

**DEPARTMENT OF TRANSPORTATION
BUREAU OF TRANSPORTATION STATISTICS
OFFICE OF AIRLINE INFORMATION**

ACCOUNTING AND REPORTING DIRECTIVE

No. 258

Issue Date: 1/24/02 Effective Date: IMMEDIATELY

Part: 241

Section: 03 and 12

**CLASSIFICATION OF SINGLE CLASS OF SERVICE FARES
FOR FORM 41 AND THE PASSENGER ORIGIN AND DESTINATION SURVEY**

This directive rescinds Accounting and Reporting Directive No. 257 "Fare Basis Codes as Reported in the Passenger Origin-Destination Survey," and reissues the reporting guidance on the that is contained in Accounting and Reporting Directive No. 82, "Classification of Single Class Fares," which became effective January 1, 1986, and remains in effect.

At the time Directive No. 82 was issued, single class of service fares were classified as "S" fares. Although the fare basis code "S" is no longer used to signify fares for single cabin service, the guidance and intent of Directive No. 82 is still applicable to the reporting of fare basis codes for ticket coupons used on flights operated with a single class of service such as first class or coach.

Until the issuance of Directive No. 82, single class service had been considered first class, as required by Departmental regulations.^{1/} The theory behind this approach was that the highest quality service that a carrier offered was first class. If a carrier offered only single class service it was the highest quality offered and therefore considered first class.

Before issuing Directive No. 82, we had performed an evaluation of some of the air transportation services being provided by air carriers as a single class of service. Our evaluation disclosed the existence of a wide variation in the services being provided. For instance, a carrier may be offering a super luxury service with reservations and advance seat selections, free gourmet meals, free drinks, etc. On the other hand, another carrier may be using a no frills or low frills approach, with no reservations (first come-first serve boarding) where the passengers get a sandwich and/or a soda. In today's deregulated environment, air carriers continue to exercise marketing freedom in offering the traveling public a wide variety of service level choices.

1/ Refer to the definition of "Service, first class in Section 03 "Glossary" and "Passenger-First Class" in section 12-01 of 14 CFR Part 241."

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Based on the above facts, we believe, as stated in Directive No. 82, that to require air carriers to account for diverse levels of service as only first class does not provide for meaningful comparisons in the Form 41 report. Therefore, this Directive continues to grant carriers flexibility in determining whether their offerings of a single level of service are to be recorded and reported as either first class or coach. This flexibility also applies the Passenger Origin and Destination Survey where the reporting of fare basis codes are to be consolidated under the first class or coach categories.

In the application of this Directive, carriers are directed to maintain consistency in their reports. That is, the revenue and traffic statistics must be reported in the same manner, either first class or coach, to preserve data uniformity. When circumstances change, such as when a premium service is converted to a lesser quality service, we expect that carriers will reclassify the related revenues and traffic statistics, consistent with their shift in marketing plans.

If you have any questions regarding this Directive, please contact Clay Moritz by telephone at (202) 366-4385 or by e-mail at clay.moritz@bts.gov.

This action is taken under authority delegated in Sections 14 CFR 385.19(b) and (c) of Part 385 of DOT's regulations.

(original signed by)

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