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DEPARTMENT OF TRANSPORTATION  
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REFERENCE: Aviation Data Requirements Review and Modernization Program

The Regional Airline Association (RAA) welcomes the opportunity to comment on the Department's airline traffic, fare and financial data collection procedure. The Advanced Notice Of Proposed Rulemaking (ANPRM) is well-timed. Within the past year, RAA attempted to initiate a dialogue with Department's Office of Airline Information regarding the very matter of regional airline passenger traffic reporting. It is clear that for the U.S. regional airline industry, the current data collection process is both inappropriate and inconsistent. The current structure of reporting rules and regulations offer what the Association considers to be an approach to information gathering that is out of step with the current operating environment for regional airlines.

D. Commuter. Part 298, Exemptions For Air Taxi and Commuter Air Carrier Operations

A vestige of a bygone era, the 60-seat distinction is ill-suited to the regional airline industry of today, but perhaps more importantly, that envisioned for the future. Worse, this delineation creates artificial distinctions which tend to group vastly disparate airline operations into inappropriate classes of carriers. For example, United Flying Service (U.F.S.) is a privately-held Form 41-filing regional carrier which operates a fleet of fewer than ten 64-seat turboprops which in 1997 accounted for 667,000 passenger enplanements and 106 million revenue passenger miles. The carrier's current reporting burden is, in principal, equal to that of a major airline simply because of the size of aircraft it operates. In contrast, Comair, a publicly-held regional airline company with a nearly 100-strong fleet of jet and turboprop types (all seating fewer than 60 passengers) carried 5.3 million passengers and flew 1.8 billion rpm's and was required to file the vastly simpler Form 298-C.

By basing individual regional carrier traffic reporting requirements on aircraft seating capacity, both the number and scope of companies filing either the Form 41 or the 298-C at any one time are subject to frequent change. The impact of such fleet developments on the Department's data collection procedure can be both dramatic and quixotic. For example, between the first quarter of 1995 and the third quarter of 1997, Mesa Airlines, leased a pair of 79-seat Fokker 70 aircraft. Traditionally a Form 298-C filing airline, the company was, of course, required to file Form 41 documentation once the F70's were introduced. As a result of this change in filing status, numerous very small, non-hub, airports received their first ever scheduled

air service by a Form 41 carrier, appearing in definitive database for such operations, *Airport Activity Statistics of Certificated Air Carriers*, for the first time. After less than three years of service with the type, Mesa elected to discontinue its F70 operations, leaving the carrier with a fleet composed entirely of less than 60-seat airplanes. Among the consequences of this business decision, airports as diverse as Dodge City, Kansas, Las Cruces, New Mexico and Hyannis, Massachusetts no longer received “scheduled air service” as per the Form 41 definition.

Based on the most recent information available (first quarter 1998 traffic data) the Association estimates that roughly 92 percent of the approximately 100 U.S.-based regional airline companies file Form 298-C documentation. Some 32 (nearly one-third) of the 298-C filing regional carriers are also based in the state of Alaska. As a result, Form 298-C carriers are, as a group, significantly smaller on average than those airlines which currently file Form 41 documentation (although this is not always the case as demonstrated by the Comair and U.F.S. example cited previously.)

	Form 41 Filing Regionals		Form 298-C	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Carriers reporting	9	8.4	98	91.6
Passengers <b>enplaned</b> (millions)	6.9	44.2	8.7	55.8
RPM's (billions)	1.7	45.0	2.0	55.0
Scheduled departures completed	307,045	30.0	720,795	70.0

Source: *AvStat Associates analysis of individual carrier filings.*

This dichotomy in reporting requirements is significant for a number of reasons. Perhaps the most outstanding is the incompatibility of those accounts which, on the surface, would appear to be most alike such as the number of passengers carried. In fact, there is no single source for regional airline industry passenger counts because the Form 298-C requires that carriers report origin/ destination (O&D) passenger traffic where the Form 41 provides for a count of **enplaned** as well as O&D passengers. As the latter has become the industry standard for measuring the number of passengers transported by a carrier, the former is increasingly at odds with the reality of today's regional airline operations. In the vast majority of cases, the O&D passenger counts significantly understate the true number of passengers carried by regional airlines. This is especially true for carriers which carry a large share of on-line connecting passengers; a trend which is virtually exploding at many of the country's larger regional airlines. RAA believes that the increased use of long-range aircraft among regional carriers (including both high speed turboprops as well as jets) and the number of self-connecting passengers will continue to increase quite substantially. A cursory analysis of first quarter 1998 traffic results posted by a number of Form 298-C filing regional carriers readily confirms the disparity between the number of O&D passengers (which is reported) versus the number of **enplaned** passengers (which is not reported):

<u>Form 298-C Filing: Regional</u>	<u>O&amp;D</u> <u>Passengers</u>	<u>Enplaned</u> <u>Passengers</u>	<u>Difference</u>
Atlantic Coast Airlines	299,107	464,454	-35.6 %
CCAir	162,468	222,025	-26.8 %
Comair	1,149,680	1,319,490	-12.9 %
Express Airlines I	275,302	293,946	- 6.3 %
Gulfstream Int'l Airlines	155,990	166,964	- 6.6 %
Skyway Airlines	65,990	74,550	-11.5 %

*Sources: Form 298-C and individual carrier reports.*

Not only does the O&D measure of passenger traffic fail to satisfy the industry's need for timely and relevant information, it is also at cross-purposes with at least one of the Department's own internal uses for the data. The Federal Aviation Administration's Office of Airport Planning and Programming requires accurate passenger enplanement counts for every airport receiving scheduled air service in order to fairly and equitably allocate airport improvement funds. These allocations are, of course, made available to individual airports on a "capitated" basis. Unfortunately, as the regulations currently stand, the agency has no way of obtaining accurate enplanement counts for many airports because many Form 298-C carriers are simply not required to file it. While the numbers cited above reflect the difference between O&D and enplaned passenger counts on a system or network basis, the differences can be quite dramatic in the case of hub airports where the vast majority of on-line connections take place.

**Recommendation: RAA recommends that DOT amend its regulations to require airlines with annual revenues exceeding \$20 million to file enplanement data on an airport basis. Additionally these airlines should no longer be required to file origin and destination (O & D) traffic reports. The existing database should be expanded to include these airlines.**

#### H. Electronic Filing: Of Data

**Recommendation: RAA recommends that airlines be given the option to file data electronically, but it should not be mandated by DOT as some small regional airlines do not possess the necessary equipment to facilitate this transfer.**

#### Summary

More than any other single consideration, RAA believes that the Department's traffic data collection, processing and distribution procedures need to be relevant to the various constituencies that use this information in the first place. The information needs to reflect the operating realities of the very carriers they are intended to reflect. Secondly, the dynamic nature of the airline industry in general and regional carriers in particular suggests that more rather than less flexibility be built-in to the data collection process would be highly preferable.

Respectfully submitted,



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President