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Progress and Remaining Challenges in Reducing Flight Delays and Improving Airline Customer Service

**Statement of
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Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to testify today on progress and remaining challenges with the Department of Transportation's (DOT) and the Federal Aviation Administration's (FAA) efforts to reduce flight delays and improve airline customer service. As requested by the Subcommittee, my statement today will focus on the three following issues:

- factors that contributed to last year's decline in delays and expectations for the near term,
- progress and challenges in addressing congestion in the New York area and systemwide, and
- actions taken and still needed to address airline customer service issues.

SUMMARY

The air traveler experience in 2008, as measured by DOT, improved over 2007. We recently issued our annual analysis of aviation trends, which also found that the percentage of delayed flights dropped significantly in the last 6 months of 2008—down to 22 percent compared to 27 percent in 2007.¹ We note, however, that this decrease was primarily driven by flight cutbacks that airlines implemented in the face of last year's unprecedented fuel prices and onset of the global economic downturn.

Despite the recent drops in overall airline delays, high levels of delay continued at larger, congested airports such as Newark, John F. Kennedy (JFK), and LaGuardia. Delays at these airports are a concern because they have a "ripple effect" throughout the National Airspace System.

With fewer planes in the air and the resulting slowdown in passenger traffic, DOT also saw a drop in consumer complaints in 2008. These were down by about 19 percent overall. Also, with flight schedules for summer 2009 reduced compared to summer 2008, the expectation is that on-time performance will hold steady or improve further.

Although the current delay statistics and customer service trends look favorable, history shows that traffic will rebound given the intrinsic value of air transport to the Nation's livelihood. Therefore, it is highly unlikely that the current positive trend can be sustained. FAA now has an opportunity to strategically position itself for a rebound in air travel, particularly at already congested airports. Absent changes, rising air travel will increase the number of delays and cancellations as well as air traveler dissatisfaction. It is therefore important that FAA continually improve efforts

¹ OIG Report Number CC-2009-039, "Aviation Industry Performance: A Review of the Aviation Industry in 2008," May 6, 2009. OIG reports and testimonies are available on our website: www.oig.dot.gov.

to reduce delays and that DOT complete initiatives to enhance protection for air travelers.

Initiatives that can enhance the flow of air traffic are particularly critical at chokepoints such as the New York airports. Following record-breaking flight delays in the summer of 2007, DOT chartered an Aviation Rulemaking Committee (ARC) to explore ways to reduce flight delays and congestion in the New York area. In its December 2007 report, the ARC recommended 77 initiatives, and we are reviewing FAA's progress in implementing them. While FAA reports that more than one-third of the initiatives are complete, most of these are not used or are used infrequently. Moreover, it is not clear that the completed initiatives have actually reduced delays since FAA lacks a means to measure their impact. Our work is ongoing, but we believe FAA should reevaluate the 77 initiatives and determine what reasonably can be accomplished in terms of delay reduction at the three New York airports.

Enhancing capacity and reducing delays systemwide ultimately depends on the development and implementation of the Next Generation Air Traffic Management System (NextGen). However, this is a long-term, complex effort that will require billion-dollar investments from both FAA and airspace users. Therefore, it is essential that FAA continue to pursue a number of short-term projects that can enhance the flow of air traffic. These include new airport infrastructure, airspace redesign, and performance-based navigation initiatives. Congress should have a better understanding of what can be expected from NextGen in the mid-term (i.e., 2015 to 2018) once a joint Government/industry task force completes its work this summer.

Since we testified in April 2008,² DOT has made progress on several fronts to improve customer service for air travelers but has yet to complete a critical rule that would provide enhanced protections to air travelers. These protections include airline contingency plans for lengthy delays, designees to respond to consumer complaints, and published delay and complaint data. Once the rule is finalized, a major challenge for DOT will be to effectively oversee and enforce the air carriers' compliance with these new requirements.

DOT also formed a National Task Force to develop a model contingency plan for dealing with long, on-board delays. The task force issued its report to the Secretary of Transportation last November. We commend all the representatives of airlines, airports, consumer groups, and the Department who served on this task force for the good faith effort that led to the development of the report. While the task force's report offered general, voluntary guidance to airlines, airports, Government agencies, and other aviation service providers, additional guidance is needed and should include

² OIG Testimony Number CC-2008-058, "Status Report on Actions Underway To Address Flight Delays and Improve Airline Customer Service," April 9, 2008.

two key factors of customer service regarding delays: defining the time period that warrants efforts to meet passengers' essential needs and setting a time limit on how long to wait before deplaning passengers.

FACTORS THAT CONTRIBUTED TO DECLINES IN DELAYS AND THE NEAR-TERM OUTLOOK

The industry saw a profound shift as U.S. airlines suffered \$5.8 billion in operating losses last year and multiple airlines went bankrupt. Airlines responded to their changing environment by cutting flights, raising airfares, and charging new fees for services such as checked baggage. Although these measures helped some airlines to slow operating losses, the cutbacks reduced options for passengers. This, combined with the deepening recession, led to a decline in domestic passenger traffic. By the last quarter in 2008, traffic had declined by approximately 10 percent as compared to the same period in 2007.

The number of arriving flights at the 55 airports tracked by FAA declined by 10 percent for the 7-month period between September 2008 and March 2009 compared to the prior year. This represented an average decline of 2,300 daily flights. Over the same period, arrival delays and cancellations were down 29 percent and 23 percent, respectively, at these airports.

The rate of delayed flights also improved during this period, declining to 21 percent compared to 27 percent in 2007. However, the average length of a delayed flight remained relatively unchanged, declining by less than a minute to 54 minutes.

While the decrease in delays was largely driven by reduced flight operations, other factors also played a role. For example, improved on-time performance was aided by the opening of new runways at Washington-Dulles, Chicago O'Hare, and Seattle-Tacoma. Airlines also claim that new fees for checked bags have reduced the number of bags handled by the airlines and aided in the more timely operation of flights.

Another key factor was airlines' flight scheduling practices. The flight scheduling changes implemented by airlines took two broad forms:

- Airlines increased the scheduled flight times for two-thirds of the 2,500 domestic markets that we examined. Although this practice led to a perceived decline in flight delays, it resulted in an increase in average flight time.
- Airlines selectively increased the time between the arrival of an aircraft at an airport and its next departure. This increase in the "turnaround" time allows the airline to absorb inbound delays and minimizes the ripple effect of the delay into subsequent flights.

However, as in the past, reductions in scheduled flights, and consequently delays, did not translate uniformly across all airports within the National Airspace System. As shown in the table below, traditionally congested airports such as JFK, Newark, LaGuardia, Atlanta, and Chicago O’Hare saw below average reductions in scheduled flights and above average rates of flight delays.

Table. Change in Scheduled Flights and Rate of Flight Delays at Congested Airports (September 2008 - March 2009 vs. September 2007 - March 2008)

Airport	Rate of Delayed Flights	Change in Scheduled Flights
Average for remaining 48 airports tracked by the FAA	19.7%	-13.3%
Newark	36.1%	-3.2%
Kennedy	29.1%	-3.7%
LaGuardia	27.9%	-6.7%
San Francisco	27.1%	-3.9%
Miami	26.6%	-11.3%
Atlanta	24.9%	-3.9%
Chicago O'Hare	22.6%	-7.3%

Delays at the New York Airports Have System-Wide Effects

Continued delays at the three New York area airports—JFK, LaGuardia, and Newark—are a significant concern because, as FAA and others have stated, delays at those airports have a ripple effect nationwide due to their high volume, complex traffic patterns, and airspace management problems. In summer 2008, FAA deployed a variety of measures to manage the rate of flight operations and delays at these airports:

- **Operational Caps:** FAA hoped to reduce the average length of delays and extended tarmac delays by imposing caps on flights at Newark and JFK. However, the maximum number of hourly flight operations permitted at Newark and JFK under the caps program was actually greater than the hourly flight operations from those airports during summer 2007. As a result, FAA acknowledged that the number of delayed flights at Newark and JFK would likely increase during summer 2008 over the prior summer. However, they would be lower than the scenario in which airlines were allowed to schedule flights without any limiting factors.
- **Hourly Slot Limitations at LaGuardia:** Similar to the operational caps at Newark and JFK, these slots limited the number of flight operations into and out of LaGuardia airport at 75 hourly flight operations.
- **Ground Delay Programs (GDP) at All Three Airports:** FAA employed GDPs, (i.e., the practice of holding inbound flights at their point of origin because of

capacity constraints at the destination airport) at each of the three New York airports extensively on good weather days³ as a means to manage excess demand. The number of days subjected to GDPs jumped 25 percent in summer 2008 compared to the previous summer, and the number of flights affected increased by 33 percent at the three New York airports combined (60 percent at JFK). From the perspective of on-board passengers, GDPs at the 3 New York airports resulted in an estimated 3.6 million passenger hours of delay during summer 2008, a 19-percent increase over summer 2007.

Although these capacity management measures reduced the average length of a flight delay, they resulted in the minutes of delays being distributed over a greater number of delayed flights. FAA plans to continue using these measures to manage delays in the three New York airports for summer 2009. While FAA plans to maintain the caps on flight operations from Newark and JFK at the same levels as last summer, it has amended the rule governing flight operations at LaGuardia to reduce the number of authorized slots from 75 to 71—acknowledging that the previous level saturated the capacity of the airport even in good weather and led to serious delays when weather conditions deteriorated.

Our analysis shows that airline schedules for LaGuardia for summer 2009 exceed FAA's desired operational levels by 41 daily operations. Presently, FAA is relying on airlines to voluntarily relinquish their slots, which FAA will then retire permanently to reach its desired operations at LaGuardia.

At the request of the Chairman, we are assessing the dynamics of the delay situation at these three airports as well as the airports' role in either absorbing or propagating delays to the rest of the National Airspace System. We are also working with FAA to develop an analytical tool that may allow greater visibility into these delay factors.

Our preliminary assessment of flight activity data suggests that at their peak (during the summer months) more than 1,400 aircraft fly through 1 of the 3 airports on a typical day, and almost a third of these fly through 1 of those airports multiple times daily, up to 4 times a day. Those aircraft are part of a network of 5,400 daily flight operations consisting of 3,500 flights that either take off or land at 1 of the 3 airports and 1,900 non-New York flight segments. Altogether, the New York-centered network connects 122 domestic and 89 international destinations in 52 foreign countries. We will continue to study the relationship between the three New York airports and the National Airspace System in order to develop a full understanding of the system-wide impact of these airports on delays.

³ Ground delay programs (GDP) are used primarily to manage capacity issues at the destination airport during inclement weather conditions.

Near-Term Outlook for Delays

Barring extended severe weather, we expect the improved on-time performance experienced over the last 8 months to continue through the summer and fall. Advanced schedules published by the airlines reveal that the reductions in scheduled flights implemented last fall will continue into 2009, 4 to 5 percent lower than last summer.

However, we are concerned that with improved on-time performance, less congestion, and the pressure for cost reductions, airlines will be tempted to tighten scheduling to reduce scheduled flight times and flight turnaround times, which could have an adverse impact on delays.

We also note that while air travelers may experience fewer delays this summer, they will likely have fewer choices of flights as airlines continue to reduce services. Air travelers can also expect airlines to continue to charge fees for previously included services, such as checked baggage and seat selection.

Over the long term, economic forecasts predict a positive turn in the economy and upward growth in airline traffic. As we have seen most recently, even small reductions in flight activity produce large reductions in delays. Conversely, we can expect that small increases in flight operations will gradually produce larger increases in delays.

PROGRESS AND REMAINING CHALLENGES IN ADDRESSING CONGESTION IN THE NEW YORK AREA AND THROUGHOUT THE NATIONAL AIRSPACE SYSTEM

The long-term solution to addressing delays and congestion system-wide focuses on the development and implementation of NextGen. However, much work is needed to set realistic expectations and funding profiles for this effort. In response to our recommendations and industry's concerns, FAA is now focusing on the mid-term goals for NextGen, targeted for the 2015 to 2018 timeframe, but must do more to clearly define these priorities.

As it works towards NextGen implementation, FAA must pursue near-term efforts that can enhance the flow of air traffic, particularly at critical chokepoints such as the New York airports. In addition, there are a number of short-term initiatives that can help boost capacity and reduce delays throughout the system before NextGen technologies are fully in place.

FAA Needs To Reevaluate Initiatives To Reduce Gridlock at the New York Airports

Following record-breaking flight delays in the summer of 2007, the Secretary of Transportation established an ARC to identify ways to help reduce flight delays and

congestion at the New York area airports. The ARC was comprised of officials from DOT, FAA, the Port Authority of New York and New Jersey (the Port Authority), airlines, and other aviation stakeholders. In its December 2007 report, the ARC highlighted 77 initiatives. The report also noted that one person was needed to facilitate implementation of delay reduction initiatives in the Northeast. At the request of the Chairman, we recently initiated an audit of FAA's progress in implementing the 77 ARC initiatives. The following discusses our findings to date.

Completed Initiatives Are Not Being Used or Are Used Infrequently

While FAA has reported completing 30 of the 77 initiatives, 24 are not being used or are used infrequently. These initiatives address air traffic control procedures designed to reduce congestion or improve aircraft arrival and departure efficiencies. It should be noted that many of the completed initiatives were underway prior to creation of the ARC. While various factors have hampered the use of these completed initiatives, the main three causes include limited tactical need, operational or technical issues, and controller concerns. For example:

- **Limited Tactical Need:** Eight completed initiatives have been used infrequently due to the limited number of situations in which they were needed (e.g., severe weather) or because of decreased air traffic demand. For example, a proposed route into Canada during severe weather requires further testing and may have limited application due to increased airline fuel, equipage requirements, and operating costs. Moreover, initiatives aimed at simplifying existing airspace sectors will be of little use until air traffic demand returns to previous high levels.
- **Operational or Technical Issues:** Eleven completed initiatives are not being used or are undergoing further evaluation due to various operational and technical issues. For example, an initiative to reroute flights from the Caribbean to Newark was discontinued because of added airline fuel and operating costs. Similarly, an initiative to spread delays to other Northeast airports was never implemented because of airline concerns over how these delays would be distributed.
- **Controller Concerns:** Five completed initiatives are opposed by controllers because of workload, safety, and operational concerns. For example, controllers oppose an initiative to reduce excessive spacing in the New York area because of increased risk of incurring operational errors (e.g., loss of required separation between aircraft). Controllers have also argued against simultaneous instrument approaches at JFK due to additional staffing requirements and a lack of demonstrated benefits.

Regardless of how many of the ARC initiatives are completed, FAA lacks a means to determine whether they can reduce delays because it did not establish performance measurements prior to implementing the initiatives. As a result, FAA cannot

determine whether current reductions in New York flight delays are due to completed ARC initiatives or to the recent drop in demand for air travel.

The Remaining Initiatives Face Various Challenges Before They Can Be Fully Implemented

The remaining 47 initiatives face challenges such as ongoing litigation, special equipment requirements, and questionable practicality. Moreover, many of these initiatives are part of larger, nationwide FAA programs (e.g., airspace redesign and NextGen) and will not be completed until 2012 or later. For example:

- **Litigation:** Initiatives related to a redesign in the New York/New Jersey/Philadelphia airspace face 12 lawsuits challenging the environmental review process. Depending on the outcome from these lawsuits, implementing airspace redesign could be stopped or significantly delayed while FAA completes additional environmental work.
- **Equipment:** FAA is pursuing two initiatives that rely on aircraft avionics for improved navigation—Area Navigation (RNAV) and Required Navigation Performance (RNP). RNAV allows aircraft to fly any desired flight path without the limitation imposed by ground-based systems. RNP adds an on-board performance monitoring and alerting capability for pilots, which allows aircraft to fly more precise paths into and out of airports. However, RNAV and RNP procedures require the installation of specialized equipment on commercial aircraft.⁴ Such equipment, which can cost upwards of \$500,000 per aircraft, has not been installed on over one-third of commercial aircraft nationwide.
- **Practicality:** One initiative would require purchasing the property rights from a hotel and another business near Newark airport and installing an approach lighting system—even though FAA terminated a similar project nearly 10 years ago. Another initiative could require tunneling under a runway safety area and rerouting an access road at LaGuardia airport in an effort to improve the flow of departing aircraft. Moreover, FAA officials questioned whether the benefits from these projects would warrant the multimillion-dollar investment.
- **Nationwide FAA Programs:** Most of the remaining initiatives are part of nationwide FAA programs that will not be completed for many years. These include initiatives to redesign the New York airspace (2007 to 2012), establish RNP procedures (2009 to 2012), construct taxiways at JFK (2009 to 2014), and implement mid-term NextGen goals (2012 to 2018). Until these programs are completed, the anticipated benefits from the associated ARC initiatives will not be fully achieved.

⁴ Later this year, the OIG plans to issue a report on FAA's oversight of RNP procedures that are being developed by third parties.

Overall, FAA needs to rethink its efforts to unlock the New York airspace. This will involve resolving operational and technical issues as well as controller concerns that prevent the full use of completed ARC initiatives. FAA also needs to complete ongoing efforts to establish a process for evaluating and implementing the remaining ARC initiatives—including the development of performance measures.

A Number of Short-Term Initiatives for Enhancing Capacity Are Promising if Kept On Track

At the request of the Chairman, we reported last September on several initiatives that have the most potential to enhance capacity and reduce delays within the next 5 years.⁵ These include new airport infrastructure, airspace redesign, and navigation initiatives.

New Airport Infrastructure

According to FAA, building new runways provides the largest increases in capacity. Currently, there are four key runway projects underway at Boston, Charlotte, Chicago (O'Hare), and New York (John F. Kennedy) airports. These projects are expected to be complete by 2014. The capacity benefits from these projects, however, cannot be realized without new air traffic control procedures and improved airspace redesign.

Challenges that can impede the progress of new runway projects include the years of planning required, extensive environmental reviews, coordination among numerous stakeholders, and legal issues. Another challenge is making corresponding improvements to an airport's infrastructure (e.g., terminal gates and passenger waiting areas). Unfortunately, building a new runway is not an option for some airports, like New York's LaGuardia airport.

Airspace Redesign

Changes in airspace are critical to realize the full benefits of new runways and can enhance capacity without new infrastructure. Currently, FAA is pursuing six airspace redesign projects nationwide, including a major but controversial effort to revamp airspace in the New York/New Jersey/Philadelphia area. Once implemented, FAA believes this effort could reduce delays by as much as 200,000 hours. For fiscal year (FY) 2009, FAA plans to spend \$11.2 million on airspace redesign projects.

FAA has done a better job of coordinating airspace redesign efforts since we reported on the program in 2005.⁶ We remain concerned, however, that FAA's airspace redesign efforts still do not function as a national program since FAA facilities are now using their own resources to redesign airspace without coordinating with

⁵ OIG Report Number AV-2008-087, "Observations on Short-Term Capacity Initiatives," September 26, 2008.

⁶ OIG Report Number AV-2005-059, "Airspace Redesign Efforts Are Critical To Enhance Capacity but Need Major Improvements," May 13, 2005.

Headquarters. This creates the potential for disconnects between airspace projects. FAA is developing procedures to address this problem, but they have not yet been finalized.

Performance-Based Navigation Initiatives

FAA plans to publish at least 50 RNAV and 50 RNP routes per year between FY 2009 and FY 2012 with priority given to the New York, Chicago, and Dallas areas. These new procedures can reduce fuel burn, increase capacity, boost controller productivity, and reduce the impact of aircraft noise.

Challenges facing this initiative include close coordination with airspace redesign as future RNAV/RNP routes shift away from localized operations toward “networking” city pairs (e.g., Washington, DC, and Chicago, Illinois). It is also important to note that current RNAV/RNP routes are only available to well-equipped aircraft and trained crews, and air carriers must have certain qualifications to fly them. To get the full benefits of RNAV/RNP, modifications to FAA’s automation systems in the terminal environment for merging and spacing aircraft will likely be needed.

PROGRESS HAS BEEN MADE ON MANY OF DOT’S INITIATIVES TO ADDRESS CUSTOMER SATISFACTION, BUT FURTHER ACTIONS ARE NEEDED

Airlines’ service reductions in 2008 contributed to a slowdown in passenger traffic, and airlines saw a corresponding drop in consumer complaints. As a result, DOT reported improvements in its performance measurements that gauge customer satisfaction. DOT has also moved out on several initiatives to improve the accountability, enforcement, and protection afforded air travelers since we last testified before the Subcommittee in April 2008. These include, among other things, doubling the amount of compensation for passengers involuntarily bumped from their flights and gathering data for disrupted flights to better understand the magnitude of on-ground delays.

DOT also established its National Task Force responsible for developing a model contingency plan to deal with long, on-board delays. The task force completed this effort and, in November 2008, issued its report to the Secretary of Transportation. In our opinion, however, more action is needed since the report only offered broad, voluntary guidance on policies and practices.

Performance Measurements, as Reported by DOT, Indicate Improvements in the Air Traveler Experience During 2008

In 2008, the air traveler experience improved over 2007. Based on DOT data:

- Consumer complaints were down about 19 percent overall, with the number one complaint—flight delays, cancellations, and misconnections—down 27 percent, the lowest percentage recorded since 2003.
- 25 percent fewer reports were filed for mishandled checked baggage.
- Long, on-board delays overall dropped just over 14 percent, with a significant drop of nearly 27 percent for delays falling within the range of 3 hours or more.
- Chronically delayed flights⁷ decreased by approximately 28 percent.
- The number of passengers involuntarily bumped from their flights fell by about 2 percent.

While these appear to be positive trends, these improvements were primarily driven by airlines' capacity cuts and service reductions and the corresponding decline in passenger traffic. We saw the same pattern of improvement following the terrorist attacks of September 11, 2001. Therefore, the airlines must follow through with their commitment to continuously improve airline customer service since any rebound in air travel brings a corresponding downturn in the performance measurements used to gauge the air traveler experience.

DOT Amended the Boarding Compensation Rule

In 2001, we recommended the airlines petition DOT to increase the monetary compensation payable to involuntarily bumped passengers.⁸ At that time, compensation to involuntarily bumped passengers had not been raised since 1978. On April 3, 2001, the Air Transport Association (ATA) petitioned DOT for a rulemaking to increase the involuntarily denied boarding compensation. ATA also proposed to broaden the applicability of denied boarding compensation. Aircraft with 60 seats or fewer were exempt from denied boarding compensation requirement. ATA proposed broadening this requirement to include aircraft with more than 30 seats.

In April 2008, DOT amended the rule, which was effective May 19, 2008. The amendment broadened the applicability of denied boarding compensation as the ATA petitioned and doubled the amounts for that compensation. Specifically, if a passenger is involuntarily bumped and delayed between 1 and 2 hours, the passenger

⁷ We define chronically delayed flights as those flights canceled or delayed 30 minutes or more at least 40 percent of the time during a single month.

⁸ OIG Report Number AV-2001-020, "Final Report on the Airline Customer Service Commitment," February 12, 2001.

can receive 100 percent of the cost of the remaining ticket to the destination but not more than \$400 (previous limit was \$200). If the delay is more than 2 hours (4 hours for international flights), or the air carrier cannot arrange alternate transportation, the passenger can receive 200 percent of the cost of the remaining ticket but not more than \$800 (previous limit was \$400).

Also, instead of cash, the air carrier can offer the passenger free or reduced air transportation of equal or greater value than the amount of the cash compensation. The carrier must also inform the passenger of the amount of cash that would otherwise be paid, and the passenger can choose either form of compensation. In our view, DOT's amendment is a notable step toward improving airline customer service.

BTS Issued Final Rulemaking To Gather Data on Disrupted Flights To Better Assess Ground Delays

The Bureau of Transportation Statistics (BTS) issued a final rule to collect additional data elements when flights are canceled, diverted, or returned to the gate. These elements fill in data gaps and provide a more accurate portrayal of on-ground delays. Effective October 1, 2008, air carriers started reporting this new information to BTS.

Prior to this rule, delay statistics that airlines report to BTS did not accurately portray the magnitude of long, on-board delays because (1) if a flight taxies out, sits for hours, and then taxies back in and is canceled, the delay is not recorded in delay statistics and (2) if a flight is diverted and sits on the tarmac for an extended period of time, the flight is not recorded in delay statistics.

In the first month of reporting under the new requirement, BTS identified errors or inaccuracies in the new information reported by several air carriers (these have since been corrected). Specifically, for the period October 2008 through March 2009, BTS data show that of the 3,202,606 total flights, 460 experienced long, on-board delays of 3 or more hours—115 of these had delays of 4 or more hours.

Although long, on-board delays make up less than 1 percent of total flights, this still does not dismiss the fact that more than 32,500 passengers were inconvenienced. Therefore, the airlines need to continue efforts to mitigate long, on-board delays and their impact on air travelers.

DOT's National Task Force's Model Contingency Plan To Minimize the Impact of Long, On-Board Delays Lacks Specificity in Key Customer Service Areas

As we recommended in our September 2007 report,⁹ DOT established a National Task Force of representatives from Government agencies, airlines, airports, and

⁹ OIG Report Number AV-2007-077, "Actions Needed To Minimize Long, On-Board Flight Delays," September 25, 2007.

consumer groups to develop model contingency plans for minimizing the impact of long, on-board delays. Our April 2008 testimony included a recommendation that DOT's Office of General Counsel—in collaboration with FAA, airlines, and airports—review incidents involving long, on-board ground delays and their causes; identify trends and patterns of such events; and implement workable solutions for mitigating extraordinary flight disruptions. In response, DOT assigned this responsibility to the National Task Force.

The National Task Force initiatives were as follows:

- Develop model contingency plans for minimizing the impact of lengthy tarmac delays.
- Be responsible for reviewing incidents involving long, on-board delays and their causes; identify trends and patterns of such events; and recommend workable solutions for mitigating the passenger impact of extraordinary flight disruptions.
- Review existing airline and airport contingency plans identifying best practices for extended tarmac delays.
- Report the results of its efforts and a description of the model contingency plan developed to the Secretary.

Several meetings were convened over 9 months with the first meeting held in February 2008. On November 12, 2008, the task force submitted to the Secretary its “Development of Contingency Plans for Lengthy Airline On-Board Ground Delays.” Office of Inspector General staff attended each of the task force's meetings and witnessed the good faith effort that led to development of this plan, and we commend the task force members for these efforts. The plan details items such as:

- the causes of long, on-board flight delays;
- the roles and responsibilities of airlines, airports, Government agencies, and other aviation service providers during such events; and
- the processes associated with planning, coordinating, and communicating before and during such events.

However, the plan only provides broad guidance on effective policies and practices. Also, industry's participation in the plan is strictly voluntary and cannot be enforced unless a regulation is issued to require industry compliance.

Upon issuance of the plan, the task force charter was terminated. While DOT continues to investigate incidents involving long, on-board delays, it still needs to place more focus on identifying trends and patterns of these events and recommending solutions to mitigate extraordinary flight disruptions.

Further, in our opinion, the task force guidance lacked two key areas that have been sticking points for the air carriers since at least 2000 when we first reviewed airline customer service: (1) no definition of what constitutes an extended period of time for meeting passengers' essential needs during long, on-board delays and (2) no set time limit on delay durations before deplaning passengers.

As we have testified in the past, 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. It is unlikely that passengers' definition of an extended period will vary depending upon which airline they are flying. Therefore, a consistent policy across the airlines would be helpful to passengers.

Although we have cautioned against a "one size fits all" policy for deplaning passengers, we believe the task force guidance could have recommended an acceptable time-limit range on delay durations before deplaning passengers, such as 3 to 5 hours. Based on our analysis of the ATA member airlines' policies, we found that most choose to wait between 1 and 5 hours before deplaning passengers caught in an on-board delay. In our opinion, on-board delays in excess of 5 hours should be preventable unless an event that triggers such an extended period of time is truly extraordinary and involves protecting the safety or security of passengers.

An opportunity still exists to address these two key factors of customer service. As discussed below, DOT has a proposed rule to enhance airline passenger protections. One provision of the rule requires airlines to adopt contingency plans for lengthy tarmac delays and incorporate them in their contracts of carriage. DOT needs to reconsider modifying the requirements under this provision to include (1) a definition of what constitutes an extended period of time for meeting passengers' essential needs during long, on-board delays and (2) a time-limit range on delay durations before deplaning passengers. Absent such requirements, air travelers will not have a clear understanding of what to expect.

DOT Needs To Finalize Rulemaking To Enhance Airline Passenger Protections and Effectively Oversee Airline Efforts To Meet the New Requirements

In our September 2007 report, 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. To address our recommendations, DOT issued a proposed rule in December 2008 seeking industry comments on whether it should adopt a rule to enhance airline passenger protections. The comment period on the rule closed March 9, 2009. DOT has reviewed the comments received but has not made a final decision on what will be included in the final rule.

In its rule, DOT proposes that airlines be required to:

- **Adopt contingency plans for lengthy tarmac delays and incorporate them in their contracts of carriage.** Each plan would require, among other things, the maximum tarmac delay that the airline will permit; the amount of time on the tarmac that triggers the plan's execution; a plan to meet passengers' essential needs, such as food, water, and lavatory facilities; and assurance that the plan has been coordinated with the airport operator. Under this provision, DOT has an opportunity to address the two key factors of customer service regarding on-board delays.
- **Respond to consumer problems.** Each airline would be required to, among other things, designate an employee who resides at the airline's system operations center and at each airport dispatch. This employee would be part of the team that is responsible for monitoring the impact of flight delays; cancellations; and long, on-board delays and would provide input on decisions concerning which flights are canceled and which flights are subject to long, on-board delays. Each airline would also be required to respond to each passenger complaint within 30 days.
- **Publish delay data on their Internet sites.** Each airline would be required to report its prior month's on-time performance to include the percentage of on-time arrivals, arrivals more than 30 minutes late, flights that were late more than 50 percent of the time, and cancellations. Currently, the airlines are required to disclose on-time performance only upon request from customers. To date, only 5 of 11 ATA airlines report on-time performance on their Internet sites.
- **Publish complaint data.** Each airline would be required to disclose on its Internet site the number of complaints received regarding tarmac delays, missed connections, and failures to meet the essential needs of passengers affected by delayed or canceled flights.
- **Audit their compliance with their customer service plans.** The ATA airlines agreed to establish quality assurance and performance measurement systems and conduct internal audits to measure compliance with the Airline Customer Service Commitment¹⁰ provisions and customer service plans. This provision dates back to a recommendation we made in our 2001 report. Only a few ATA airlines have these measures in place today.

The requirements in the pending rule are new, and DOT's Office of Aviation Enforcement and Proceedings will be challenged to develop and implement an effective oversight and enforcement strategy, given its limited resources.

¹⁰ The ATA carriers, working with Congress, developed the Airline Customer Service Commitment in June 1999 to demonstrate dedication to improving air travel.

CONCLUSION

Notwithstanding the uncertainty facing the aviation industry, FAA and DOT now have an opportunity to strategically position themselves for a rebound in air travel. Reducing delays at already congested airports and improving the air travel experience will depend on several efforts.

The long-term solution to reducing delays and congestion depends on NextGen implementation. However, much work is needed to set realistic expectations and funding profiles for this effort. This summer's results from the joint Government/industry task force on NextGen's mid-term goals will be important as FAA may need to significantly adjust its capital budgets and plans. Also, FAA will need to maintain efforts to ensure it can train the large numbers of developmental controllers currently in the system. In the near term, FAA and DOT must focus on enhancing the flow of air traffic at critical chokepoints in the system—a key priority is reevaluating the 77 ARC initiatives to determine what reasonably can be accomplished in terms of delay reduction at the three New York airports.

With regard to airline customer satisfaction, DOT has made commendable progress toward a number of initiatives but must expedite efforts to finalize the rule to enhance airline passenger protections. DOT must work now to position itself to oversee air carriers' compliance with the new requirements included in the final rule.

This concludes my statement, Mr. Chairman. I would be happy to answer any questions that you or other Members of the Subcommittee may have.

The following page contains textual versions of the table found in this document. This page was not in the original document but has been added here to accommodate assistive technology.

Progress and Remaining Challenges in Reducing Flight Delays and Improving Airline Customer Service

Section 508 Compliant Presentation

Table. Change in Scheduled Flights and Rate of Flight Delays at Congested Airports, September 2008 to March 2009 versus September 2007 to March 2008

At Newark, the rate of delayed flights was 36.1 percent. Scheduled flights were decreased by 3.2 percent.

At Kennedy, the rate of delayed flights was 29.1 percent. Scheduled flights were decreased by 3.7 percent.

At LaGuardia, the rate of delayed flights was 27.9 percent. Scheduled flights were decreased by 6.7 percent.

At San Francisco, the rate of delayed flights was 27.1 percent. Scheduled flights were decreased by 3.9 percent.

At Miami, the rate of delayed flights was 26.6 percent. Scheduled flights were decreased by 11.3 percent.

At Atlanta, the rate of delayed flights was 24.9 percent. Scheduled flights were decreased by 3.9 percent.

At Chicago O'Hare, the rate of delayed flights was 22.6 percent. Scheduled flights were decreased by 7.3 percent.

For the remaining 48 airports tracked by the Federal Aviation Administration, the average rate of delayed flights was 19.7 percent and the average decrease in scheduled flights was 13.3 percent.