

**Before the Committee on Transportation and Infrastructure
Subcommittee on Aviation
United States House of Representatives**

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Status Report on Actions Underway To Address Flight Delays and Improve Airline Customer Service

**Statement of
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Inspector General
U.S. Department of Transportation**



Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to discuss initiatives underway by the Department of Transportation (DOT), Federal Aviation Administration (FAA), airlines, and airports to address delays and improve airline customer service. This hearing is timely given the record-breaking delays and cancellations that air travelers experienced last year and the upcoming busy travel season.

As this Subcommittee is aware, summer 2007 was part of the worst year on record for flight delays, cancellations, and long, on-board delays. From January through December 2007, over 1 in 4 flights (29 percent) was delayed or cancelled, affecting about 163 million passengers. More than 88,234 flights experienced taxi-in and taxi-out times of 1 hour to 5 hours or longer, affecting nearly 5.9 million passengers.

Our statement today is in response to the Chairman's request for an "after-action" analysis of (1) contributing factors to last summer's record-breaking flight delays; (2) the status of ongoing efforts by DOT, the airlines, and airports to improve airline customer service in response to record delays and our recommendations last September;¹ and (3) actions needed in the near- and mid-term to mitigate congestion and delays.

Secretary Peters has made reducing delays and improving the treatment of travelers a top priority within the Department. Because delays in the New York region had a nationwide effect, the Secretary formed the New York Aviation Rulemaking Committee (ARC) last September to explore various strategies to alleviate congestion and reduce delays in the New York area. At the same time, the Department ordered a schedule reduction meeting for John F. Kennedy International Airport (JFK), resulting in temporary flight caps at both JFK and Newark airports beginning this spring. The Department has also established a national task force to develop model contingency plans for minimizing the impact of long, on-board delays.

The success of efforts by all aviation stakeholders is particularly critical as aircraft load factors are at an all-time high of over 80 percent. Each year, Americans lose over \$9 billion in productivity from flight delays. Moreover, in the last 7 years, flight delays and cancellations have continued as the underlying causes of deep-seated customer dissatisfaction with air travel. We share the Subcommittee's concerns and note that ongoing efforts must translate into relief for air travelers in summer 2008 and beyond.

¹ OIG Testimony Number CC-2007-099 "Actions Needed To Improve Airline Customer Service and Minimize Long, On-Board Delays," September 26, 2007. OIG reports and testimonies are available on our website: www.oig.dot.gov.

After-Action Report: Multiple Factors Contributed to Last Summer's Flight Delays

The record-breaking flight delays of 2007 were magnified during the summer of 2007 when flight delays and cancellations hit all-time highs at major airports nationwide. We found that the number of passengers affected by delays last summer increased by 20 percent over the summer of 2006 (from 37,521,321 passengers to 44,871,404 passengers). The statistics below illustrate the severity of delays and cancellations during this period² at the 55 airports tracked by FAA.

- *Delayed flight arrivals*³ rose from 26 percent in the summer of 2006 to 29 percent last summer. This represents nearly 621,000 delayed flights in the summer of 2007—an increase of 15 percent above the approximately 539,000 delayed flights in the summer of 2006.
- *The average length of delays* rose from 56 minutes in the summer of 2006 to 60 minutes in the summer of 2007 (a 7-percent increase). The length of the delays at 52 of the 55 airports increased, ranging from a less than 1-minute increase at Phoenix Sky Harbor International Airport to an 11-minute increase at Dallas/Fort Worth International Airport (DFW).
- *Flight cancellations* last summer (48,000 flights) increased by 28 percent over the summer of 2006 (37,000 flights cancelled), affecting nearly 3.2 million passengers during the summer of 2007.
- While *flight operations* for last summer were mostly unchanged nationwide compared to the summer of 2006, some airports experienced increased flight operations and corresponding delays. For example, at JFK, flight operations increased by 18 percent (an additional 9,700 scheduled flights) last summer. Delays and cancellations also increased during that period by 36 percent.

Also, according to the Department's Bureau of Transportation Statistics (BTS), *long, on-board tarmac delays* of 1 hour to 5 hours or longer increased by 25 percent (from 25,547 to 31,931 flights) over the summer of 2006, affecting over 2 million passengers last summer.

This statistics underscore the degree to which passengers are inconvenienced when traveling by air. The traveling public knows the aviation system needs improvement, and actions are needed by the airlines, airports, and FAA if consumer confidence is to be restored.

In the summer of 2007, we found that late arriving aircraft ranked as the number one cause of delays (35 percent), with carrier-caused delays (29 percent) and weather (23 percent) ranked as number two and three, respectively.

² Data for summer months were taken from June, July, and August.

³ A flight is considered delayed when it arrives 15 or more minutes after its scheduled arrival time.

However, the causal categories that BTS uses to gather data from airlines are too broad to accurately portray delay types. For example, late arriving aircraft delays can be attributable to a single factor, such as severe weather conditions, or a combination of factors, such as aircraft maintenance issues or ground holds. Also, the root cause of “carrier-caused delays” cannot be determined with any degree of precision because that information is not collected.

BTS needs to analyze the “late arriving aircraft” category to identify the factors driving delays and allocate those factors across the other categories—carrier-caused, weather conditions, the National Airspace System, and airport security. This type of analysis could also help to determine the underlying causes of flight cancellations, but no agency currently conducts this analysis. Until this step is taken, the *root causes* of delays cannot be determined with any degree of precision.

We therefore used various sources of data to further examine causes of delays at 15 major airports⁴ that had the largest increases in delays between the summers of 2006 and 2007.

System-Wide Effect of Prior Delays: Delays are categorized as “late arriving aircraft” when the previous flight operated with the same aircraft arrives late, delaying that aircraft’s next flight. This categorization is non-specific because it does not address the root causes of the late arriving aircraft. Although carrier- and weather-caused delays were reported as the leading causes of delayed flights, the system-wide effect of those delays is far reaching. This “ripple effect” can then become the underlying cause of delays for other flights throughout the system, which are not directly experiencing carrier- or weather-caused delays. Late flights caused by previous delays in the system increased during the summer of 2007 to over one-third of all delayed flights. At the 15 airports reviewed, the “ripple effect” delayed 64,000 arriving aircraft last summer.

Carrier-Caused Delays: Carrier-caused delays were reported as the number one cause of delays at 5 of the 15 airports we reviewed last summer. Details were not available to identify the specific carrier issues, such as mechanical, aircraft servicing, or gate availability problems. However, we did determine that shortages of cockpit crew members led more than 1,000 cancellations at Northwest Airlines last summer.

Weather Conditions: At the majority of the airports we reviewed, the severity of weather impacting flight operations did not decline appreciably between the summers

⁴ The 15 airports examined for delays are members of the Airports Council International-North America (ACI) and include Chicago O’Hare International, Dallas/Fort Worth International, Dallas Love Field, Denver International, Fort Lauderdale International, Hartsfield-Jackson Atlanta International, John F. Kennedy International, LaGuardia, Miami International, Minneapolis-St. Paul International, Newark Liberty International, Philadelphia International, Phoenix Sky Harbor International, Ronald Reagan Washington National, and Tampa International. ACI is the trade association for America’s largest airports. Its members enplane more than 95 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America.

of 2006 and 2007. Nonetheless, airlines at those airports reported that weather was the leading, direct cause of delays (32 percent). The apparent conflict is answered by considering that as schedules increasingly exceed capacity, even in good weather, the slightest degradation in weather conditions can disproportionately affect on-time performance.

Airspace Congestion: While many airports and their surrounding airspace have adequate capacity, other locations reached their saturation points, including air corridors connecting New York, Chicago, and Atlanta. The biggest airspace bottlenecks this past summer were at the three major New York area airports and the surrounding airspace, accounting *for more than one-third* of the flight delays system-wide.

Airline Scheduling and Airport Capacity: In 2007, airlines scheduled flights above airport capacity to handle demand, and this contributed significantly to delays at specific airports. Our analysis of the 15 airports examined showed that during summer 2007, 6 had flights scheduled either at or over capacity at optimum weather conditions. For example, in one 15-minute period at Chicago O'Hare International Airport, we found that over 45 flights were scheduled to depart—nearly double the average departure capacity of the airport at that time. There were 2 other 15-minute time periods when 35 or more flights were scheduled to depart in one 15-minute period.

When airports are over-scheduled during peak hours, even small increases in flight operations can have a disproportionately larger impact on flight delays, as was the case in the New York region. For example, as flight operations expanded at JFK over the last several years, delays increased at that airport and at LaGuardia and Newark.

Spacing of Aircraft on Final Approach: While problems are traceable to increased operations, “excessive spacing” on final approach was also a factor in the New York area. In its December 2007 report, the New York ARC reported that spacing between aircraft on final approach has been steadily increasing beyond limits needed for safety, which contributed significantly to arrival delays at JFK, LaGuardia, and Newark airports.

Because of additional spacing, well-established, predictable airport acceptance rates became unreliable. This resulted in increased probability of go-arounds, no-notice holdings, increased vectoring, and sector overload. FAA recognizes the importance of the problem but has not quantified the impact on last summer's delays.

Outlook for Summer 2008

Whether or not delays this summer will reach the extreme levels of last year depends on several factors. These include weather conditions, impacts of a softening economy and higher fuel prices on the industry, major airlines' efforts to reduce capacity (by taking aircraft out of service), and the effectiveness of initiatives planned or underway at already congested airports. We note that three airlines have ceased operations in the last 2 weeks.

Our analysis shows that there are several airports to watch closely this summer because of severe peaking during part of the day. These include the three New York airports as well as the Chicago O'Hare and Minneapolis-St. Paul airports. For example, Northwest Airlines has scheduled 56 departures in one 15-minute window at Minneapolis-St. Paul—nearly three times the airport's departure capacity for that window.

DOT, the Airlines, and Airports Have Progressed Toward Improved Airline Customer Service, but Much Work Remains

Since we last testified in September 2007, DOT, the airlines, and airports have begun initiatives to address the action items we outlined at that hearing.

Departmental Efforts: In 2007,⁵ we recommended that the Department take a more active role in overseeing customer service issues by ensuring that airlines include long, on-board delays in their on-time performance reporting, conducting incident investigations of these delays, and closely monitoring the airlines' policies for dealing with them.

- In November 2007, the Department issued two proposed rulemakings to address measures for enhancing airline passenger protection and airline quality performance reporting (to fill in data gaps giving consumers a more accurate portrayal of arrival and tarmac delays). Specifically, these two rulemakings address, among other things, clarifying terms in airlines' contingency plans, establishing specific targets for reducing chronically delayed or cancelled flights, disclosing on-time flight performance on the airlines' Internet sites, resuming efforts to self-audit customer service plans, and implementing the necessary changes in the airlines' on-time performance reporting to capture all long, on-board delays.
- In January 2008, the Department established a national task force to develop model contingency plans for minimizing the impact of long, on-board delays. The task force will also address our recommendation to conduct incident investigations of long, on-board delays and their causes; identify trends and patterns of such incidents; and determine solutions to mitigate the impact on passengers. The task force will report its results and recommendations directly to the Secretary.

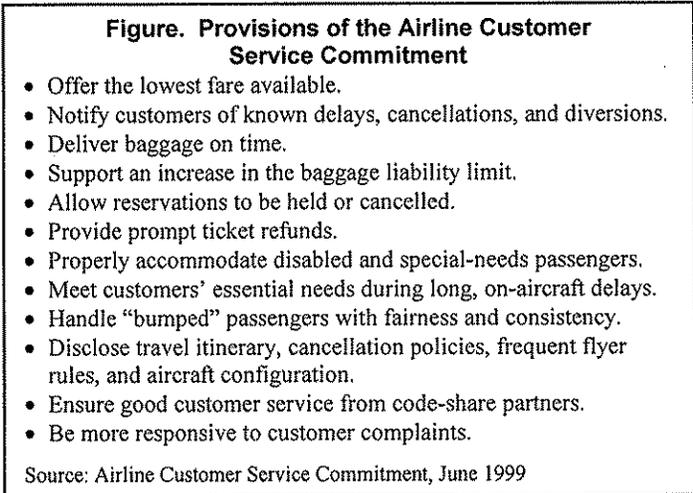
⁵ OIG Report Number AV-2007-077 "Actions Needed To Minimize Long, On-Board Flight Delays," September 25, 2007.

Airline Efforts: The airlines have initiated their own voluntary actions to enhance customer service, as promised in the Airline Customer Service Commitment of 1999 (see figure below).

As we emphasized at the last hearing—the key for to the success of these planned actions will be execution. In 2007, we recommended, among other things, that DOT require airlines to clarify delay terminology, set limits for delay durations before deplaning passengers, and establish targets to reduce chronically delayed flights.

The following summarizes the Air Transport Association (ATA) member-airlines’⁶ progress to date:

- Eleven of 12 ATA member airlines have defined “an extended period of time” for meeting passengers’ essential needs during long, on-board delays. Two airlines consider this internal policy not publicly available, three have incorporated it into their customer service plans and placed it on their Internet sites, and six have incorporated it into their contracts of carriage⁷—only then does it become legally enforceable by the customer against the airline.



The trigger thresholds for meeting passengers’ essential needs vary from a half-hour to 2 hours on arrival and from 1.5 hours to 3 hours on departure. We think it is unlikely that passengers’ definition of an extended period of will vary depending upon which airline they are flying. We are still of the view that a consistent policy across the airlines would be helpful to passengers.

- Eleven of the 12 ATA airlines have now set a time limit on delay durations before deplaning passengers or elevating the situation to senior operational managers for resolution. Three airlines consider this as an internal policy, only one has incorporated it into its customer service plan, and seven have incorporated this into

⁶ The Air Transport Association is the trade association for America’s largest air carriers. Its members transport over 90 percent of all the passenger and cargo traffic in the United States. The 12 airlines selected for review are members of the Air Transport Association (ATA) and include Alaska Airlines, Aloha Airlines, American Airlines, Continental Airlines, Delta Air Lines, Hawaiian Airlines, JetBlue Airways, Midwest Airlines, Northwest Airlines, Southwest Airlines, United Airlines, and US Airways. Aloha Airlines just recently went out of business. AirTran Airways just recently became a member of ATA.

⁷ 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.

their contracts of carriage. The trigger thresholds for deplaning passengers vary from a half-hour to 5 hours on arrival and 1 hour to 5 hours on departure.

- Only 4 of the 12 ATA airlines have completely satisfied our recommendation to establish specific targets for reducing chronically delayed or cancelled flights. These airlines established a “zero tolerance” policy for reducing chronically delayed and cancelled flights. However, only three of those four airlines publish information about chronically delayed flights and methods for handling them in their customer service plans. Unfortunately, many airlines are losing an opportunity to educate the public on the efforts they are taking to reduce delays.

While some airlines are making a concerted effort to improve the passenger experience, others are not willing to formally promise this in their customer service plans and contracts of carriage. It is still our opinion that the airlines need to publish their promises to customers in writing all the Commitment provisions and associated policies. This would hold the airlines to a higher standard and clearly demonstrate that their commitment to customer service matters.

Airport Efforts: In 2007, we recommended that DOT, airlines, and airports convene a task force to address lengthy delays. We also recommended that airport operators implement processes to monitor and mitigate long, on-board delays. The airports have begun the following initiatives to address delays and improve air travelers’ experience, but further actions are needed:

- *Convening a task force of vested stakeholders to address flight delays and customer service issues in the New York area.* In our prior testimony, we reported that the Port Authority of New York and New Jersey convened a task force in July 2007 to focus on the burgeoning problem of flight delays and customer service. The task force issued its report on December 6, 2007, identifying a total of 96 recommendations to enhance capacity, reduce delays, and improve customer service for the region’s three major airports. Nineteen of the recommendations address improving customer service through better communication with passengers and better coordination among airlines, airports, and the various service providers. The task force intends to meet this summer to assess the status of the recommendations.
- *Convening workshops of vested stakeholders to address contingency planning for extraordinary flight disruptions.* Two workshops were convened—one hosted by DFW and the other by Airports Council International-North America—to identify best practices for contingency planning during extraordinary flight disruptions. A cross-section of airports, airlines, government agencies, and industry vendors attended the workshops. Breakout sessions were held to identify best practices for dealing with flight disruptions and passenger care.

- *Monitoring tarmac delays and assisting airlines during flight disruptions.* In our prior testimony, we emphasized that airport operators must become more involved in contingency planning for extraordinary flight disruptions. We found that the Airports Council International member-airports selected for review⁸ are, to some degree, getting more involved in contingency planning for extraordinary events.⁹ For example, of the 20 airports we reviewed, 8 have either refined or established policies to identify the resources and procedures needed to assist airlines in extended ground delays. These procedures include identifying remote areas for parking aircraft when gates are not available and methods to transport passengers from remote parking areas to the terminal.

In our view, all airports need to establish policies and procedures to proactively monitor and minimize the impact of long, on-board delays. As passenger traffic continues to grow, airports will need to become more responsive in dealing with contingency planning for extraordinary flight disruptions, especially those airports with limited airfield or gate capacity.

These initiatives have merit and, if properly executed, should help to improve airline customer service. However, most of these will not be in place by summer 2008. The Department should continue to make these efforts a priority to improve the accountability, enforcement, and the protection afforded to air travelers. In the meantime, the airlines and airports must follow through with their plans to reduce delays and improve airline customer service.

Actions Are Needed in 2008 and 2009 To Mitigate Congestion

The long-term solution to customer dissatisfaction with air travel and reducing delays depends largely on expanding capacity through the Next Generation Air Traffic Management System (NextGen). Since this program is targeted for the 2025 timeframe, it will be important to keep efforts on track that can enhance capacity over the next 5 years, such as new airport infrastructure and airspace redesign efforts.

It is important to note that ongoing and planned initiatives are not intended to significantly boost capacity but rather to enhance efficiency and better manage delays. While capping hourly operations at JFK and Newark may alleviate the over-scheduling at peak times, history shows that caps do not necessarily translate into a significant reduction in delays or an increase in airline on-time performance.

⁸ The 20 airports selected for review are members of the Airports Council International-North America (ACI) and include Boston Logan International, Chicago O'Hare International, Dallas/Fort Worth International, Dallas Love Field, Denver International, Fort Lauderdale International, General Mitchell International, George H. Bush Intercontinental, Hartsfield-Jackson Atlanta International, Honolulu International, John F. Kennedy International, LaGuardia, Miami International, Minneapolis-St. Paul International, Newark Liberty International, Philadelphia International, Phoenix Sky Harbor International, Ronald Reagan Washington National, and Seattle-Tacoma International and Tampa International.

⁹ An extraordinary event is any event that does not fall under an Emergency Operation category (e.g., crash, hijacking, or bomb threats) and disrupts optimized flight schedules and negatively impacts the normal flow of passengers through the air transportation system.

For example, flight caps at Chicago O'Hare have been in place since 2004, and although delays have stabilized, they still occur at about 25 percent annually, with a delay rate of 31 percent last summer.

With this in mind, we see several near-term actions that are needed to reduce congestion and delays:

- DOT needs to negotiate a plan with the Department of Defense for use of *special use airspace* to open up additional lanes of traffic at specific chokepoints during summer 2008.
- FAA needs to continue to address concerns about controller productivity and excess spacing on final approach while training large numbers of new controllers.
- FAA needs to further expand the number of its *Airspace Flow Program* locations to help reduce delays. This program allows FAA to manage traffic fairly and efficiently by identifying only those flights scheduled to fly through storms and giving them estimated departure times. Airspace Flow Programs can also be used in conditions not related to weather, such as severe congestion near major cities.
- FAA needs to establish procedures for keeping capacity benchmarks for the major airports current. We recommended this in 2000, but FAA has not published updated capacity benchmarks since 2004. These benchmarks are critical to understanding airline scheduling practices and what relief can be expected from new procedures, technology, and new runways.
- The airlines should attempt to level out the arrival and departure banks at their large-hub airports to create more manageable flight operations at peak times at these airports. Airlines have successfully rescheduled at hub airports in the past, which reduced congestion and delays.
- The airports need to work jointly with FAA to improve procedures governing efficient use of taxi-ways and runways. Improvements to ground movement enable aircraft to taxi more quickly and safely between runways and terminals.
- BTS needs to perform an analysis of the causal flight delay and cancellation data submitted by the airlines. BTS should use the data to analyze locations of initial delays, underlying causes of system-wide effects, and the role of airports as net generators or absorbers of delays. This would provide the Congress, DOT, FAA, and other stakeholders a better understanding of the causes of delays and the solution sets needed to address them.

That concludes my statement, Mr. Chairman. The attachment to this testimony contains further details on the issues I have outlined today. I would be pleased to answer any questions that you or other Members of the Subcommittee may have.

Actions Underway To Address Flight Delays and Improve Airline Customer Service

Flight delays continue as a major source of customer service dissatisfaction. The severe delays and cancellations last year drew national attention and demonstrated that airlines, airports, the Federal Aviation Administration (FAA), and the Department (DOT) must work together to mitigate delays and cancellations and minimize the impact on passengers. The extent to which delays will impact passengers in the remainder of 2008 and beyond will depend on several key factors. These include weather conditions, the impact of the economy on air travel demand, and capacity management at already congested airports.

At the request of the Chairman of the House Subcommittee on Aviation, we have completed an after-action analysis of last summer's record-breaking flight delays, their causes, and actions needed to mitigate recurrence of such events. We have also assessed progress by DOT, FAA, airlines, and airports to improve airline customer service.

Airlines Agreed To Execute a Voluntary Airline Customer Service Commitment

Airline customer service first took center stage in January 1999, when hundreds of passengers remained in planes on snowbound Detroit runways for up to 8 and a half hours. After those events, both the House and Senate considered whether to enact a "passenger bill of rights."

Following congressional hearings on these issues, the Air Transport Association (ATA) member-airlines agreed to execute a voluntary Airline Customer Service Commitment¹ to demonstrate their dedication to improving air travel (see figure 1). The Commitment provisions include meeting passengers' essential needs during long, on-board delays.

Figure 1. Provisions of the Airline Customer Service Commitment

- Offer the lowest fare available.
- Notify customers of known delays, cancellations, and diversions.
- Deliver baggage on time.
- Support an increase in the baggage liability limit.
- Allow reservations to be held or cancelled.
- Provide prompt ticket refunds.
- Properly accommodate disabled and special-needs passengers.
- Meet customers' essential needs during long, on-aircraft delays.
- Handle "bumped" passengers with fairness and consistency.
- Disclose travel itinerary, cancellation policies, frequent flyer rules, and aircraft configuration.
- Ensure good customer service from code-share partners.
- Be more responsive to customer complaints.

Source: Airline Customer Service Commitment, June 1999

Because aviation delays and cancellations continued to worsen, eventually reaching their peak during the summer of 2000, Congress directed our office to evaluate the effectiveness of the Commitment and the customer service plans of individual ATA

¹ ATA signed the Commitment on behalf of the then 14 ATA member airlines (Alaska Airlines, Aloha Airlines, American Airlines, American Trans Air, America West Airlines, Continental Airlines, Delta Air Lines, Hawaiian Airlines, Midwest Express Airlines, Northwest Airlines, Southwest Airlines, Trans World Airlines, United Airlines, and US Airways).

airlines. We issued our final report in February 2001.² Overall, we found that the ATA airlines were making progress toward meeting the Commitment, which has benefited air travelers in a number of important areas, such as offering the lowest fare available, holding reservations, and responding in a timely manner to complaints. However, these areas are not directly related to flight delays or cancellations—which the Commitment did not directly address—and these areas are still the underlying causes of deep-seated customer dissatisfaction.

Following the December 2004 holiday period, we issued a report³ assessing severe air travel disruptions in various parts of the Nation over a 7-day, holiday travel period. We reported that, system-wide for the 7-day holiday travel period, 44.5 percent of flights were delayed compared to 23.4 percent during the same period in 2003, and 6.2 percent of flights were canceled compared to 1.3 percent in 2003. The contributing causes at airlines we reviewed included severe weather, failure of computer systems used to schedule crews, and staffing shortfalls going into the holiday travel period in two critical functions—fleet service employees and flight attendants.

In November 2006,⁴ at the request of the Chairman of this Subcommittee, we issued a follow-up review of airlines' efforts to fulfill the Airline Customer Service Commitment. We found that the airlines needed to: (1) resume efforts to self audit their customer service plans, (2) emphasize to their customer service employees the importance of providing timely and adequate flight information, (3) train personnel who assist passengers with disabilities, (4) provide transparent reporting on frequent flyer award redemptions, and (5) improve the handling of bumped passengers. We also recommended that the DOT's Office of Aviation Enforcement and Proceedings improve oversight of air traveler consumer protection requirements and that DOT strengthen its oversight and enforcement of air traveler consumer protection rules.

In December 2006 and February 2007, severe weather crippled flight operations at airports in Dallas, Texas, and the New York area—with many passengers delayed on the tarmac for more than 5 hours. After the 2007 incidents, Secretary Peters requested that we review these events and examine airlines' customer service commitments, contracts of carriage, and policies for on-board, extended ground delays. The Secretary also requested that we recommend actions that the airlines, airports, and Federal Government could take to prevent these situations in the future.

² OIG Report Number AV-2001-020, "Final Report on the Airline Customer Service Commitment, February 12, 2001. OIG reports and testimonies are available on our website: www.oig.dot.gov.

³ OIG Report Number SC-2005-051, "Review of December 2004 Holiday Travel Disruptions," February 28, 2005.

⁴ OIG Report Number AV-2007-012, "Follow-Up Review: Performance of U.S. Airlines in Implementing Selected Provisions of the Airline Customer Service Commitment," November 21, 2006.

Our report⁵ recommended, among other things, that airlines define what constitutes an “extended period of time” for meeting passengers’ essential needs and setting limits for delay durations; establish specific targets for reducing chronically delayed or cancelled flights; disclose on-time customer performance; and self-audit customer service plans. We also recommended that DOT, FAA, airlines, and airports establish a task force to develop and coordinate contingency plans to address lengthy delays.

Observations on Record-Breaking Flight Delays and Cancellations in 2007

Last year, flight delays and cancellations exceeded the previous peak set in 2000 by 4 percent (2.4 million versus 2.3 million). During the early part of the decade, the affect that key global events had on air travel temporarily suppressed delays; these included a persistent slowdown in economic growth, the terrorist attacks of September 11, 2001, and the war in the Middle East. However, we began to see rising delays and cancellations again in 2003, and these numbers have continued to escalate through 2007, reaching new highs of 29 percent. Likewise, the average length of arrival delays also increased after an initial decline—from 51 minutes in 2000 to 56 minutes in 2007 (see figures 2 and 3).

Figure 2. Percent of Flights Arriving Late and Cancelled, 2000 to 2007

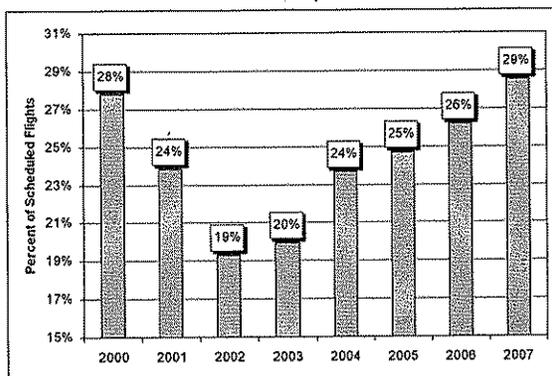
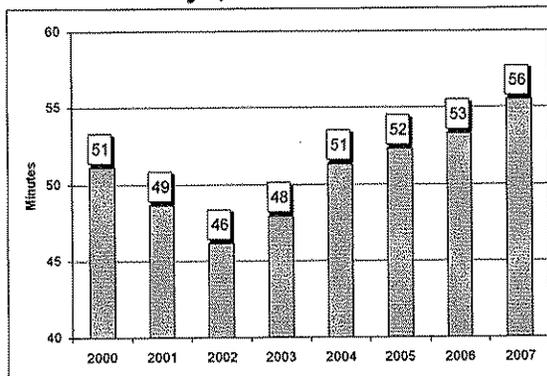


Figure 3. Average Length of Arrival Delays, 2000 to 2007



Flight delays have increased nationwide since 2000, and some airports experienced reductions in service coupled with significant increases in delays. This was evident when comparing the arrival delay data from the summers of 2006 and 2007. For example, although there was a 2-percent decrease in the number of flights to Dallas-Fort Worth International Airport (DFW) during this time period, arrival delays increased from 20.3 percent to 32.6 percent.

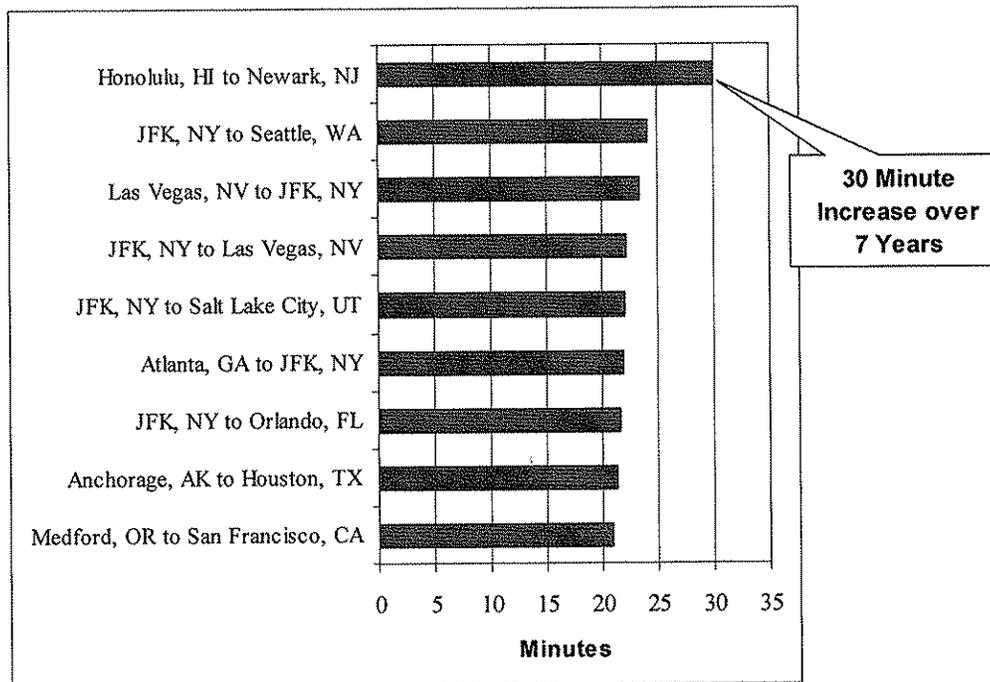
⁵ OIG Report Number AV-2007-077, “Actions Needed To Minimize Long, On-Board Delays,” September 25, 2007.

Travel Between Airports Is Taking Longer Due to Growing Air and Ground Delays

We examined the actual gate-to-gate times (i.e., the time it takes to travel between 2 airports) of 2,392 routes (i.e., city pairs) during the summer of 2000 through the summer of 2007. We found that nearly 63 percent of the routes experienced increases ranging from 1 minute to 30 minutes. Of these, 154 routes experienced increases of 10 minutes or more, affecting nearly 5 million passengers. We also found that over half of the increase in gate-to-gate times took place in the air (54 percent), with the remainder occurring on the ground during taxi-in (28 percent) and taxi-out (18 percent) times.

Figure 4 lists those eight routes with the largest increases in gate-to-gate times of 20 to 30 minutes. It is important to note that six of these routes included John F. Kennedy International Airport (JFK) as either the origin or destination airport. Several factors influenced the increase in gate-to-gate times; these factors were primarily driven by congestion-related system delays, both on ground and in the air. We found that over 50 percent of the gate-to-gate increase occurred en route.

Figure 4. Routes With Largest Increases in Gate-to-Gate Times, Summer 2000 to 2007



Rising Flight Delays Are Leading to More Long, On-Board Delays

Rising flight delays have also led to an increase in more on-board tarmac delays. In 2007, over 88,000 scheduled flights—affecting nearly 5.9 million passengers—experienced taxi-in and taxi-out times of 1 hour to 5 hours or longer. This is an increase of 69 percent (from 52,200 to 88,234) as compared to 2000 (see table 1).⁶

Table 1. Number of Flights With Long, On-Board Tarmac Delays of 1 Hour to 5+ Hours, 2000 and 2007

Time Period	2000	2007	% Change
1-2 Hrs.	44,701	78,903	76.51%
2-3 Hrs.	5,859	7,659	30.72%
3-4 Hrs.	1,255	1,377	9.72%
4-5 Hrs.	303	243	-19.80%
5 or > Hrs.	82	52	-36.59%
Total:	52,200	88,234	69.03%

Source: OIG analysis of BTS data

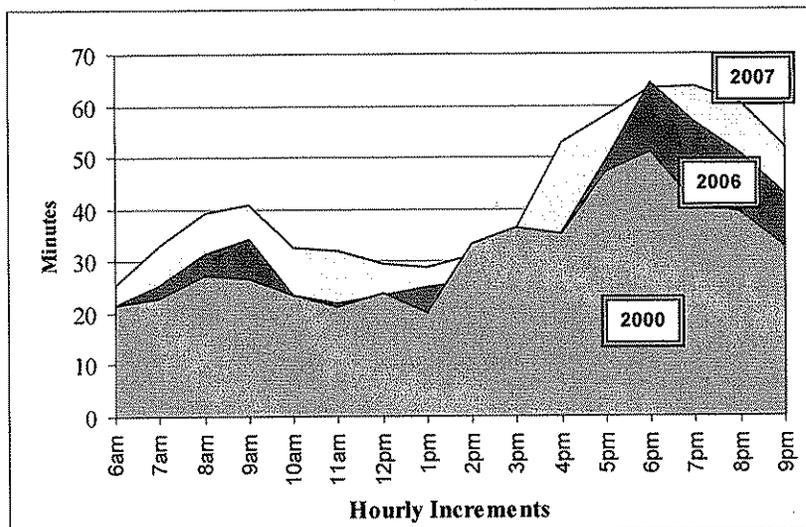
We also found that long, on-board, tarmac delays increased by 25 percent between the summers of 2006 and 2007, with even larger increases at some of the 15 airports we examined. For example, long, on-board, tarmac delays increased from 198 to 544 (175 percent) at Denver International Airport, from 3,483 to 6,441 (85 percent) at JFK, and from 815 to 1,489 (83 percent) at DFW.

Also of concern are the growing average taxi-out times at some of these airports. In July 25, 2000, we first reported on the rise in average taxi-out times at the New York area airports. In particular, we noted that if current projections held, average hourly taxi-out times "...for these airports could well surpass 1 hour in the next 10 years..."⁷ In the summer of 2007, this occurred for at least one of these airports. As figure 5 illustrates below, JFK's average hourly taxi-out times exceeded 1 hour for a large portion of the evening hours.

⁶ The increase in the number of long on-board tarmac delays between 2000 and 2007 is partly due to changes in BTS reporting requirements, which resulted in many of the smaller carriers submitting their on-time performance data.

⁷ OIG Report Number CR-2000-112 "Air Carrier Flight Delays and Cancellations," July 25, 2000.

**Figure 5. JFK's Average Hourly Taxi-Out Times
Summer 2000, 2006, and 2007**

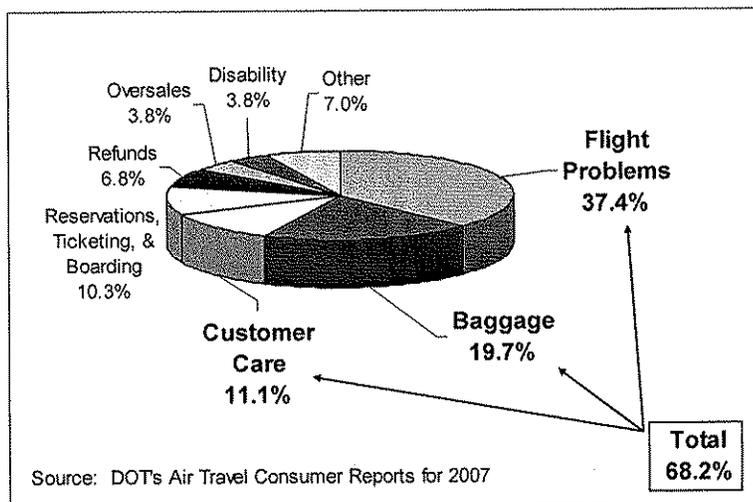


Rising Flight Delays Are Also Leading to More Air Traveler Complaints

Against this backdrop of increasing delays and cancellations, consumer complaints are also rising. Although customer complaints received by DOT in 2007 did not reach the levels reported in 2000 (23,381 in 2000 versus 10,937 in 2007), complaints in 2007 were at the highest levels since then—and nearly 70 percent higher than 2006 levels (6,436 to 10,937). In 2007, flight delays, cancellations, and misconnections represented 37.4 percent of all complaints.

Over the last several years, DOT ranked flight problems as the number one air traveler complaint, with baggage complaints and customer care⁸ ranked as number two and number three, respectively. As shown in figure 6, data from 2007 show that these three types of complaints accounted for 68.2 percent of all complaints the Department received against U.S. airlines.

Figure 6. Air Travel Consumer Complaints, 2007



⁸ Complaints such as poor employee attitude, refusal to provide assistance, unsatisfactory seating, and unsatisfactory food service are categorized as customer care complaints.

Passengers' Flight Experiences Are Further Complicated by Capacity and Demand Matters

Air travelers' dissatisfaction with flight problems, especially cancellations, is further compounded by reduced capacity and increased demand, which leads to fuller flights. Between 2000 and 2007, airlines have managed the growth in seat capacity to constrain costs.

- During that period, domestic available seat-miles rose by only 3.1 percent. Meanwhile, passenger ridership grew by a much larger 16.3 percent.
- The percent of seats occupied, or load factor, increased from 71 percent in 2000 to 80 percent in 2007—a rise of 9 points, with an unprecedented 86.1 percent in June 2007.
- Reduced capacity and higher load factors can also result in increased passenger inconvenience and dissatisfaction with customer service. With more seats filled, air carriers have fewer options to accommodate passengers from cancelled flights or those missing connections due to flight delays. This situation has been further compounded by the recent grounding of numerous passenger aircraft by American, Delta, Southwest, and United Airlines in the aftermath of growing maintenance concerns.

The following details our analysis, as requested by this Subcommittee, on the causes of last summer's severe flight delays and cancellations and actions needed to prevent recurrence and minimize the impact of delays on passengers.

After-Action Analysis: Multiple Factors Contributed to the Rise in Summer 2007 Delays

The record-breaking flight delays of 2007 were magnified last summer when flight delays and cancellations hit all-time highs at major airports nationwide. When the system is under stress it is usually affected by flight delays and cancellations—the chief underlying causes of customer dissatisfaction.

We found that on-time flight performance during the summer of 2007 deteriorated broadly from the already poor levels of 2006. Of the 55 airports tracked by FAA, the number of delayed flights increased at 51 airports, and the average length of delays increased at 52 airports. In contrast, the number of scheduled flights increased at only 33 of the airports. Table 2 compares increases in delays and cancellations in the summers of 2006 and 2007.