within one year, with such rates appropriately adjusted.

Airport Congestion Management Programs Are A Part of the Solution: ACI-NA has long been on record stating that expanding physical airport capacity should be the first priority when responding to airport congestion. Airports want to accommodate new domestic and international flights, as these provide additional price and service competition for their communities. Airports, with assistance from the FAA, should be justifiably proud of their accomplishments. Since 2004 six new runways at some of the busiest U.S. airports have opened: Atlanta, Boston, Minneapolis-St. Paul, Cincinnati-Northern Kentucky, Los Angeles, and St. Louis. Additionally, according to the FAA Fact II study released in June, important runway projects are projected to be completed by 2010 at Charlotte, Chicago O'Hare, Los Angeles, Philadelphia, Seattle and Washington Dulles.

ACI-NA has also advocated the use of new technologies and procedures to relieve existing problems of congestion and delay and to provide additional capacity. FAA has recently announced that some of the computer programs put into place to better manage air traffic- including adaptive compression which debuted in mid-March and increased airspace flow programs- are working. Adaptive compression, which continually scans for airport "slots" where capacity is not being used, helped reduce delays by more than 863,000 minutes between April and July 2007, according to FAA. Additionally, airspace flow programs, traditionally used to manage delays in severe weather, have been

expanded in response to increased congestion and flight delays. This, along with airspace redesign, will assist in more efficiently moving airline flights through congested airspace.

In those instances where additional airport capacity is not an available alternative, or the capacity will not be available for several years, it is in the best interest of passengers that airport proprietors be permitted to manage their own capacity in ways that encourage more efficient use of airport infrastructure, maintain a safe environment and operational balance and respond to community complaints about delays. Airport proprietors are in the best position to know which type of congestion management program will work best for their air travelers.

DOT and FAA have an open rulemaking on this issue. More than four years ago, ACI-NA filed comments in response to the “Notice of Market-Based Actions To Relieve Airport Congestion and Delay.” The comments called on DOT to use the post-2001 lull in traffic to make progress on fashioning a federal policy in anticipation of the looming increase in traffic. Unfortunately, a coherent federal policy has not yet been issued. However, various forms of congestion management have been implemented over time, airport by airport, and in response to local conditions and federal law. Clearly there is no “one size fits all” program for congestion management; however, federal policy must allow airports the regulatory and legal flexibility necessary to put passengers first to help manage delays by implementing local initiatives to resolve congestion. Solutions can be effectively implemented to promote competition and protect service to small communities; benefiting passengers, airlines and airports.

Summary: In closing, ACI-NA and its member airports thank you for the opportunity to share our views on this important matter. Addressing this important issue is critical for the future of the aviation industry. In a recently published survey of business travelers, TripAdvisor found that 53 percent of those surveyed are most annoyed by flight delays and cancellations, with 22 percent indicating their intention to take fewer trips. Increasing consumer confidence that the aviation system can work efficiently without extended delays and passenger inconvenience is important for both airports and airlines. We look forward to working with you to address these vital passenger service issues.