

*Aviation Consumer Issues: Emergency Contingency  
Planning and Outlook for Summer Travel*



**Statement of John M. Meenan  
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Air Transport Association of America, Inc. (ATA)  
before the  
Subcommittee on Aviation  
of the  
House Committee on Transportation and Infrastructure  
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## OVERVIEW

The airline industry is committed to good customer service – and it proves that commitment millions of times each day. That commitment is what allows several million passengers to travel daily around the country and around the world – safely, efficiently and economically. It is why fares today are almost one half of what they were in 1978 (in inflation adjusted dollars) while travel options have expanded exponentially. Frankly too, good customer service is in our own best interest – it assures returning customers and we know that customer satisfaction is a clear sign that the business is operating smoothly and efficiently. Simply, those are the results that we want to see.

Good customer service in the airline industry means an overall quality passenger travel experience – most notably on-time performance. But the travel experience depends on a multitude of moving parts – many of which are not controlled by an airline – meshing together. Is the air traffic control (ATC) system functioning efficiently and moving *all* air traffic, or has the Federal Aviation Administration (FAA) instituted measures to slow traffic or completely close some routes? Are some airplanes on the ground unable to get clearance to enter the airspace? Is the airport operating efficiently? Has a ground delay program been instituted? Is the airport baggage system functioning properly? Has airfield construction reduced the airport's capacity? Has weather disrupted operations at a key hub airport? All of these *non*airline factors have an impact on airline on-time performance, delays, diversions, baggage handling and other service features that are measured to rate an airline's customer service performance.

Notwithstanding all of these uncontrolled (and often uncontrollable) variables, and many others as well, airline customer service is remarkably good and improving. We know this because the hard data give us the facts. The trend is clear, compelling and cannot be disputed. This should not be surprising to anyone. Delays are disruptive and costly for airlines and, aside from their push for ever improving service, it is in their own self-interest to avoid them if possible. The ATA member airlines have worked hard to address past deficiencies and they will continue to work hard to improve those factors within their control.

The single biggest factor that can improve the passenger experience and customer service, however, is not in the airlines' control. That factor is modernizing the ATC system through the FAA Next Generation Air Transportation System (NextGen) and, in particular, accelerating implementation of certain NextGen components. Accelerating aspects of NextGen to create a *NowGen* program will accelerate much needed capacity and efficiency improvements, thereby reducing congestion and delays and improving customer service.

## CUSTOMER SERVICE - IMPROVEMENTS ARE CONTINUING WITHOUT LEGISLATION

We have consistently said that customer service legislation is not needed for several reasons, including marketplace competition for customers, the airlines' own self-interest in earning repeat business, public attention to this issue and regulatory oversight and enforcement by the Department of Transportation (DOT).<sup>1</sup> Customer service has been improving over time. Airlines learned a great deal from the unusual and extreme events of December 2006 and February 2007 about how to better handle lengthy delay situations and improve the decision process to cancel flights. We remain firm in our conviction that legislation is not needed – and, in fact, it would likely cause a net decline in customer satisfaction.

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<sup>1</sup> See: Statement of James C. May, President and CEO of the Air Transport Association of America, Inc., before the Subcommittee on Aviation, House Committee on Transportation and Infrastructure, April 20, 2007.

The most recent DOT data show that customer service has improved consistently...

### DOT Airline Customer Service Metrics

	<u>2000</u>	<u>2007</u>	<u>2008</u>	<u>1Q09</u>
<b>Flight Cancellations</b> (as % of sched. domestic departures)	<b>3.30</b>	<b>2.16</b>	<b>1.96</b>	<b>1.91</b>
<b>Taxi-Out* Times &gt; Three Hours</b> (per 10,000 domestic departures)	<b>2.92</b>	<b>2.22</b>	<b>1.76</b>	<b>1.08 (1.38**)</b>
<b>On-Time Arrival Rate</b> (% of domestic flights within 00:15)	<b>72.6</b>	<b>73.4</b>	<b>76.0</b>	<b>79.2</b>
<b>Involuntary Denied Boardings</b> (per 10,000 domestic passengers)	<b>1.04</b>	<b>1.12</b>	<b>1.10</b>	<b>1.31</b>
<b>Mishandled Bags</b> (per 1,000 domestic passengers)	<b>5.29</b>	<b>7.05</b>	<b>5.26</b>	<b>4.29</b>
<b>Customer Complaints</b> (per 100,000 domestic passengers)	<b>2.98</b>	<b>1.38</b>	<b>1.13</b>	<b>1.03</b>

\* Time elapsed between departure from the origin airport gate and wheels off

\*\* Effective October 2008, BTS monthly reports on tarmac times included, for the first time, data from flights which were subsequently cancelled, diverted, and/or had multiple gate departures (see [http://www.bts.gov/help/about\\_tarmac.html](http://www.bts.gov/help/about_tarmac.html))

Sources: Bureau of Transportation Statistics and DOT Air Travel Consumer Report

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...and that extended delays are down.

<b>Taxi-Out Delays (per 10,000 departures)</b>			
	2 hrs and/or more	3 hrs and/or more	4 hrs and/or more
2007	12.29	2.22	0.38
2008	10.20	1.76	0.40
1Q09	7.02	1.08 (1.38*)	0.19

\* Effective October 2008, BTS monthly reports on tarmac times included, for the first time, data from flights which were subsequently cancelled, diverted, and/or had multiple gate departures (see [http://www.bts.gov/help/about\\_tarmac.html](http://www.bts.gov/help/about_tarmac.html))

In addition, the most recent DOT Consumer Report<sup>2</sup> shows that lengthy tarmac delays remain extremely rare:

- A total of 21 out of 557,442 scheduled flights in March 2009 (0.0038 percent) had tarmac delays of four hours or more; 88 had delays of three hours or more (0.0158 percent)
- Of the 21 flights delayed four hours or more, 18 occurred on March 1 due to a severe weather event, and the remaining three occurred on one other bad weather day, March 29.

<sup>2</sup> Issued May 2009.

ATA member airlines have been very active in addressing the issues associated with lengthy tarmac delays. For example, the congressional hearings in April 2007 revealed gaps in the delay data collected by Bureau of Transportation Statistics (BTS), particularly with respect to cancelled and diverted flights. ATA and its members supported changes to the reporting system to capture this data and worked with DOT and BTS to update the reporting system. Carriers began reporting this new data in October 2008.

ATA and its members also participated in the National Task Force to Develop Model Contingency Plans to Deal with Lengthy Airline On-Board Ground Delays (Task Force) established by former DOT Secretary Peters in early 2008. The Task Force addressed contingency planning for both airports and airlines, and produced an extensive document capturing numerous issues that contingency plans should address, and best practices to deal with them. It was a highly successful exercise that enabled airlines and airports to review and update their internal contingency plans on an ongoing basis as the Task Force worked on these issues.

In November 2007, DOT initiated a rulemaking process to expand its consumer protection regulations for airline passengers. ATA and its members have actively participated in this rulemaking and, in fact, have supported several DOT proposals. While we disagree with certain proposals having to do with incorporating contingency plans and related items into airline contracts of carriage, when finalized, the rule will enable consumers to obtain more relevant information and provide additional protections to passengers when, despite the best efforts of the airlines, things go wrong.

Beyond the regulatory front, innovation and competition continue to drive airlines to improve the passenger experience. Online and kiosk applications to obtain boarding passes are no longer novel – they are considered *de rigueur*. Airlines are now experimenting with electronic boarding passes so that cell phones and personal digital assistants (PDAs) can be used, thereby eliminating paper boarding passes entirely. And *a la carte* pricing by some airlines for services not every passenger needs or wants is helping to offset upward pressure on base fares. These innovations (as well as varying approaches tried by different airlines) have become a point of competition, which is exactly what Congress looked for – innovation and competition – when it passed the *Airline Deregulation Act*.

The cost of delays cannot be ignored. As a nation, the Joint Economics' Council indicates we are sustaining some \$41 billion in unnecessary delay costs annually. That includes \$12 billion in lost time to passengers, \$10 billion in indirect costs to the country and \$19 billion in increasing airlines operating expenses. In the twelve-month period ending September 2008, 138 million system delay minutes drove an estimated \$10 billion in direct operating costs for scheduled U.S. passenger airlines. Delayed aircraft also drive the need for extra gates and ground personnel. The Joint Economic Committee found that the total cost to the economy of domestic delays in 2007 was nearly \$41 billion, including \$19 billion for airlines and \$12 billion for passengers.<sup>3</sup> Delayed aircraft also drive the need for extra gates and ground personnel.

For all of these reasons, we do not think consumer protection legislation is needed. In particular, we oppose a hard and fast rule requiring airlines to give passengers the option to deplane after three hours. Mandatory deplaning will have numerous unintended consequences that, ultimately, will create even more inconvenience for passengers and lead to even more flight cancellations. Forcing airplanes to return to the gate or get out of line to deplane a passenger to a ground vehicle on an active taxiway will be highly disruptive to airport and airline operations and raises significant safety issues.

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<sup>3</sup> *Your Flight Has Been Delayed Again*, Joint Economic Committee (May 2008)

As we noted in prior testimony,<sup>4</sup> if a flight returns to a gate and is cancelled, then the passengers will very likely be delayed into the next day. Even if a flight is not cancelled, planes will lose their place in line to depart by being forced to go back to the terminal or pull out of line to deplane passengers by air stairs. This will cause even longer delays for everyone else. Consequences that will occur, particularly from returning to the gate to deplane a passenger, include:

- Cancellations because crews “time out”<sup>5</sup>
- Flights delayed because planes lose their place in the departure line
- Unplanned overnight stays for unaccompanied minors
- Mishandled baggage
- Missed meetings and vacations
- Cascading cancellations and delays caused by planes and crews out of position, especially when diversions are involved
- An overall increase in cancellations because airlines will pre-cancel flights to limit passenger inconvenience and operational complications caused by the bill’s requirements

The impact of flight cancellations extends beyond the passengers on the cancelled flight. Operationally, the consequences for airlines and the next day’s passengers include:

- Crews and aircraft are ‘out of position’ and the next day’s schedule is compromised
- Passengers at the destination city must wait for the aircraft to arrive the following day, delaying or cancelling *their* departures
- Flight crews ‘deadheading’ on the cancelled flight will not reach their destinations and will not be available to operate their scheduled flights
- Aircraft will be forced to traverse congested runways/taxiways when logistically possible to return to the terminal

Based on the governments’ own objective metrics, customer service is improving and airlines are doing a better job of responding to lengthy tarmac delays. Competition, regulatory oversight and enforcement, and heightened awareness and focus are working. On the other hand, proposed legislation will be disruptive and add unnecessary costs. We continue to believe that additional legislation is not necessary.

## MODERNIZATION IS NEEDED NOW: *FROM NEXTGEN TO NOWGEN*

All sectors of the broader aviation industry – airports, airlines, business aviation, manufacturers, passengers and shippers – agree that the FAA ATC system is badly in need of modernization and that the FAA Next Generation Air Transportation System (NextGen) is needed now. The current ATC system has reached the limits of its capabilities, is expensive to maintain and is labor intensive to operate. In several areas of the country, most notably in the Northeast, the system is unable to provide the capacity needed to meet the demand for ATC services at peak periods and at times of severe weather conditions. With FAA forecasting significant long-term growth, it is critical that modernization initiatives be implemented as soon as possible. The current recession may delay that growth, but it will be only a short respite that we

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<sup>4</sup> See Footnote 1.

<sup>5</sup> FAA regulations on duty limits and rest requirements for pilots and flight attendants, as well as carrier collective bargaining agreements that go beyond the regulations, limit the amount of time pilots and flight attendants may be on duty without a rest break. Limited provisions that allow the duty day to be extended because of reasons beyond the control of the airline assist in dealing with weather-related delays. However, the utility of these provisions will be curtailed significantly by forcing planes back to the gate to deplane passengers.

cannot afford to waste. Indeed, now is the right time to accelerate several key NextGen components to drive “NowGen,” which will deliver many of NextGen’s benefits much sooner.

### NextGen

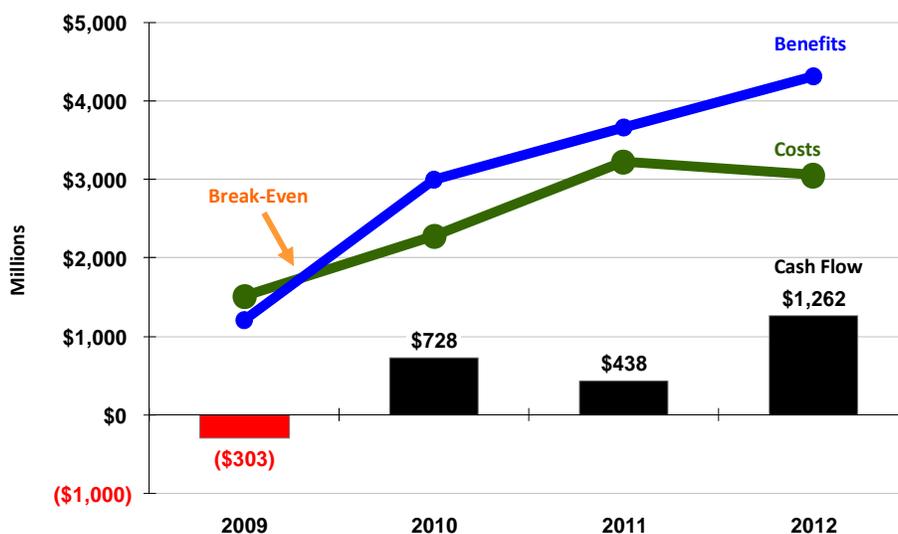
NextGen, which will employ a number of new technologies in a satellite-based air traffic management system, coupled with new operating policies and procedures that take advantage of these technologies, will provide tremendous improvements over the current system and will benefit all system users passengers and shippers, the public in general and the U.S. economy. Public benefits include improved operational efficiency, reduced fuel consumption and emissions and lower operating costs for airlines.

One of the key benefits will be **operational integrity and customer satisfaction**. Closely linked to capacity, efficiency and productivity is operational integrity. By expanding capacity and enabling more efficient operations, NextGen will enable better on-time performance (operational integrity) and improved customer satisfaction. Today’s outdated ATC system contributes to delays and disruptions that could be avoided and will be avoided when NextGen is implemented. With improved operational integrity comes fewer delays, fewer missed connections, fewer misplaced checked bags and more satisfied customers.

### NowGen

By accelerating several key NextGen components and investing in proven technologies, much of NextGen can be transformed into *NowGen* to deliver immediate benefits. *NowGen* accelerates the manufacture and installation of required avionics, the installation of associated ground infrastructure and the development and implementation of new procedures. Instead of achieving roughly 12 percent fleet readiness by 2012 under the existing FAA NextGen schedule, *NowGen* delivers 100 percent fleet readiness in 2012. As a result, *NowGen* delivers tremendous public benefits immediately and total benefits will exceed costs as early as 2010.

**NowGen Benefits Exceed Costs As Early As 2010**



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*NowGen* will work because it focuses on accelerating five key proven technologies and implementing related procedures. These are:

- **Automatic Dependent Surveillance-Broadcast (ADS-B).** ADS-B requires new equipment, ground infrastructure, airspace revisions and pilot procedures using a GPS source. The cost and complexity of equipment installation varies significantly depending on current aircraft configuration. ADS-B enables an aircraft to constantly broadcast its current position simultaneously to air traffic controllers and other aircraft. Utilizing GPS to display an aircraft's position more accurately and frequently enables more efficient use of existing airspace because aircraft separation standards can be safely reduced. Routing efficiencies reduce fuel burn and emissions.
- **Area Navigation (RNAV)/Required Navigation Performance (RNP).** RNAV/RNP requires new onboard equipment and approved procedures. Installation or upgrades to existing flight-management systems, installation of a GPS position source and integration with new and existing cockpit displays drive equipment costs. Extensive revisions to airspace and pilot procedures will be needed. RNAV enables aircraft to fly on any path within coverage of ground- or space-based navigation aids, permitting more direct operations. New flight-path procedures decrease the number of miles flown, reducing fuel burn and emissions. Like RNAV, RNP enables aircraft to fly on any path within GPS coverage, and also includes an onboard performance-monitoring capability; RNP enables closer en route spacing and permits more precise and consistent departures/arrivals.
- **Electronic Display Upgrades.** Some aircraft will require the addition of new specialized display screens to utilize ADS-B and RNAV/RNP; some will require a supplemental display, such as an Electronic Flight Bag. These screens will accurately display an airplane's position relative to itself and other aircraft. These displays can also be used to show new optimum flight paths.
- **Ground-Based Augmentation System (GBAS).** GBAS provides additional information to aircraft to allow GPS to be used for landings in low-visibility conditions, minimizing schedule disruptions due to weather and enabling more environmentally friendly procedures. It requires new equipment, ground infrastructure and procedures. Special avionics are necessary to receive the corrected GPS signal information and must be integrated with the aircraft's flight-management system. GBAS also requires several antennas, a broadcast transmitter and a processing unit at each airport. In some cases, a single installation can service multiple airports due to its 30-mile-radius effective range.
- **Localizer Performance with Vertical Guidance (LPV).** LPV procedures leverage satellite-based precision to improve safety and provide all-weather access at thousands of general aviation airports. Using GPS and leveraging the existing Wide Area Augmentation System (WAAS) enables more accurate flight-path guidance. Action is limited to the development, certification and publishing of procedures.

In addition to the many operational, environmental and customer-service benefits discussed above, *NowGen* also will throw off significant stimulative benefits. We estimate that *NowGen* will yield over \$12 billion in U.S. economic benefits through 2012, including \$7.4 billion in job creation – as many as 167,000 U.S. jobs distributed widely across the country. These are important societal benefits as the country works to recover from the current recession. Given these significant societal benefits, the airline industry should not be forced to shoulder all of the costs associated with *NowGen* – a healthy General Fund contribution is appropriate.

## THE 2009 SUMMER SEASON

Thus 2009 summer season is upon us. While we expect overall performance to be somewhat better than last year because there will be less demand and, therefore, less stress on the ATC system this year - a sobering reflection of the weakened economy – we remain concerned about key airports, particularly the New York-area airports. Even with reduced demand, current DOT data demonstrate low performance levels in New York.<sup>6</sup>

	ON-TIME PERCENTAGE	
	Arrival	Departure
NEW YORK NY (JFK)	76.4	80.7
NEW YORK NY (LGA)	63.3	77.1
NEWARK NJ (EWR)	57.4	69.8

For this reason, FAA must continue to pursue measures that offer immediate and near-term capacity and efficiency enhancements. This includes working with the Department of Defense to make military airspace available to commercial aircraft on a consistent basis, pushing forward with airspace redesign initiatives, particularly the New York/New Jersey/Philadelphia project, and working with the Port Authority of New York and New Jersey and the airlines to continue implementing the 77 capacity enhancing initiatives identified by the New York Aviation Rulemaking Committee.

In addition, notwithstanding the need for FAA to establish a new contract with the controller workforce over compensation and work rules, FAA must work with the controllers to improve arrival and departure throughput at the New York-area airports; FAA consistently sets the daily acceptance rate below the benchmark rates at these airports, and then consistently fails to meet even those reduced numbers. This situation must be corrected in a positive, collaborative manner that satisfies the stakeholders; otherwise, the airlines and their customers will continue to be penalized.

## RESPONDING TO COMMUNICABLE DISEASES – THE 2009 H1N1 VIRUS

Almost six years ago, in June 2003, ATA President and CEO Jim May came before this Subcommittee to talk about the role that the airline industry played in assisting public health officials to control the spread of severe acute respiratory syndrome (SARS). He said at that time something that is equally true today: While this is a new disease, we have been able to draw on well-established practices to provide medical attention to ill passengers and crew and to report communicable diseases to public health officials.<sup>7</sup> These practices – and the unflinching efforts of the Centers for Disease Control and Prevention (CDC) – have again served the American public well. And once again, the lessons learned from this most recent experience can help us and the federal agencies we work with to limit the impact of future outbreaks.

Of course, some things have changed in the past six years – for the better. While SARS took the public health community as well as the airline industry by surprise, we have been preparing for the past several years for the possibility of a pandemic caused by a novel influenza virus, and this subcommittee was one of the first bodies to discuss the importance of planning for a potential pandemic back in April 2005. As I

<sup>6</sup> *Air Travel Consumer Report*, U.S. Department of Transportation, May 2009 (reporting March 2009 data), Table 7.

<sup>7</sup> Statement of James C. May, President and CEO, Air Transport Association of America, Inc., before the Subcommittee on Aviation, Committee on Transportation and Infrastructure, United States House of Representatives (June 5, 2003).

testified at that time, we recognize that airlines must be part of any comprehensive strategy for controlling potential pandemics.<sup>8</sup>

The fact that some of the planning assumptions were wide of the mark (the disease was associated with a swine-origin rather than avian-origin virus, and the outbreak originated in a country which shares a border with the United States rather than overseas) did not make those preparations any less useful. We have also continued to upgrade the fleet, with the result that almost 100 percent of passenger aircraft with recirculating air operated by our members are equipped with hospital-grade HEPA filters.

Perhaps equally as important, SARS taught all of us the impact that a public health crisis can have on the airline industry, and indeed, on the global economy. In the wake of that experience, the World Health Organization (WHO) adopted revised International Health Regulations, which have as their dual purpose protecting public health and avoiding unnecessary interference with international traffic and trade.<sup>9</sup> Despite the existence of these international regulations, and WHO's clear statement that "[l]imiting travel and imposing travel restrictions would have very little effect on stopping the virus from spreading, but would be highly disruptive to the global community,"<sup>10</sup> more than two dozen countries have imposed special requirements on international air travelers and airlines. These requirements range from completion of a health questionnaire to temperature screening to outright prohibition on flights or passengers from Mexico. And at least two countries – Japan and China – have quarantined airline passengers and crew because someone on the flight showed symptoms of flu. We need a better way to coordinate these public health measures the way that safety standards have been harmonized through ICAO so that international travelers and airlines are not subjected to inconsistent and unanticipated requirements.

Airlines are not in the public health business, but protecting the health and safety of our customers and employees is something we do every day. With the very first reports of the H1N1 outbreak in Mexico and the U.S., we were communicating with CDC to make sure we had the very latest information and guidance, and with Airports Council International (ACI) and our international partners to ensure a coordinated response. Our members followed existing protocols for infection control, supplemented by some modest but meaningful measures like stocking employee break rooms with hand sanitizer and increasing the number of facemasks stocked onboard for use with ill passengers. Equally important was getting accurate information about the risks of exposure and recommended health measures to employees, particularly crew members working flights to Mexico, from credible sources like the CDC and WHO. And of course, common sense plays an important part, particularly when experts tell us that washing one's hands is the single most effective thing you can do to protect your health and the health of others.

While airport passenger health screening was not part of the U.S. response to H1N1, we recognize the need to continue to work with the CDC, DOT and DHS on plans to implement this type of measure should the virus reemerge in the fall, as some predict it will. Our recent experience with screening in other countries will give us insight into what works and what doesn't, and the extent to which these measures are viewed as restrictions on international travel and trade.

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<sup>8</sup> Statement of John M. Meenan, Executive Vice President and Chief Operating Officer, Air Transport Association of America, Inc., before the Subcommittee on Aviation, Committee on Transportation and Infrastructure, United States House of Representatives (April 6, 2005).

<sup>9</sup> World Health Organization, International Health Regulations (2005), Art. 2. The United States is a party to the IHRs, which took effect in 2007.

<sup>10</sup> World Health Organization, "No rationale for travel restrictions" (May 1, 2009), available at [http://www.who.int/csr/disease/swineflu/guidance/public\\_health/travel\\_advice/en/](http://www.who.int/csr/disease/swineflu/guidance/public_health/travel_advice/en/).

The groundwork laid over the past year and a half in developing a Risk-Based Border Screening (RBBS) plan is valuable, though we still have some concerns about its feasibility, and there is work yet to be done before it can be implemented. Even though the active screening contemplated in the RBBS plan was not implemented, the ongoing training of CBP officers to recognize and report signs and symptoms of communicable disease was valuable as a form of “passive surveillance.” The plans for exit screening are not as far along, and will need to be carefully constructed to avoid placing unnecessary restrictions on international travel and trade. It will be important to get a better understanding of the role of TSA in the public health response over the next few months so that the airlines can coordinate more effectively with the agency in these situations. It is also crucial that CDC has the resources it needs – particularly staffing at the airport-based Quarantine Stations – to work effectively with their airport and airline partners to respond to reports of suspected illness in a traveler. We urge all of the agencies involved in this response to engage with aviation stakeholders to ensure that the plans in place can be implemented expeditiously and cost-effectively without unnecessary disruption to air travel or negative impact to the economy. We stand ready to work with our government and aviation-sector partners to make this country even better prepared for next time.

## CONCLUSION

The airline industry has done a good job of addressing customer service issues related to long tarmac delays and, on an objective basis, is providing better customer service today compared to last year and the year before. We recognize, however, that occasional mistakes will occur and that more can be done, so our members are committed to continuing the record of improvement earned over the past two years. It is equally important for Congress to enable the FAA to move forward promptly with NextGen and to accelerate it through *NowGen*. The capacity, efficiency and operational integrity benefits of *NowGen* will result in improved operational performance and associated customer service. They also are critical to meeting the needs of the flying and shipping public and improving the financial condition of the U.S. airline industry.