

MISSION STATEMENT

The Department of Transportation (DOT) relies on the Form 251 Denied Boarding data to fulfill its strategic plan. The DOT monitors and studies the booking practices of airlines. 14 Code of Federal Regulations Part 250 establishes minimum standards for the treatment of airline passengers holding confirmed reservations who are involuntarily denied boarding (“bumped”) from their flights because they have been oversold. Part 250 has tended to reduce passenger inconvenience and financial loss occasioned by overbooking without imposing heavy burdens on the airlines or significant costs on the traveling public. In focusing only on the treatment of passengers whose boarding is involuntarily denied, the Department has avoided the need to regulate the airlines’ reservation practices.

DOT is committed to developing transportation policies and programs that foster fast, safe, efficient, and convenient transportation at the lowest cost. Denied boarding regulations seem to reach an acceptable compromise between the airlines reservation practices to fill their planes and the public’s expectation of receiving a reserved seat.

The Department is proposing to expand the Denied Boarding regulations to aircraft with seating capacity of 30 seats or more from the current 60 seat or more level. At the same time, the Department is proposing to limit the reporting requirements to air carriers that account for at least 1 percent or more of the scheduled domestic passenger revenues.

DOT’s information systems are being integrated into an agency-wide activity. Reflective of this one DOT approach in meeting the challenges faced by our national transportation system is a coordinated effort by the Office of the Secretary, the Federal Aviation Administration, the Bureau of Transportation Statistics (BTS), and Office of the Inspector General Office to reduce airline delays.

BTS has advanced the precepts of the Clinger-Cohen Act and the Paperwork Reduction Act by re-engineering its data processing system. BTS migrated from a mainframe computer processing system to a more functional mid-tier data processing system. This migration produced a data processing environment that is more efficient and cost effective. BTS is responsible for planning, managing, and maximizing the results of its IT investments. In this process, BTS is committed to working with its transportation partners to ensure the successful transition of its Information Technology (IT) systems. BTS’ objectives are to improve the quality, reliability and accessibility of transportation-related information. BTS’ resources will also be used to mitigate the paperwork burden imposed on the air transportation industry and the public.

SUPPORTING STATEMENT

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

Title 14 Code of Federal Regulations (14 C.F.R.) Part 250 of the Department's aviation regulations establishes minimum standards for the treatment of airline passengers holding confirmed reservations who are not accommodated because their flight has been oversold. BTS Form 251 *Report of Passengers Denied Confirmed Space*, is filed pursuant to §250.10 of this regulation. The Department uses Form 251 data to monitor the compliance of the U.S. and foreign air carriers with the oversales provisions of Part 250.

2. Indicate how, by whom, and for what purpose the information is to be used. Indicate the actual use the agency has made the information received from the current collection.

The NPRM proposes to amend the reporting requirements by (1) limiting the reporting to carriers that report Airline Service Quality Performance Reports (ASQP); and (2) requiring that the reporting carriers include data for all scheduled flights departing a domestic airport with aircraft having a seating capacity of 30 seats or more. Presently, reporting carriers do not report data on operations with less than 60 seat aircraft.

ASQP carriers are those domestic air carriers that account for at least 1 percent of the domestic scheduled passenger revenues. This proposed action would relieve 80 air carriers of their reporting obligation -13 domestic and 67 foreign air carriers.

The current Oversales rule and the collection of the *Report of Passengers Denied Confirmed Space* was enacted by 47 FR 52985 on November 24, 1982. Since that time, one of the biggest changes in the airline industry has been the replacement of the 19-seat turbo-prop and piston-engine aircraft by regional jet aircraft. The turbo-prop and piston-engine aircraft were affected by weight limitations in high temperature/humid conditions to a greater degree than jet aircraft. The small aircraft operators might be required to "bump" passengers from flights even when the carrier did not book beyond the seating capacity of the flight. The regional jet operators are not adversely affected by weight limitations as were the turbo-prop and piston-engine aircraft operators.

BTS Form 251 is a one-page report on the number of passengers denied boarding voluntarily and involuntarily, whether the bumped passengers were provided alternate transportation and/or compensation, and the amount of the payment. The report allows the Department to monitor the effectiveness of its oversales rule and take enforcement action when necessary. The involuntary denied-boarding rate has decreased over the years from 4.38 per 10,000 passengers in 1980 to

1.01 in 2006. The denied boarding rate has increased slightly from 0.88 rate attained in the year 1999 to 1.33 for the first half of 2007 due to the increase in load factors. These statistics demonstrate the effectiveness of the 'volunteer provision'. The publishing of the air carriers' individual denied boarding rates has negated the need for more intrusive regulation. Carriers do not report data from inbound international flights because the protections of Part 250 *Oversales* do not apply to these flights.

The rate of denied boarding can be examined as a continuing fitness factor. This rate provides an insight into a carrier's policy of treating passengers and its compliance disposition. A rapid sustained increase in the rate of denied boarding often is an indicator of operational difficulty. Because the rate of denied boarding is released quarterly, travelers and travel agents can select carriers with low bumping incidents when booking a trip. This information is made available to the public in the *Air Travel Consumer Report* and on the web at <http://www.dot.gov/airconsumer>. The *Air Travel Consumer Report* is also sent to newspapers, magazines, and trade journals. Without Form 251, determining the effectiveness of the Department's oversales rules, would be an uncertainty.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submissions of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

Carriers are free to establish their own systems for generating the information and may use their own computer generated forms with approval from the Office of Airline Information (OAI). Also, some carriers have opted to e-mail their data to OAI.

4. Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Form 251 is the only report of its kind. There are no other information sources to check carriers' denied-boarding rates.

5. If the collection of information impacts small businesses or other small entities, describe efforts to minimize burden.

The requirements of Part 250 propose to limit the reporting to carriers generating over \$660,000,000 in annual scheduled domestic passenger revenues. Thus there will be no small entities reporting this data.

6. Describe the consequence to the Federal Program or policy activities if the collection were not collected or conducted less frequently.

Originally, the information was collected monthly. Filing frequency was changed to quarterly to reduce carrier reporting burden. Because of the nature of the airline business, less frequent filing could obscure seasonal or peak-travel period oversales problems.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, government contracts, grant-in-aid, or tax records for more than 3 years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that pertain to this data collection.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the Agency's notice, required by 5 CFR 1320.8(d) soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to the notice and describe actions taken by the agency in response to these comments.

On July 10, 2007, the Department published an Advance Notice of Proposed Rulemaking (ANPRM) seeking comment on several issues associated with the oversales rule. We received over 1,280 comments in response to the ANPRM. About 20 of the comments were from

organizations, with the rest from individuals. Most of the comments from the organizations, including those from air carriers and organizations representing air carriers, felt that the rule serves a useful purpose and had benefited the industry and the public. Many of the individual comments did not express an opinion on the specific issues discussed in the ANPRM but rather urged that overbooking be banned, described their own negative air travel experiences, or commented on other issues (e.g., flight delays).

9. Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.

There were no payments or gifts to respondents.

10. Describe any assurances of confidentiality provided to respondents.

Because Form 251 is a consumer report, there are no guarantees of confidentiality.

11. Are there any questions of a sensitive nature?

There are no questions of a sensitive nature.

12. Provide estimates of reporting burden.

	<u>U.S. AIR CARRIERS</u>	
Respondents		20
Quarterly Reports	<u>4</u>	
Total Reports		80
Hours Per Reports	<u>12</u>	
Burden Hours		960

The estimated total burden 960 hours.

13. Provide an estimate of cost to the respondents. Do not include the cost of any hour burden shown in items 12 and 14. General estimates should not include purchase of equipment or services or portions thereof made prior to October, 1995.

Although the number of reporting carriers will decrease by 80 carriers, two carriers would be required to report for the first time because they operate aircraft with seating capacities between 30 and 60 seats. It would cost each carrier about \$1,000 to program its data system to format the data items in the proper format.

14. Provide estimates of annualized cost to the Federal Government.

Cost to the Government is estimated to be about \$6,000 per year. This estimate is comprised of allocation of staff time to log in receipt of the carriers reports, compilation of the quarterly data,

allocation of printing cost (denied boarding makes up 5% of the pages in the *Air Travel Consumer Report*, and an allocation of consumer statistics exhibited on DOT's internet site.

15. Explain the reasons for any program changes or adjustments in Items 13 or 14 of OMB 83-I.

The \$2,000 carrier programming cost covered in question 13 is a new cost item.

The decrease in burden hours is a programming change resulting from the Department's action to limit the reporting universe to U.S. air carriers that account for at least 1 percent of the scheduled domestic passenger revenues.

16. Is the information received published?

DOT publishes the *Air Travel Consumer Report*, which includes tables giving information by U.S. air carriers on the number of passengers bumped involuntarily and on the number who voluntarily gave up their seats on oversold flights in exchange for compensation. The rate of involuntarily denied boarding per 10,000 passengers is also included.

Although the *Air Travel Consumer Report* is a monthly publication, denied boarding information is displayed for the latest available quarter and year-to-date. The *Air Travel Consumer Report* is also available on the internet.

B. Collection of Information Employing Statistical Methods

This data collection does not employ statistical methods.