

**Before the European Civil Aviation Conference/
European Union Dialogue**

May 10, 2001

Air Carrier Flight Delays and Air Passenger Rights

**Statement of
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Mr. President and Members of the European Civil Aviation Conference:

I am pleased to be here today to discuss airline customer service, which is of enormous importance to the U.S. Congress, the U.S. Department of Transportation, and, most importantly the American traveling public. Airline customer service is also of enormous importance to the European Governments, European Commission, and the European air travel industry, as evidenced by the recent deliberations of the Airline Passenger Service Commitment and the Airport Voluntary Commitment on Air Passenger Service.

Today, I would like to address (1) the current state of air travel in the United States; (2) the results of our review of the 12-point Airline Customer Service Commitment and associated Customer Service Plans, including recommendations for improvement, which we were directed by law to review; (3) the current developments in the U.S. Congress and the Department of Transportation concerning customer service; and (4) parallels that may exist between the United States and Europe in dealing with airline customer service and flight delays.

The combination of burgeoning U.S. demand and limited capacity have resulted in widespread customer dissatisfaction with air travel. In response to the likelihood of customer dissatisfaction being addressed in a "Passenger Bill of Rights," on June 1999, the Air Transport Association (ATA) and 14 of its member airlines pledged to improve service and voluntarily signed the Airline Customer Service Commitment.

Each airline agreed to prepare a Customer Service Plan implementing the 12 provisions of the Commitment.

The airlines realized that improvements were needed in the way passengers were treated, and that good customer service begins with the successful execution of, and continuous improvement to, existing customer service policies and procedures, programs and plans, as well as systems and technologies. The

The Airlines Commit to:

- Offer the lowest fare available
- Notify customers of known delays, cancellations, and diversions
- On-time baggage delivery
- Support an increase in the baggage liability limit
- Allow reservations to be held or canceled
- 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

Commitment is noteworthy because it prompted the airlines to take the matter of improving customer service more seriously.

Senator John McCain, Chairman of the Senate Committee on Commerce, Science, and Transportation, asked DOT's Office of Inspector General to review the Plans and evaluate the extent to which each airline met all provisions under its Plan. Subsequently, Congress mandated such a review in the *Wendell H. Ford Aviation Investment and Reform Act for the 21st Century*, Public Law 106-181.

The Office of Inspector General works within the Department of Transportation to promote effectiveness and head off, or stop, waste, fraud and abuse in departmental programs. We do this through audits and investigations. The Office of Inspector General also consults with the Congress about programs in progress and proposed in laws and regulations. By law, the Inspector General is chosen by the U.S. President, confirmed by the Senate, and reports to Congress and the Secretary of Transportation. The views presented in this statement are those of my office based on our experiences over the past 2 years in conducting reviews of airline customer service and flight delays and cancellations. Our views do not necessarily represent the views of the U.S. Department of Transportation.

Current State of Air Travel in the United States

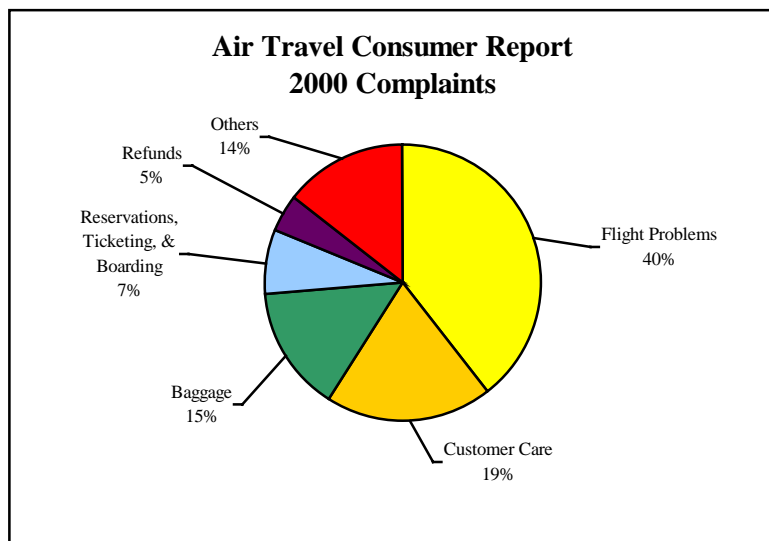
Between 1995 and 1999, the number of air travelers rose nearly 16 percent, from about 582 million to 674 million, and according to Federal Aviation Administration (FAA) forecasts will exceed 1 billion by 2010. Similarly, the total number of domestic flights scheduled by the 10 major airlines increased nearly 3.8 percent, from approximately 5.3 million to 5.5 million. These trends continued into 2000, with the same airlines reporting nearly a 3 percent increase in scheduled domestic flights and a 4 percent increase in the number of passengers over 1999.

With this growth, flight delays and cancellations as well as consumer dissatisfaction with the airlines are at an all-time high in the United States. A review of some vital statistics places the environment in which we performed our review in context, and shows how serious delays and cancellations have become.

- More than 1 in 4 flights was delayed, canceled, or diverted last year, affecting approximately 163 million passengers.
- Over the last year, departure and arrival delays increased 19 percent, from about 2,100,000 to nearly 2,500,000.

- Not only are there more delays, but those occurring are longer. Of those flights arriving late in 2000, the average delay exceeded 50 minutes.
- Flights experiencing taxi-out times of 1 hour or more increased nearly 13 percent last year, from about 40,800 to nearly 46,000, with taxi-out times of 3, 4, and 5 hours or greater increasing at even higher rates of 22, 25 and 163 percent, respectively.
- The number of regularly scheduled flights that were chronically delayed 15 minutes or more and/or canceled at least 80 percent of the time during a single calendar month rose 390 percent, from 8,350 to nearly 41,000 between 1999 and 2000.
- The number of cancellations also increased over the last year by 21 percent, from over 154,000 to more than 187,000.

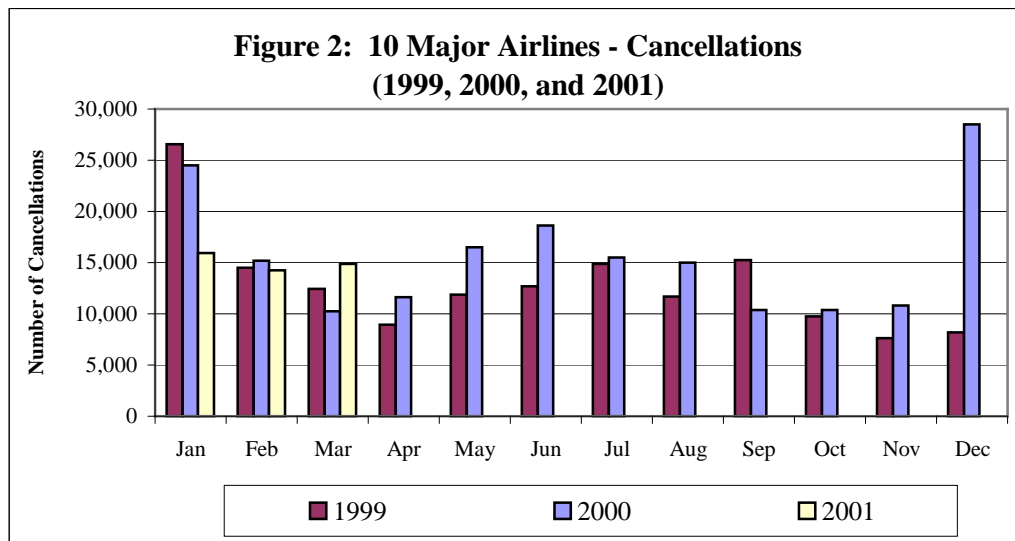
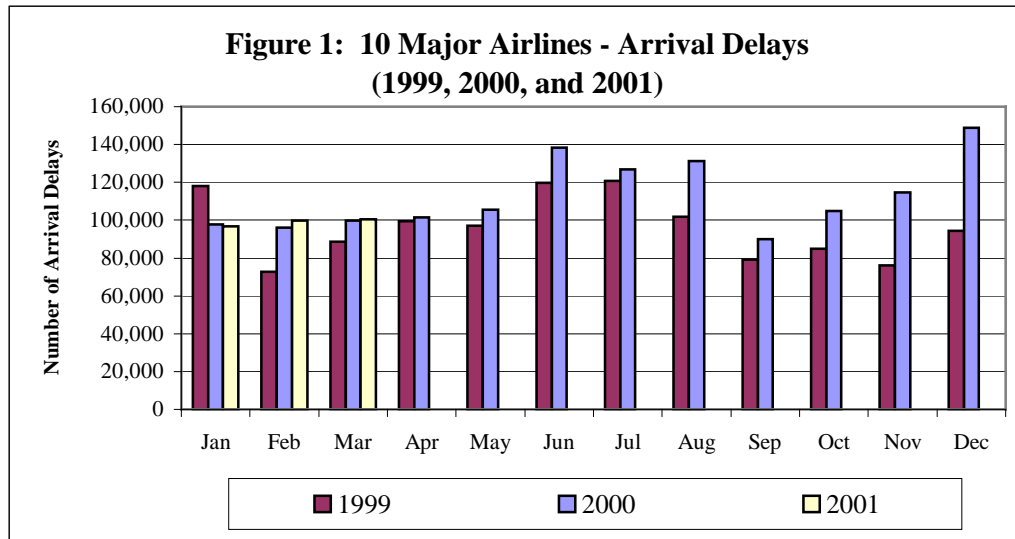
Also, the number of consumer complaints the U.S. Department of Transportation received about the airlines increased nearly 300 percent (from 6,026 to 23,381) between 1995 and 2000, with 55 percent of those complaints attributable to flight delays, cancellations, and mishandled baggage in 2000.



As we approach the busy summer travel season, the question before us is whether the current state of air travel in the United States will improve or whether past trends will continue. As figures 1 and 2 on page 4 show, that trend is continuing with delays and cancellations for the first 3 months of 2001 closely tracking those of last year, a record year for delays and cancellations.

The answer depends a lot on several key factors, including weather conditions, mounting labor disputes within the airline industry, the impact of a softening U.S. economy on air traffic demand, and how existing capacity is managed at already congested airports.

Barring good weather and/or a significant downturn in air traffic due to a softening economy, one area that may have a significant effect on summer air travel is labor disputes at four major airlines, but some promising developments have recently occurred. For example, Delta Air Lines just announced a new labor package with its pilots. In the past, labor problems have resulted in significant numbers of delays and cancellations. For example, in 2000, one major U.S. airline canceled over 24,000 flights due to labor problems, representing over 13 percent of all cancellations reported by the 10 major airlines that year.



Results of Our Review of Airline Customer Service Commitment

Overall, we found the airlines were making progress toward meeting their Customer Service Commitment and that the Commitment has been a plus for air travelers on a number of important fronts. The voluntary Commitment to customer service and the circumstances under which it was entered into are noteworthy because, based on our observations, it prompted the airlines to take the matter of improving customer service more seriously.

But, the airlines, airports, the FAA and, most important, the traveling public know the aviation system is not working well—the road ahead is long, and aggressive progress will be required by the airlines, airports, and FAA if consumer confidence is to be restored.

Notwithstanding progress by the airlines toward meeting their Customer Service Commitment, we found significant shortfalls in reliable and timely communication with passengers by the airlines about flight delays and cancellations. Further, we found the Airlines' Commitment does not directly address the most deep-seated, underlying cause of customer dissatisfaction—flight delays and cancellations—and what the airlines plan to do about them in the areas under their control in the immediate term.

Action by the airlines to reduce flight delays and cancellations is critical because major improvements in providing capacity to meet demand, such as new runways and the fielding of new air traffic control capacity enhancing technology, are not going to be in place for at least the next several years. Summer 2001, when the next major crunch in air travel is likely to occur, is just around the corner.

In general, we found the areas where the Commitment was working well and the greatest progress was being made were related to provisions not directly associated with whether a flight is delayed or canceled. These areas were:

- Quoting the lowest fare available over the phone (compliance between 88 and 100 percent of the time for a fixed itinerary);
- Holding a reservation at the quoted fare for 24 hours or canceling a reservation without penalty within 24 hours (compliance between 88 and 100 percent);
- Timely responses to customer complaints (compliance between 61 and 100 percent, with 13 airlines between 93 and 100 percent compliant); and
- An increase in the baggage liability limit from \$1,250 to \$2,500 resulting in larger pay-outs for lost luggage.

Over the past year, we also have seen air carriers competing on the basis of customer service through such steps as more legroom between seats, size of overhead baggage compartments, and deployment of portable passenger check-in stations to reduce long lines—measures that go beyond actions required by the Commitment.

We also found that provisions related to long-standing Federal regulations needed improvement, including the airlines’ bumping practices on flights that are oversold and timeliness for issuing ticket refunds. The rules about who gets bumped first varied among the airlines, and the compensation limit for those who are involuntarily bumped is inadequate and has not been changed since 1978.

In fact, we found that passengers who volunteer to be bumped stand a good chance of receiving greater compensation than passengers who are involuntarily bumped. On 74 (83 percent) of the 89 oversold flights we reviewed, passengers who were involuntarily denied boarding received compensation amounts equal to or less than those passengers who voluntarily relinquished their seats.

The provision in the Commitment to provide prompt ticket refunds refers to Federal regulations in place for over 17 years. The 7-day refund requirement for credit card purchases is imposed under a Federal banking regulation that has been in effect for over 20 years; the 20-day refund requirement for cash purchases (which includes checks) was established under a DOT consent order and has been in effect for over 17 years.

Given the length of time refund requirements have been around, we thought we would find high levels of compliance in this area. Instead, we found a wide variance in the air carriers’ compliance. Ten airlines met the 7- and 20-day requirement 94 to 100 percent of the time. The remaining four airlines needed to improve in this area, since their compliance rates with the 7-day requirement were below 88 percent.

The progress made this past year is often obscured when the traveling public experiences widespread delays and cancellations. ***We found the customer service areas most in need of improvement are for those provisions that trigger when there are delays and cancellations.*** One such provision is to keep customers informed of delays and cancellations, another promises to meet customers’ “essential” needs during “extended” on-aircraft delays, and another commits to making reasonable efforts to return delayed or mishandled checked baggage within 24 hours.

The evidence shows significant investment and progress by the airlines toward meeting these commitments. Still, there are persistent problems. We frequently found, among other matters, untimely, incomplete, or unreliable reports to passengers about flight status, delays and cancellations as follows.

- In 21 percent of our observations of over 500 flight delays nationwide, the flight information display system showed the flight as on time when, in fact, the flight had been delayed for more than 20 minutes; timely announcements about the status of the delay were made in the gate areas 66 percent of the time; and when status announcements were made, the information provided about the delay or cancellation was adequate about 57 percent of the time. Performance varied by airline, with Hubs generally performing better than non-Hub locations.
- Baggage that did not show up with the passenger was delivered within 24 hours 58 to 91 percent of the time. Again, performance among the airlines varied.
- All airlines have taken steps to accommodate passengers' "essential" needs during "extended" on-aircraft delays. However, we found that the airlines differ in what qualifies as "extended." The trigger thresholds for this provision vary from 45 minutes to 3 hours. We think it is unlikely that a passenger's definition of an "extended" on-aircraft delay will vary depending upon which air carrier they are flying.

Although progress has been made, the airlines will need to redouble their efforts in these three areas because compliance was mixed, and if the airlines fail here, the rest of what they have accomplished will go largely unnoticed.

We also found that the provisions within the Commitment do not directly address the root causes of customer dissatisfaction: extensive flight delays, flight cancellations, and baggage not showing up with the passenger. Since air travelers in 2000 stood a greater than 1 in 4 chance of their flight being delayed or canceled, we believe the airlines should go further and address steps they are taking on matters within their control to reduce over-scheduling, the number of chronically late or canceled flights, and the amount of checked baggage that does not show up with the passenger upon arrival.

It is too early to tell, but actions most likely to reduce delays this summer are voluntary ones taken by at least two major airlines to revamp their schedules at their Hub airports and efforts to disperse traffic away from congested Hubs where economically feasible.

An equally unpleasant experience for air travelers occurs *when flights are chronically delayed and/or canceled* month after month. As defined by the U.S. Department of Transportation, chronically delayed and/or canceled flights are those regularly scheduled flights that, at least 80 percent of the time, arrived at least 15 minutes later than scheduled and/or were canceled during a single calendar month. Department data showed that the number of chronically delayed flights increased 390 percent (8,350 to nearly 41,000) between 1999 and 2000.

Using Department data, we increased the amount of arrival delay to 30 minutes or more and identified all *scheduled flights* that, when grouped by individual flight number, were delayed and/or canceled at least 40 percent of the time during a single calendar month. Overall, for calendar year 2000, we identified over 240,000 *regularly scheduled flights* that met our criteria (representing over 10,300 individual flight numbers affecting approximately 25 million passengers).

Currently, the airlines are required to disclose on-time performance only on request from the customer. Passengers should not have to ask when making a reservation if the flight is chronically delayed or canceled 40 percent of the time or more; the airlines should notify the passenger of this information without being asked.

Improving Accountability, Enforcement, and the Protection Afforded Commercial Air Passengers

Over the past year, the Office of Inspector General made three recommendations to the Secretary of Transportation and the Federal Aviation Administration that were directed at the capacity, delay, and cancellation problems, which are key drivers of customer dissatisfaction with airlines. These recommendations are discussed below.

Establish and implement a uniform system for tracking delays, cancellations, and their causes. In the final months of the prior Administration, a Task Force appointed by the former Secretary made recommendations to accomplish this. These recommendations still need to be implemented.

Develop capacity benchmarks for the Nation's top 30 airports. This will provide a common framework for understanding what maximum arrival and departure rate can physically be accommodated by airport, by time of day under optimum conditions. A set of capacity benchmarks is essential in understanding the impact of air carrier scheduling practices and what relief can realistically be provided by new technology, revised air traffic control procedures, new runways, and related airport infrastructure. On April 25, 2001, FAA issued "Airport Capacity Benchmark Report 2001" to implement this recommendation.

Develop a strategic plan for addressing capacity shortfalls in the immediate, intermediate, and long term. The solution to the growing problem of delays will require a combination of long- and short-term actions. Long-term solutions are needed, in the form of new air traffic control technology, better weather forecasting, airspace redesign, and infrastructure improvements including airport expansion. However, these efforts offer little or no bottom-line relief over the next few years.

Progress has been made on most of these recommendations. The most progress has occurred on: developing a standard DOT definition of flight delays, establishing a system for tracking the causes of flight delays and cancellations, and developing capacity benchmarks for the 31 major airports. While progress has been made on these items, the key for each of them is implementation and execution.

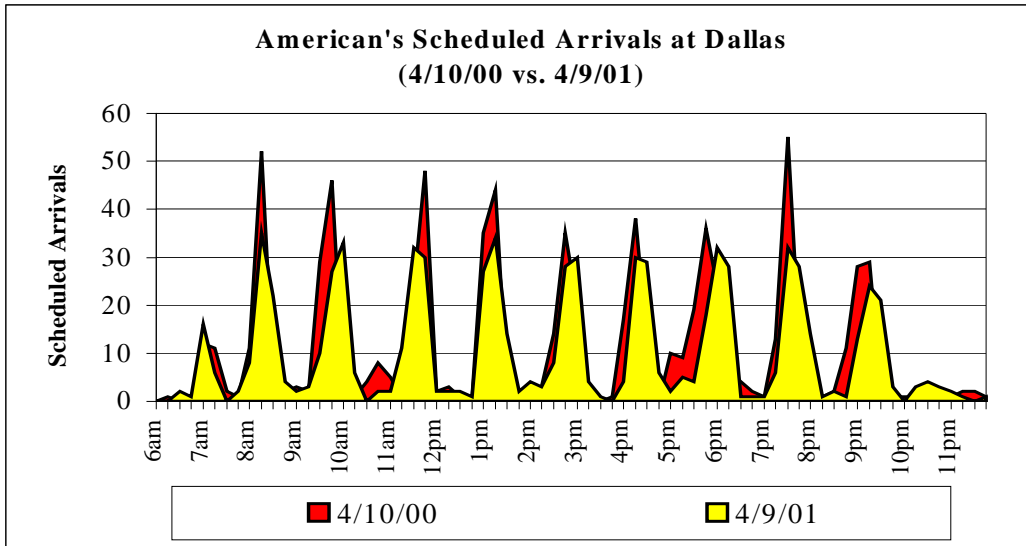
However, few of these action items are likely to provide much relief to delays and cancellations in time for this summer. Nevertheless, they are a good start in providing relief in the next several years. Actions most likely to reduce delays this summer are voluntary ones taken by some airlines to revamp their schedules at their Hub airports and efforts to disperse traffic away from congested Hubs where economically feasible.

We are aware of at least two airlines that have taken steps to reschedule flights at their main Hubs. Last year, American Airlines announced two initiatives to address its delay problems. One was the “isolation” of American’s Chicago Hub and the other, a retiming of flights into and out of Dallas/Ft. Worth.

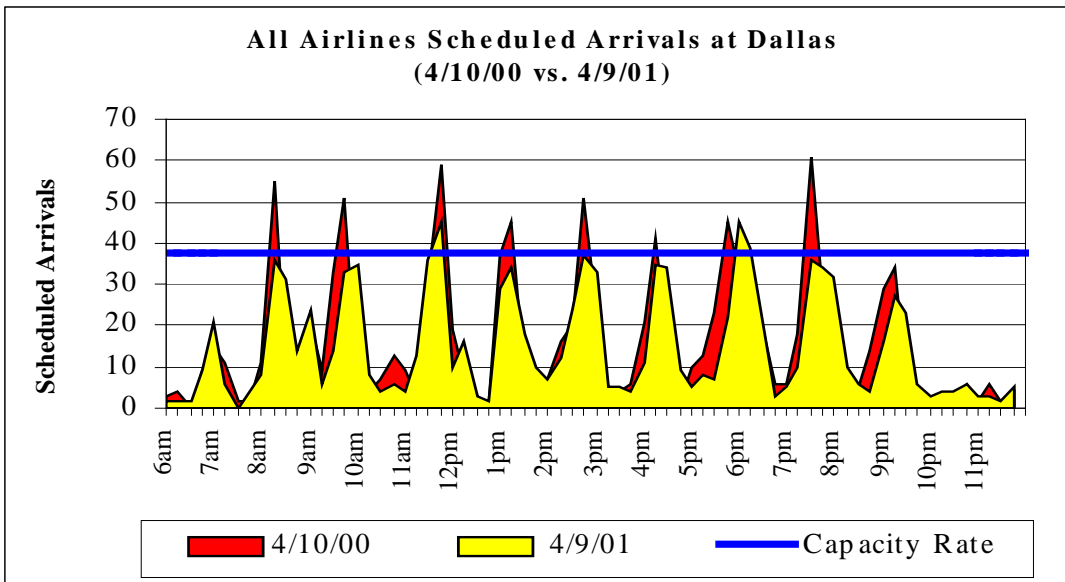
Under the first initiative, American “isolated” some markets, with flights now going back and forth between Chicago O’Hare and endpoint airports, rather than going on to a third airport. This approach is designed to isolate weather-induced delays at O’Hare only to flights that involve travel to or from Chicago. Therefore, flight delays will not ripple out to other markets that are unaffected by the weather problems at O’Hare.

Under the second initiative, American expanded the connecting time between flights, thereby spreading the number of arrivals to and departures from Dallas/Ft. Worth over longer time periods. According to American, this latter effort is intended to eliminate the bunching of flights into the airport at peak times.

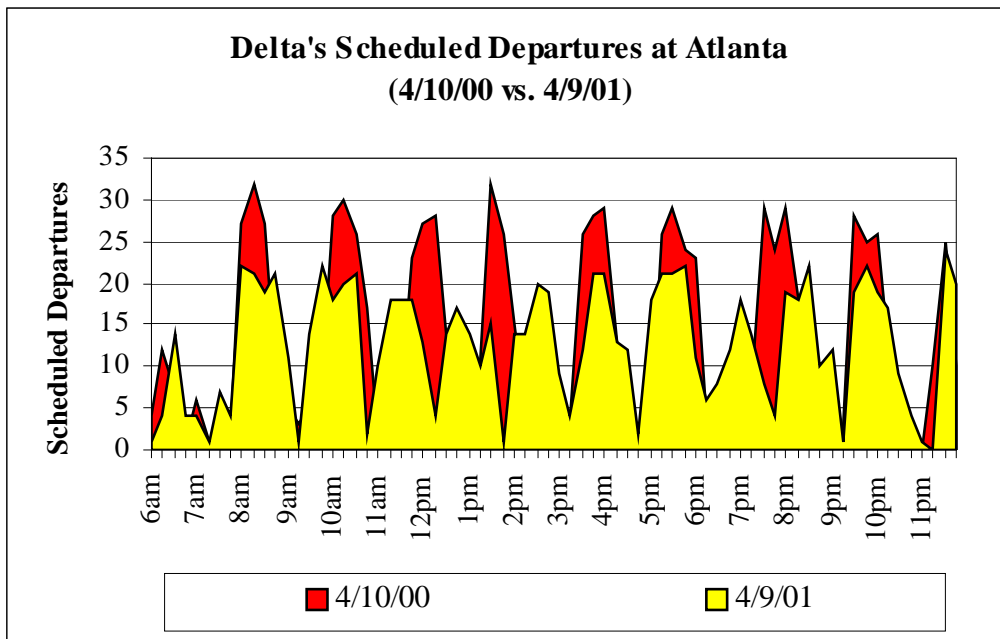
This point is supported by our analysis of American’s scheduled arrivals at Dallas/Ft. Worth (see figure on the following page).



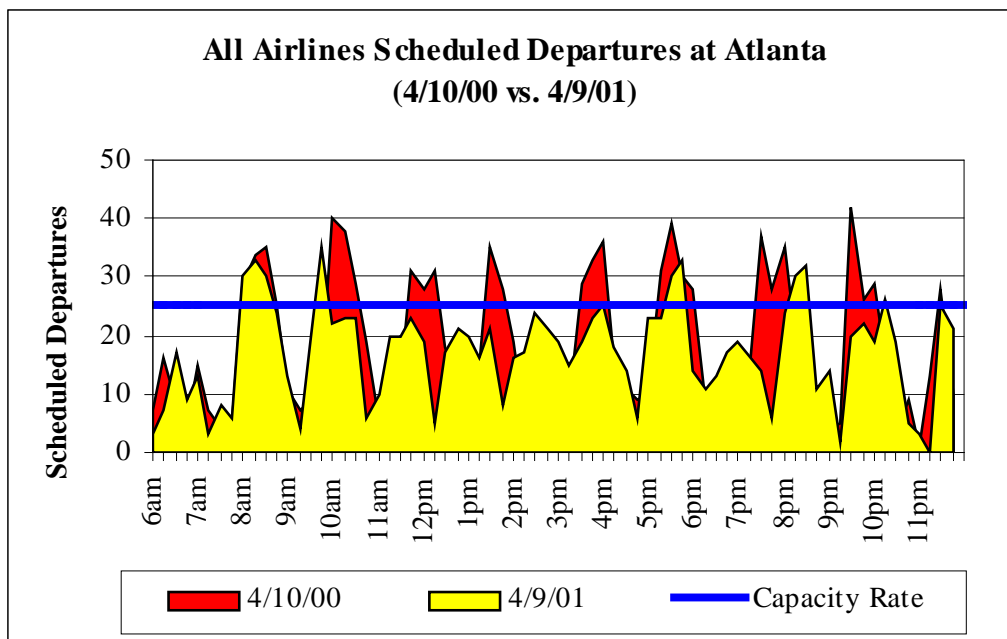
Moreover, American (which comprises nearly 70 percent of scheduled flights at Dallas/Ft. Worth) succeeded in moving many of the airport's arrival peaks below FAA's capacity benchmark, as illustrated by the next figure.



In a similar vein, Delta Air Lines recently increased the number of departure and arrival banks at Atlanta Hartsfield airport from 10 to 12. According to Delta, the goal of this rescheduling is to disperse flights from peak periods of demand to less congested periods. This point is supported by our analysis of Delta's scheduled departures at Atlanta (see the following figure).



Moreover, Delta (which comprises over 70 percent of scheduled flights at Atlanta) succeeded in moving many of the airport's departure peaks below FAA's capacity benchmark, as illustrated by the next figure.



Whether by increasing connecting times or the number of departure banks, such voluntary actions should help to reduce congestion and, in turn, flight delays.

Whether the airlines' voluntary efforts continue into the busy summer travel season remains to be seen. The Department needs to closely evaluate such actions to determine their effect on flight congestion and delays this year.

Also, the initiative of the FAA and the airlines to work cooperatively in sharing information and managing disruptions under the auspices of the Spring/Summer 2001 program and to work on the seven choke points¹ should provide benefits this summer as well.

Action here is critical because the next major crunch in air travel is now upon us and will continue on through summer. How the U.S. Congress proceeds is likely to depend heavily on whether the Airlines' Commitment and their Customer Service Plans hold up under the crunch.

As a result of our review of the ATA Commitment and the airlines' Customer Service Plans, we made over 25 recommendations, a copy of which has been made available to you today. I would like to highlight those recommendations we believe will be most beneficial to the consumer.

For the recommendations that follow, the U.S. Congress in its consideration of Passenger Bill of Rights issues and how to effectuate change has the option of first giving the airlines the opportunity to take action within a fixed time period to revise and add to the Airline Customer Service Commitment voluntarily.

Adoption of Airline Customer Service Commitment by all U.S. air carriers. Currently, 14 ATA member airlines are the only air carriers operating under the auspices of the Commitment. They account for 95 percent of all the passenger and cargo traffic in the United States.

Make Airline Customer Service Commitment provisions enforceable under the contract of carriage or by regulation. Each air carrier has a contract of carriage that, under Federal regulations, provides the terms and conditions of passenger rights and air carrier liabilities. The contract of carriage is legally binding between the air carrier and the passenger.

Unlike Department regulations, which are enforced by the Government and may result in administrative or civil enforcement actions against an air carrier, contracts of carriage confer upon customers, enforceable rights directly against an air carrier. Thus, when an airline incorporates the Commitment into its contract of carriage, the Commitment becomes legally enforceable by the customer against

¹ These are seven points in the airway system that have become overloaded in recent years, particularly in bad weather, and tend to be the focal point for delays that can spread through the air traffic control system.

that airline, such as in a court of law. This is important because, as long as those rights are maintained in the contract of carriage, customers can ensure that the airlines' compliance with their Commitment will not fade over time.

Add a commitment under which the airlines must (A) establish a quality assurance and performance measurement system; and (B) conduct an internal audit to measure compliance with the Commitment and Customer Service Plan provisions. The quality assurance system as well as the results of the internal audit will itself be subject to audit by the Federal Government.

Disclose to customers, at the time of booking and without being asked, the prior month's on-time performance rate for those flights that have been consistently delayed (i.e., 30 minutes or greater) and/or canceled 40 percent or more of the time. Currently, the airlines are required to disclose on-time performance only on request from the customer.

We would encourage the airlines to continuously improve the services provided air travelers with disabilities and special needs, especially for those services provided at the airport, beginning with the check-in process, on to the passenger security screening process (especially for those air travelers in wheelchairs), and during the boarding process. Results from our on-line survey, although not statistically projected, indicate that customer service in those three areas needs special attention.

The airlines should clarify in their Plans what is meant by an extended period of time and emergency, so passengers will know what they can expect during extended on-board delays, and ensure that comprehensive customer service contingency plans specify the efforts that will be made to get passengers off the aircraft when delayed for extended periods, either before departure or after arrival. There are marked differences among the airlines about what these terms mean—it is unlikely that passengers' "essential" needs or how they define an extended period of time will differ depending upon the particular airline on which they are flying.

Petition the Department of Transportation to increase the monetary compensation payable to involuntarily bumped passengers. The limit has not changed since 1978.

Disclose orally to passengers what the airline is obligated to pay involuntarily bumped passengers in advance of making offers to passengers to voluntarily relinquish their seats. We found many instances where the airlines compensated passengers who voluntarily relinquished their seats with a greater amount than passengers who were involuntarily bumped.

*We also made a recommendation to **increase the resources allocated to the Department of Transportation division responsible for consumer protection and a corresponding increase in the oversight and enforcement of laws and regulations that protect air travelers.*** Oversight and enforcement of consumer protection and unfair competition laws and regulations are the responsibility of the DOT. We found the resources available to the Department to carry out these responsibilities to the traveling public are seriously inadequate—so much so that they had declined at the very time consumer complaints quadrupled and increased to record levels—from roughly 6,000 in 1995 to over 23,000 in 2000. Nearly 20 staff are assigned these functions today, down from 40 in 1985. Until this situation is changed, the responsible DOT office will not be able to satisfactorily discharge its consumer protection responsibilities, including the duties assigned to it for investigating complaints involving disabled airline passengers.

The U.S. Congress, the Department of Transportation and the Federal Aviation Administration Remain Actively Involved in Customer Service Issues and Flight Delays and Cancellations

Since we issued our Final Report on Airline Customer Service Commitment, the U.S. Congress, among others, has remained actively involved in customer service issues. Several different actions are underway to address the rights of air travelers. These actions include the introduction of several different pieces of legislation by both the Senate and the House, and negotiations between the airlines and the House to strengthen the Commitment through a “voluntary” system.

However, it is not clear which of these actions or combination of actions will finally be acted on. Whichever direction Congress decides to take will surely be influenced by the state of air travel during the coming summer months. Another summer like the one experienced last year could trigger forceful measures on airline scheduling, peak hour pricing, and lotteries or slot controls. One measure currently under consideration by the Senate is to give the Secretary of Transportation additional authority to alleviate airport congestion and overscheduling.

- One such piece of legislation was introduced by Senator McCain, Chairman of the U.S. Senate Committee on Commerce, Science, and Transportation, on March 15, 2001, addressing the issue of ensuring that air carriers meet their obligations under the Commitment, and provide improved passenger service in order to meet public convenience and necessity. The legislation incorporates the majority of our recommendations.

In the U.S. House of Representatives, passenger rights legislation was recently introduced by Congressmen Sweeney and Dingell. Provisions in this legislation are

similar to the Senate version with one exception. The Sweeney/Dingell bill would permit passengers to deplane if the plane is sitting on the ground for more than an hour after the scheduled takeoff time, the plane has not been cleared to takeoff in the next 30 minutes, and crew members are allowed to deplane. The bill also mandates a Department of Transportation study of Hub airports to determine whether the dominant air carriers are charging excessive fares, acting in unfair or deceptive ways, or using unfair methods of competition.

Also on the House side, Congressman Mica, Chairman of the Subcommittee on Aviation, Committee on Transportation and Infrastructure, is deliberating with the ATA and its member airlines to strengthen the Commitment through a “voluntary” system, similar to the original deliberations that led to the June 1999 Commitment. The airlines have agreed to implement some of the recommendations in our Final Report, both now and in the near future, and they are working with Chairman Mica on how to resolve the others. The ATA and its member airlines agreed to, among other recommendations:

- Include all 12 original customer service commitments in their contracts of carriage by May 1, 2001;
- Offer the lowest available fare at their city ticket offices and airport ticket counters, not just through their telephone reservation systems, by May 1, 2001;
- Establish internal performance measurement systems and audit procedures to determine compliance with the Customer Service Plans by June 1, 2001; and
- Petition the Department of Transportation to initiate rulemaking procedures to review current policies governing involuntary denied boarding compensation and statistics on mishandled baggage.

Although “passenger rights” are being considered in the Congress, no agreements have been reached. Nevertheless, customer dissatisfaction with air travel in the United States will remain until the solutions to the underlying causes of delays and cancellations are acted on. There is no single solution to the growing problem of delays and the resulting consumer concern over air travel. Solutions to these problems rest on a multifaceted approach that involves FAA, air carriers, and airports.

However, barring any progress in reducing flight delays and cancellations in the immediate term, coupled by a repeat of last summer’s experiences with record-breaking delays and cancellations, the backlash from Congress against the FAA, air carriers and airports will be felt for a long time.

Europe's Airline Passenger Service Commitment and Airport Voluntary Commitment on Air Passenger Service

The growing problem of delays and resulting consumer concern over air travel is not just a U.S. phenomenon but also a European one. Based on information we read, passengers in Europe consistently put delays at the top of their list of complaints with air travel. Although not as severe as the flight delays experienced in the United States, recent statistics on Europe's flight delays for the 48 departure airports shows: 4.7 million total flights; nearly 1 million total delayed flights with an average 21 minute delay time; and 29,000 flights delayed over 1 hour.

To address air traveler dissatisfaction in Europe, the European air transport industry, including airports and airlines, has pledged to improve customer service standards and passenger rights through voluntary commitments. Most recently, under the umbrella of the European Civil Aviation Conference and the European Commission, the European air transport industry established the Airline Passenger Service Commitment containing 14 provisions to deliver defined standards of service to air travelers.

Similarities exist between the ATA Commitment and the European Airline Passenger Service Commitment in the provisions to provide prompt ticket refunds, allow reservations to be held or canceled, and properly accommodate disabled and special needs passengers. Other provisions found in the ATA Commitment have been expanded on in the European Commitment. For example, to offer the lowest fare available, the European Commitment provision extends beyond the telephone reservation systems to include the airlines' web sites and city ticket offices. This was absent in ATA's Commitment, even though a few airlines, in their Customer Service Plans, agreed to offer the lowest fare available at their city ticket offices and airport ticket counters.

Most notable, however, are provisions in the European Commitment that are in addition to the ATA's provisions. For example, the European Commitment provision on long check-in lines is entirely new and addresses one of the underlying reasons for customer dissatisfaction. The provision states that the airlines, in coordination with the airports, will take appropriate steps to avoid congestion in departure areas and take measures to speed up check-in to assist passengers to meet their check-in deadlines (see Attachment for a detailed side-by-side comparison of the ATA and European Commitments).

However, a significant difference between the ATA and European Commitment is the European Commitment does not set target dates for implementing the Commitment or establishing Customer Service Plans.

Coinciding with this European Airline Passenger Service Commitment, the Airport Council International-Europe, on behalf of its Member Airports, established its own Airport Voluntary Commitment on Air Passenger Service containing commitments to deliver a defined quality of service to air travelers.

In the Airport Voluntary Commitment, each airport committed to, among other things:

- Prominently publicize the services it offers for assisting passengers with reduced mobility,
- Make available the information given by airlines about expected delays, and update passengers as frequently as possible, and
- Produce regular consumer reports (at least once a year) based on passenger satisfaction results. These reports will be made available to the relevant national and international bodies.

We recognise the Airport Voluntary Commitment as an important milestone, since it is the first of its kind to establish a minimum set of standards for a collective group of airports to implement to improve the quality of service to air travelers.

Customer dissatisfaction with airline service in the United States as well as Europe is likely to continue despite the customer service Commitments until root causes of airline delays are fixed. We are not students of the European air transport system, but both the United States and Europe face challenges in addressing those root causes. Some important dissimilarities and core similarities in the systems are worth discussing.

First, some dissimilarities are the:

- Size and complexity of the systems. In the United States there are 20 enroute centers, while in Europe we are told there are more than 60 control centers. Also unlike the United States with a single-managed system, Europe has multiple and independent air traffic management systems. This affects deployment of technology and airspace procedures.
- Airports in Europe sell slot allocations that are used extensively in managing aircraft as they move from sector to sector. In the United States, only four airports operate with slot allocations, and slots are not used in managing airspace capacity.

- Airports in Europe manage all the security and baggage operations, while in the United States these are shared responsibilities between the air carriers and airports.

Some of the similarities that both the United States and Europe share as we look for long-term solutions in increasing capacity include:

- Balancing the need for military and civilian users in limited airspace.
- Moving forward with new airports and runways while respecting environmental regulations.
- Transitioning to new satellite technologies for communications, navigation, and surveillance. These systems should provide seamless service between the United States and Europe.

Until these and other issues are addressed, the state of air travel in the United States and Europe will remain under stress at the airports and in the airspace.

AIR TRANSPORT ASSOCIATION'S (ATA) AIRLINE CUSTOMER SERVICE COMMITMENT JUNE 17, 1999	EUROPEAN AIRLINE PASSENGER SERVICE COMMITMENT MARCH 28, 2001
<p><u>Provision #1: Offer the lowest fare available</u></p> <p>Each Airline will offer the lowest fare available for which customer is eligible on the airline's telephone reservation system for the date, flight and class of service requested.</p>	<p><u>Provision #1: Offer the lowest fare available through each of its direct outlets</u></p> <p>a) Each airline will offer the lowest appropriate fare available for which the passenger is eligible through its own telephone reservation system, through its own website and through its own ticket offices for the date, flight and class of service requested.</p> <p>b) Each airline will inform passengers that different fares may be available through these different outlets.</p> <p>c) Each airline will inform the passenger about the terms and conditions which apply to the fare chosen and any applicable taxes, fees and charges.</p>
<p><u>Provision #2: Notify customers of known delays, cancellations and diversions</u></p> <p>Each airline will notify customers at the airport and on board an affected aircraft, in a timely manner, of the best available information regarding known delays, cancellations and diversions. In addition, each airline will establish and implement policies for accommodating passengers delayed overnight. A clear and concise statement of airlines' policies in these respects will also be made available to customers.</p>	<p><u>Provision #3: Notify passengers of known delays, cancellations and diversions</u></p> <p>Each airline will notify passengers at the airport and on board an affected aircraft, as soon as possible, of the best available information regarding known delays, cancellations and diversions.</p> <p><u>Provision #4: Assist passengers facing delays</u></p> <p>a) Each airline will provide appropriate assistance, for example refreshments, meals, accommodation, to its passengers facing delays beyond two hours provided that local conditions allow for such assistance to be delivered. This assistance may not apply in situations involving political unrest or long strikes in essential services or other exceptional circumstances beyond the airline's control. Also, assistance may not be provided if to do so would further delay departure.</p> <p>b) The assistance described in paragraph 4a, may not be offered on routes operated under public service obligations in accordance with the policy of the authority defining the obligation or when weather causes disruption on routes on which the regularity of operations is significantly affected by weather conditions or on routes of less than 300 km serving remote airports operated by aircraft with fewer than 80 seats.</p> <p>c) Each airline will produce a clear and concise statement of its policy, which will be made available to its passengers. This will include a list of routes on which any exceptions apply.</p>
<p><u>Provision #3: On-time baggage delivery</u></p> <p>Each airline will make every reasonable effort to return checked bags within 24 hours and will attempt to contact any customer whose unclaimed, checked luggage contains a name and address or telephone number.</p>	<p><u>Provision #5: Deliver baggage as quickly as possible</u></p> <p>Each airline will make every reasonable effort to deliver all checked baggage to the Arrivals Hall area as quickly as possible. In the case of mishandled checked bags, each airline will make every reasonable effort to deliver the mishandled bag to the passenger within 24 hours of its arrival at final destination, free of charge. Immediate assistance sufficient to meet the reasonable short-term needs of the passenger will also be offered by the airline.</p>
<p><u>Provision #4: Support an increase in the baggage liability limit</u></p> <p>The airlines will petition the Department of Transportation (DOT) within 30 days to consider an increase in the current baggage liability limit.</p>	<p><i>This provision is not addressed in the European Commitment.</i></p>

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<p><u>Provision #5: Allow reservations to be held or canceled</u></p> <p>Each airline will allow the customer either to hold a telephone reservation without payment for 24 hours or (at the election of the carrier) to cancel a reservation without penalty for up to 24 hours, in order to give customers an opportunity to check for lower fares through other distribution systems, such as travel agents or the Internet.</p>	<p><u>Provision #6: Allow telephone reservations to be held or cancelled without commitment or penalty within 24 hours</u></p> <p>Subject to applicable ticketing deadlines, each airline will allow the passenger either: to hold a telephone reservation made directly with the airline without payment for a minimum of 24 hours or, where the airline requires immediate payment at the time of booking, to cancel a reservation without penalty for up to 24 hours.</p> <p>Passengers will be advised which reservations method applies at the time of booking.</p>
<p><u>Provision #6: Provide prompt ticket refunds</u></p> <p>Each airline will issue refunds for eligible tickets within 7 days for credit card purchases and 20 days for cash purchases.</p>	<p><u>Provision #7: Provide prompt refunds</u></p> <p>a) Where a passenger claims and is entitled to a refund on a ticket purchased direct from the airline, each airline will issue refunds within 7 business days for credit card purchases and within 20 business days for cash or cheque purchases.</p> <p>b) Any taxes, fees and charges collected with the fare and shown on the ticket will be refundable where the ticket is not used. This will include non-refundable tickets and the refund will be issued within the same time limits as above.</p>
<p><u>Provision #7: Properly accommodate disabled and special needs passengers</u></p> <p>Each airline will disclose its policies and procedures for handling special needs passengers, such as unaccompanied minors, and for accommodating the disabled in an appropriate manner.</p>	<p><u>Provision #8: Provide assistance to passengers with reduced mobility and passengers with special needs</u></p> <p>Each airline will publicize the services it offers for handling passengers with special needs and for assisting passengers with reduced mobility in an appropriate manner compatible with applicable safety regulations. For passengers with reduced mobility the airlines commit themselves to support the attached paper on "Meeting the Needs of People with Reduced Mobility".</p>
<p><u>Provision #8: Meet customers' essential needs during long on-aircraft delays</u></p> <p>The airlines will make every reasonable effort to provide food, water, restroom facilities and access to medical treatment for passengers aboard an aircraft that is on the ground for an extended period of time without access to the terminal, as consistent with passenger and employee safety and security concerns. Each carrier will prepare contingency plans to address such circumstances and will work with other carriers and the airport to share facilities and make gates available in an emergency.</p>	<p><u>Provision #9: Meet passengers' essential needs during long on-aircraft delays</u></p> <p>The airline will make every reasonable effort to provide food, water, lavatories and access to medical treatment for passengers on board an aircraft that is on the ground for an extended period of time without access to the terminal, as consistent with passenger and employee safety and security concerns.</p> <p>Airlines will make every reasonable effort not to keep passengers on board in long delays.</p>

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<p><u>Provision #9: Handle "bumped" passengers with fairness and consistency</u></p> <p>Each airline will disclose to a passenger, upon request, whether the flight on which the passenger is ticketed is overbooked, if, within the usual and ordinary scope of such employee's work, the information is available to the airline employee to whom the request is directed. Each airline will also establish and disclose to the customer policies and procedures, including any applicable requirements (such as check-in deadlines), for managing the inability to board all passengers with confirmed reservations.</p>	<p><u>Provision #11: Reduce the number of passengers who are involuntarily denied boarding</u></p> <p>In the event of a flight at departure time having more passengers than seats available, each airline will first seek volunteers who are prepared to stand down from the flight, subject to any security and/or operational constraints at the airport concerned.</p>
<p><u>Provision #10: Disclose travel itinerary, cancellation policies, frequent flyer rules, and aircraft configuration</u></p> <p>Each airline will disclose to the customer:</p> <ul style="list-style-type: none"> (i) Any change of aircraft on a single flight with the same flight number; (ii) Cancellation policies involving failures to use each flight segment coupon; (iii) Rules, restrictions and an annual report on frequent flyer program redemptions; and (iv) Upon request, information regarding aircraft configuration, including seat size and pitch. 	<p><u>Provision #12: Provide information to passengers regarding its commercial and operational conditions</u></p> <p>Airlines will provide their passengers with the following information relevant to their journey:</p> <ul style="list-style-type: none"> • Any change of aircraft, terminal or airport (section A.IV of the provision). • Any conditions attached to the fare to be paid (section A.V). • Details of frequent flyer programme, if any (section C.VII). • On request, the aircraft type scheduled to be operated on the route and seat pitch (section C.I).
<p><u>Provision #11: Ensure good customer service from code-share partners</u></p> <p>Each airline will ensure that domestic code-share partners make a commitment to provide comparable consumer plans and policies.</p>	<p><i>This provision is not addressed in the European Commitment.</i></p>
<p><u>Provision #12: Be more responsive to customer complaints</u></p> <p>Each airline will assign a Customer Service Representative responsible for handling passenger complaints and ensuring that all written complaints are responded to within 60 days.</p>	<p><u>Provision #14: Be responsive to passengers' complaints</u></p> <p>Under normal circumstances each airline will provide a substantive response to written complaints within 28 days from the date of receipt. When this does not permit sufficient time for the complaint to be properly investigated an interim response will be provided giving the reason for the delay. Each airline will designate a convenient point of passenger contact for all complaints and the address and/or phone number and departmental name of this customer service function will be provided in timetables, on websites and any other public information source and also be available at all travel agents accredited by airlines.</p>

ATTACHMENT

<p>AIR TRANSPORT ASSOCIATION'S (ATA) AIRLINE CUSTOMER SERVICE COMMITMENT JUNE 17, 1999</p>	<p>EUROPEAN AIRLINE PASSENGER SERVICE COMMITMENT MARCH 28, 2001</p>
<p><i>This provision is not addressed in the ATA Commitment.</i></p>	<p><u>Provision #2: Honour the agreed fare after payment</u></p> <p>After payment for the ticket has been made, no fare increase will apply for the date, flight and class of service booked. However, any change in taxes, fees and charges will be subject to additional payment or refund.</p>
<p><i>This provision is not addressed in the ATA Commitment.</i></p>	<p><u>Provision #10: Take measures to speed up check-in</u></p> <p>Airlines will set reasonable check-in deadlines and in coordination with the airports will take appropriate steps to avoid congestion in departure areas and take measures to speed up check-in to assist passengers to meet their check-in deadlines. Introduction of automated and e-ticketing systems, use of self service check-in and mobile check-in stations as well as providing for off airport check-in, fast track check-in and queue combing could be some of these measures.</p>
<p><i>This provision is not addressed in the ATA Commitment.</i></p>	<p><u>Provision #13: Provide information on operating carrier</u></p> <p>In case of flights operated under a code share, franchise or long term planned wet lease agreements, airlines will:</p> <ol style="list-style-type: none"> I. Inform passengers of the name of the airline actually operating the flight. Passengers will be informed: <ul style="list-style-type: none"> o upon reservation, whenever such reservation is made through a distribution channel under the direct control of the airlines, i.e., airlines' own offices and agencies, airlines' telephone reservation centre and airlines' own websites; and o at the airport upon check-in. <p>As regards a reservation made through a channel which is not under the direct control of the airlines, i.e. travel agencies and websites other than airlines' own websites, airlines will remind travel agents and websites' operators to systematically inform passengers at the time of reservation.</p> <ol style="list-style-type: none"> II. Make it clear through appropriate wording that the passenger's contract is with the marketing airline, i.e., the airline whose designator code appears on the flight coupon or routing slip next to the flight number. III. Inform passengers travelling on code shared services that the level of service may be different and the Airline Passenger Commitment may not apply.