



U.S. House of Representatives
Committee on Transportation and Infrastructure

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Aviation

FROM: Subcommittee on Aviation Staff

SUBJECT: Hearing on Airline and Airport Holiday Travel Preparations

PURPOSE OF HEARING

The Subcommittee on Aviation will meet on Thursday, November 15, 2007, at 10:00 a.m., in room 2167 of the Rayburn House Office Building, to receive testimony regarding airline and airport holiday travel preparations. This hearing is the third in a series of hearings on airline consumer protection.

Background

The first half of 2007 has been the worst for airline delays since the Department of Transportation ("DOT") Bureau of Transportation Statistics ("BTS") started keeping comprehensive aviation statistics 13 years ago: through August, only 72.2 percent of flights were on time.¹ According to the Federal Aviation Administration ("FAA"), delays are up 20 percent since last year, and traffic is up at some busy airports by as much as 50 percent. After summer delays of this magnitude, the Subcommittee is proactively reviewing whether airlines and airports have adequately prepared for the holiday travel season.

While delays have increased, system-wide total airport operations have actually decreased by about 11 percent since 2000. The decline in total operations has been driven largely by a decline in general aviation ("GA") operations. Since 2000, system-wide commercial airport operations have remained relatively flat and system-wide GA operations have decreased by about 17 percent.

¹ A flight is counted as "on time" if it arrived less than 15 minutes later than the scheduled time shown in the carriers' computerized reservations systems.

Even though commercial operations remained flat, they have also become more highly concentrated in certain areas, and greatly increased at some of the nation's largest and busiest airports. While the number of operations is decreasing and becoming more consolidated at some airports, commercial enplanements and demand for air travel is continuing to grow steadily. Airlines have responded to passengers' demand to fly and have scheduled flights to accommodate the increase in demand, particularly in the most desirable markets. In June 2007, BTS data show record load factors for domestic flights (86.4 percent) and for the combined domestic-international system (85.8 percent). Increased load factors mean more crowded planes and a decreased margin for error in case of cancellations or missed connections. In addition, some industry analysts have speculated that the proliferation of smaller, 50- to 90- seat regional jets may also have an impact on delays. The number of regional jets has increased by more than 200 percent since 2000, from 570 in 2000 to 1,746 in 2006.

The Air Transport Association ("ATA") predicts that 27.3 million passengers will fly from November 16 through November 27, 2007, an increase of 3.9 percent over 2006. An average of 2.3 million passengers will travel per day, with the busiest days likely to be November 21, 25, and 26, with an approximate 90 percent aircraft load factor throughout the holiday period.

I. Consumer Protection

Record numbers of people are flying. In 2006, more than 740 million passengers flew in the United States and the FAA predicts this figure will reach one billion by 2015. Flight arrival delays have increased with the growing traffic. Over the last several years, as delays have increased, there have been calls for increased airline consumer service oversight following highly publicized events where passengers have been stranded on aircraft for hours.

In response to a 1999 extended onboard delay in Detroit and subsequent calls for legislative action, members of the ATA, representing the major airlines, offered to improve their customer service voluntarily. The ATA drafted an "Airline Customer Service Commitment" ("Commitment").² The ATA carriers agreed to develop individual Customer Service Plans to demonstrate ongoing dedication to improving air travel.³

The Airline Customer Service Commitments include:

- Offering the lowest fare available;
- Notifying customers of known delays, cancellations and diversions;
- On-time baggage delivery and return of "lost" bags within 24 hours;
- Supporting an increase in the baggage liability limit;
- Allowing reservations to be held without payment, or canceled without penalty, for 24 hours;
- Providing prompt ticket refunds;
- Properly accommodating disabled and special needs passengers;

² On June 17, 1999, Alaska Airlines, Aloha Airlines, America West Airlines, American Airlines, American Trans Air, Continental Airlines, Delta Air Lines, Hawaiian Airlines, Midwest Express Airlines, Northwest Airlines, Southwest Airlines, Trans World Airlines, United Airlines and US Airways signed the Commitment.

³ JetBlue, which began service in February 2000 and became an ATA member in 2001, was not a signatory to the 1999 Commitment.

- Meeting customers' essential needs during long on-aircraft delays;
- Handling "bumped" passengers with fairness and consistency;
- Disclosing travel itinerary, cancellation policies, frequent flyer rules, and aircraft configuration;
- Ensuring good customer service from code-share partners; and
- Being more responsive to customer complaints.

By June 2001, most of the 14 ATA member airlines voluntarily incorporated the ATA customer service commitments into their contracts of carriage. A contract of carriage is the document air carriers use to specify legal obligations to passengers. Each air carrier must provide a copy of its contract of carriage free of charge upon request. The contract of carriage is also available for public inspection at airports and ticket offices.

Following the December 2004 holiday period, the DOT Inspector General (IG) released a *Review of December 2004 Holiday Air Travel Disruptions* report, which appraised airline customer service issues as they related to severe air service disruptions in parts of the United States, focusing on issues related to Comair and US Airways flights. During the seven-day holiday travel period, almost 50 percent of all flights were either delayed or cancelled. Comair, based in Cincinnati, Ohio, was not prepared for the severe weather and either canceled or delayed 89 percent of its scheduled 2004 holiday travel period departures. The DOT IG found that severe weather, coupled with a failure of Comair's crew scheduling computer system, caused the disruption, which ultimately affected over 260,000 passengers. The DOT IG report also found that US Airways' problems centered on staffing shortages during the holiday travel period, especially at its Philadelphia hub. As a result, 53.8 percent of US Airways flights were delayed, 5.2 percent were cancelled, and tens of thousands of bags were misdirected.

More recently, thunderstorms on December 29, 2006, severely impacted American Airlines operations at the Dallas Fort Worth International Airport, diverting many flights and shutting down the airport for nine hours. On February 14, 2007, an ice storm crippled JetBlue's operation at New York City's John F. Kennedy and LaGuardia airports and led to nine planes being stuck for more than five hours on the tarmac, with one of those planes delayed for ten hours.

Soon after the February 14, 2007, incident, Secretary of Transportation Mary Peters asked the DOT IG to review these two recent cases and examine the airlines' customer service commitments, contracts of carriage, and policies regarding extended ground delays aboard aircraft and to provide an assessment on why the American and JetBlue delays occurred. Secretary Peters also requested recommendations for what airlines, airports, and the Federal Government can do to prevent such situations in the future. On September 25, 2007, the DOT IG released its report recommending the following:

- Airlines should define what constitutes an "extended period of time" for meeting passengers' essential needs and setting limits for delay durations;
- Airlines should establish specific targets for reducing chronically delayed or cancelled flights;
- Airlines should disclose on-time flight performance on websites and without prompting at the time a ticket is purchased;
- Airlines should self-audit customer service plans;

- BTS should make changes to its information collection to adequately capture all events resulting in long, on-board delays, such as flight diversions;
- Airports should establish a process for monitoring lengthy, on-board delays;
- DOT should establish a national task force of airlines, airports, and FAA to develop and coordinate contingency plans to deal with lengthy delays;
- DOT should conduct incident investigations involving long, on-board ground delays; and
- DOT should direct the Office of Aviation Enforcement and Proceedings to ensure that airlines comply with their public policies governing long, on-board delays.

On September 26, 2007, the Subcommittee on Aviation held a hearing on airline delays and consumer service. During the hearing, Chairman Costello requested that the DOT IG prepare an “after action” report on airline delays during the summer of 2007, as well as review progress by DOT, FAA, airlines, and airports to implement the actions outlined in the September 25 report. The DOT IG is expected to complete the “after action” report by February 15, 2008.

II. Holiday Preparations

Airlines

According to ATA, in preparation for holiday travel, air carriers are offering customer service enhancements, such as encouraging passengers to use online check-in procedures and self-service check-in kiosks at the airport as well as signing up for automated travel notification services (via cell phone or wireless device). Airlines are adjusting staffing levels to meet the demands of increased traffic during this period, including staff to expedite check-in and boarding. Airlines will begin boarding earlier for full flights and some airlines are blocking seats in key markets on peak holiday travel dates for use to re-accommodate passengers whose flights are cancelled or delayed due to bad weather. Some carriers are installing self-service kiosks on the secure side of airports for flight rebooking and waiving charge fees for customers whose plans are affected by weather delays, irregular operations or mechanical difficulties. Several air carriers are increasing connection times during peak travel periods and upgrading in-flight food offerings.

Airports

According to airport associations, during the holiday season, many airports increase parking personnel, maintenance staff for basic services, law enforcement to control traffic flow at curbside, and encourage airport concessionaires to increase their staff on heavy holiday travel days. Many airports have staff and volunteers available to inform travelers entering secure areas of the three-ounce liquid and gel rule and provide complimentary one-quart bags.

FAA

As the holiday travel season approaches, FAA managers are working to ensure facilities are well staffed to handle the increase in flights. The FAA establishes a maintenance moratorium over Thanksgiving and Christmas holidays. During the moratorium, the only work that is permitted is equipment repair and certification as part of regular safety checks and no preventive maintenance is performed during the moratorium. In addition, nonessential FAA construction and renovation

projects that potentially impact operations are curtailed over the holidays. The FAA has also updated contingency plans across the country. Should a telecommunications or other equipment outage occur, the FAA has back-up plans to transfer air traffic control services to other facilities.

During the holidays, the FAA continues its regularly scheduled planning teleconferences with its customers to manage operational challenges as they arise. There are a number of traffic management initiatives that the FAA uses to accommodate the increased demand during the holiday season including the Ground Delay and Airspace Flow Program Compression, a computer program that automatically identifies slots that might go unused and moves other flights into those slots.

TSA

This holiday season, the Transportation Security Administration (“TSA”) states that it is fully staffed and prepared for record crowds this Thanksgiving through the optimization of schedules and passenger traffic flow. TSA recently started a program called SimpliFLY to educate passengers with media outreach and signs at checkpoints to pack smart, dress appropriately for screening and be prepared for security before leaving home. TSA is also partnering with local airports and airlines to provide information to travelers about making the security checkpoint process as fast and efficient as possible and is providing videos of correct security procedures to be shown on monitors at airport checkpoints.

III. H.R. 2881, the “FAA Reauthorization Act of 2007”

The recently-passed H.R. 2881, the “FAA Reauthorization Act of 2007”, contains several provisions to enhance consumer protection including:

- Mandating that air carriers and airports submit emergency contingency plans and detail in their plans how they will allow passengers to deplane following excessive delays. DOT can assess a civil penalty against an air carrier or airport that fails to adhere to an approved contingency plan.
- Requiring schedule reduction meetings to be held by the FAA if aircraft operations of air carriers exceed hourly maximum arrival and departure rates and are likely to have a significant adverse effect on the national or regional airspace system. If there is no agreement to reduce schedules, then the FAA shall use its administrative power in this area.
- Establishing an Advisory Committee for Aviation Consumer Protection at DOT.
- Reviewing air carrier flight delays, cancellations, and associated causes by the DOT IG.
- Requiring DOT to issue denied boarding compensation final regulations within one year, with such rates appropriately adjusted.

WITNESSES

Mr. Richard Anderson

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Mr. David Barger

Chief Executive Officer
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Mr. Edward P. Faberman

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