

DEPARTMENT OF TRANSPORTATION
INFORMATION COLLECTION
SUPPORTING STATEMENT
DISCLOSURE OF CHANGE-OF-GAUGE SERVICES
OMB Control Number: 2105-0538

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) renewed three-year approved clearance for the information collection entitled, "Disclosure of Change-of-Gauge Services".

Part A. Justification

1. Circumstances that make the collection of information necessary.

Change-of-gauge service is scheduled passenger service for which the operating airline uses one single flight number even though passengers do not travel in the same aircraft from origin to destination but must change planes at an intermediate stop. From an operational perspective, there are several kinds of change-of-gauge services. The simplest example is a one-flight-to-one flight service that uses the same flight number even though a plane change is required *en route*. Airlines also schedule more complex change-of-gauge services that involve aircraft changes between multiple flights on one side of the intermediate change point and one single flight on the other side. Change-of-gauge services with multiple origins and destinations are called "Y" (i.e., two-for-one) routings, depending on the shape of the routes. They are also popularly referred to as "funnel flights." As with one-for-one change-of-gauge services, the airline assigns a single flight number for the passenger's entire itinerary even though the passenger changes planes, but in addition, the single flight to and from the intermediate change point itself has multiple numbers: one for each segment with which it connects and one for the local market in which it operates.

As an example, an airline might operate three flights to London from three European cities: flight #100 from Frankfurt, flight #200 from Paris and flight #300 from Rome. In London, passengers from all three flights board a single aircraft bound for New York. The London-New York flight would carry all three flight numbers (#100, #200 and #300) plus its own flight number (#400). Published schedules and computer reservations systems (CRSs) would show direct or through flights from Frankfurt, Paris and Rome, as well as the nonstop flight between London and New York.

Change-of-gauge services reflect a long-established practice in transportation. The term itself originated with the railroads when passengers had to change trains due to the differences in the size of tracks. These services have been used in air transportation for many years as well. In 1972, the Civil Aeronautics Board rejected the contention that

change-of-gauge services were an unfair or deceptive practice or an unfair method of competition, as long as notice was given, and it changed its rules to accommodate change-of-gauge flights.

The Department recognizes various public benefits that can flow from change-of-gauge services. These include a lowered likelihood of missed connections, lower fares, increased scope and frequency of service, increased competition and maximum utilization of U.S. carriers' rights under international bilateral agreements. The Department also believes that the benefits include our ability to review regulated international air fares. However, although change-of-gauge flights can offer valuable consumer and governmental benefits, they can be confusing and misleading unless consumers are given reasonable and timely notice that they will be required to change planes during their journeys.

Also, Section 41712 of Title 49 of the U.S. Code authorizes the Department to decide if a U.S. air carrier or foreign air carrier or ticket agent (including travel agents) have engaged in unfair or deceptive practices and to ban such practices. Under this authority, the Department has adopted various regulations and policies to prevent unfair or deceptive practices or unfair methods of competition. In response to the Department's concern about whether consumers were being given adequate information about change-of-gauge services, we issued a final rule codifying the Department's regulations in 14 CFR Part 258. (64 FR 12854-12860, March 15, 1999) These regulations established the following requirements:

- (a) *Notice in schedules.* Carriers holding out or operating change-of-gauge services to, from, or within the United States shall ensure that in the written and electronic schedule information they provide to the public, to the *Official Airline Guide* and comparable publications, and to computer reservations systems (CRSs), these services are shown as requiring a change of aircraft.
- (b) *Oral notice to prospective consumers.* In any direct oral communication with a consumer in the United States concerning a change-of-gauge service, any carrier or ticket agent doing business in the United States shall tell the consumer before booking scheduled passenger air transportation to, from, or within the United States that the service requires a change of aircraft *en route*.
- (c) *Written notice.* At the time of sale in the United States of transportation that includes a change-of-gauge service to, from, or within the United States, or, if no ticket is issued, no later than the time when the passenger checks in at the airport for the first flight in an itinerary that includes such a service, the selling carrier or ticket agent shall provide the following written notice:

Notice: Change of Aircraft Required

For at least one of your flights, you must change aircraft en route even though your ticket may show only one flight number and have only one flight coupon for that flight. Further, in the case of some travel, one of your flights may not be identified at the airport by the number on your ticket, or it may be identified by other flight numbers in addition to the one on your ticket. At your request, the seller of this ticket will give you details of your change of aircraft, such as where it will occur and what aircraft types are involved.

The Department recognizes that, under the Paperwork Reduction Act of 1995, the implementation by an agency of a requirement to disclose information to a third party is considered to be a collection of information and subject to certain provisions of the Paperwork Reduction Act of 1995. The Department specifically notes that, while this rule results in a collection of information according to the Paperwork Reduction Act of 1995, it does not impose requirements on any segment of the aviation industry to collect, process or submit data or data files to the Department in the traditional sense of data collection.

As part of its performance and accountability measurements, the Department has six performance goals: *safety, mobility, economic growth, human and natural environment, national security, and organizational excellence*. These disclosure rules provide air travelers with important information about the transportation that they are about to purchase, or have purchased, in order to ensure that travelers are not misled or confused about that transportation. Such situations could result in inconvenience, delay or missed flights. This Information Collection Requirement, therefore, supports the mobility goal by shaping an accessible and reliable transportation system for all air travelers, by reducing transportation time from origin to destination for the individual transportation user and by increasing the reliability of trip times for air travel customers.

Copies of Section 41712 of Title 49, 14 CFR Part 258, and 64 FR 12854 are provided.

2. How, by whom, and for what purpose the information is to be used.

U.S. and foreign air carriers will provide notice in schedules, the *Official Airline Guide*, and comparable publications, of the need to change aircraft *en route*. Travel agents and ticket agents of U.S. and foreign air carriers will provide oral and written notification to air travelers containing pertinent information about the need to change aircraft *en route* at the time the consumer is considering the purchase of air transportation. This information is intended to aid the prospective consumer in making a more informed choice regarding the purchase of air transportation, and to facilitate travel by reducing the possibility that the traveler will be misled or confused before and during his or her trip.

3. Extent of automated information collection.

Disclosure of the information required by this rule will be accomplished almost entirely through the use of highly-automated and electronic media. Virtually all airline tickets are processed using a computer reservations system (CRS).¹ These systems are composed of central data bases that are accessed by travel agents through computer terminals and provide agents with up-to-date information on fares and services and which allow the agents to book, change, and cancel reservations and to issue tickets. Airline reservation agents also use similar computerized systems, as do those who book their own tickets through internet-based reservation systems such as Orbitz, Expedia, or Travelocity.

The use of the Internet in researching and booking air transportation has increased significantly in recent years. In 1990 travel agencies were responsible for about 80 percent of airline tickets sold in the United States.² That share fell to about 38 percent of the airline tickets sold in the United States in 2007 and is projected to be 33% of the total market by 2009,³ although the American Society for Travel Agents places this estimate higher. According to Airlines Reporting Corporation (ARC), which provides financial settlements services to travel agencies and airlines, 99.75 percent of domestic and international tickets sold in July 2011 were e-tickets.⁴ Taken together, this information suggests that the already high proportion of this data collection that is accomplished through electronic technologies is likely to continue to increase.

4. Describe efforts to identify duplication.

Currently, there is no alternative information source that could adequately provide the detailed and up-to-date information that these rules require. There is no duplication of effort.

5. Efforts to minimize the burden on small businesses.

For purposes of this rule, small entities include small U.S. and foreign airlines as well as small travel agencies, especially those that do not subscribe to any of the computer reservations systems. We do not have detailed information on the number, size, and sophistication of these entities. However, we believe that these regulations will not be unduly burdensome to a significant number of small entities. Furthermore, to the extent that these entities have been able to meet prior disclosure requirements (dating back to 1985) through other, less-automated means, we believe these entities will be able to apply similar, least-costly techniques to meet these new requirements.

6. Impact of less frequent collection of information.

¹ Airline Ticketing: Impact of Changes in the Airline Distribution Industry, GAO Report to Congressional Requesters, GAO-03-749, July 2003.

² Airline Marketing Practices: Travel Agencies, Frequent Flyer Programs, and Computer Reservations Systems, U.S. Department of Transportation, February 1990.

³ The US travel agency distribution landscape, hotelmarketing.com, May 21, 2008.

⁴ See <https://www.arccorp.com/news/stat/2011-07.jsp>.

There would be no direct consequence to Federal program or policy activities if the notification were not required. However, the impact on consumers could be substantial. The Department considers it very important that all air travelers be fully informed of the need to change aircraft *en route* during all aspects of considering and purchasing air transportation and completing their journey. We also recognize that change-of-gauge services are considered prohibited unfair and deceptive practices unless passengers are **fully** aware of the need to change aircraft. Accordingly, the Department would have to ban the practice unless its criteria for notification were met. If the Department were to ban change-of-gauge services, the recognized benefits of a lowered likelihood of missed connections, lower fares, increased scope and frequency of services, increased competition and maximum utilization of U.S. carriers' rights under international bilateral agreements could be eliminated or diminished.

Because of the nature of the data collection, it cannot be conducted less frequently. A passenger must be made aware of the requirement to change aircraft each time that the passenger considers a trip where this requirement exists. From a technology perspective, the growing use of the Internet to research, book and verify air transportation should continue to reduce the burden on transportation providers and customers.

While we cannot precisely quantify the amount of consumer benefits, we find that the potential benefit to consumers is significant enough to justify the costs of the regulation. As has been stated previously, consumers benefit from change-of-gauge services. Moreover, there has been a rapid expansion of marketing and service innovations, some of which are becoming increasingly complex. The best way to protect consumers is to require that agents and airlines provide the most complete information in a timely manner. To the extent that the rule protects travelers from being misled or inconvenienced, the passengers are benefited. The airlines and related travel industries also benefit from increased consumer confidence.

7. Special circumstances.

In order to meet the goal of complete, consistent and timely consumer notification, it is necessary that the regulation apply to each occurrence. Therefore, these regulations could result in frequent application. However, the widespread use of computer reservations systems and the Internet should greatly reduce the burden. With regard to the written notification, only one copy is required and the notifying party is not required by these regulations to maintain a record of the notification. These regulations do not implement or require statistical surveys or the use of statistical data classifications and they do not involve confidentiality or business proprietary issues.

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 that notice and describe actions taken by the agency in response to those comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with the Paperwork Reduction Act of 1995, the Department issued a notice announcing and requesting comments on its intention to request an extension of the previously approved collection of information regarding disclosure of change-of-gauge services. A copy of 77 FR 46789 (August 6, 2012) is provided. No comments were received in response to the notice.

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

No payment or gift of any kind is being made to any respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Since the purpose of this regulation is to ensure that consumers have complete information about the air transportation they are considering for purchase, there are no issues of confidentiality involved.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the question necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no sensitive questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in**

activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Number of respondents

We estimate the number of respondents at 16,000, the same as our estimate in 2009. This estimate is based on data from Airline Reporting Corporation (ARC), which provides transaction settlement and data information services. Its sales statistics for July 2011 were provided by 195 air carriers and 14,380 retail locations, as well from approximately 2,000 other locations. Because this population includes sales outside the United States for travel that doesn't include the United States, it likely overestimates the number of respondents.

Frequency of response

With regard to frequency, the disclosure will occur whenever travel involves change-of-gauge service. It is virtually impossible to directly calculate the annual responses by considering the number of travel agencies and worldwide airlines since the size of the agencies and airlines vary widely and the number of tickets involving change-of-gauge services issued by each is not known. Data on the actual number of airline tickets that involve change- of-gauge services are not readily available.

In order to provide an idea of the overall impact of this rule, we developed an estimate of the number of tickets involving change-of-gauge flights. We emphasize that we developed an estimate of the number of tickets involved in change-of-gauge flights rather than the number of passengers (enplaned or transported) because the number of tickets is the most appropriate measure in determining the cost associated with this rule. Many tickets are written to cover a round-trip journey that would encompass two transported passengers but only a single ticket. For these passengers, use of the number of transported passengers would overstate the number of passengers and the burden of the regulation by a factor of two because a round-trip passenger would buy one ticket for the entire journey but would be enplaned once at the point of origin and again at the destination point for the return trip to the origin (a total of two enplaned or transported passengers).

In the calendar year ended December 31, 2011, approximately 257 million domestic (U.S. origin and destination) tickets and 56 million international (U.S.-foreign origin/destination) tickets were reported to the Department's *Origin-Destination Survey of Airline Passenger Traffic (DB1B)* by those U.S. and foreign carriers required to report.

For international tickets, approximately 33 percent (18.5 million) tickets were for gateway-to-gateway travel and would not include any change-of-gauge service. The remaining approximately 37.5 million tickets could include change-of-gauge service. For domestic tickets, approximately 62 percent (160 million) tickets were for nonstop travel and would likely not include any change-of-gauge service. Of the remaining approximately 97 million tickets, change-of-gauge service is possible.

These estimated 134.5 million tickets can reflect (1) travel on a single-plane basis, (2) travel on an on-line connecting basis (same carrier, non code-share), (3) travel on an on-line connecting basis (code share), (4) travel on an interline connecting basis, and (4) travel on a change-of-gauge basis. From available data, we were not able to estimate what percentage of the overall traffic involved change-of-gauge services.

For practical purposes, we estimated that change-of-gauge service might occur, on average, between three percent and nine percent of the time for domestic tickets, representing between three million and nine million domestic tickets.⁵ We estimated that change-of-gauge services occur predominately in international, versus domestic, air transportation⁶ and applied the same range (25 percent to 75 percent) used in our prior assessment. Therefore, we estimated that between nine million and 28 million international tickets might involve change-of-gauge service.

In sum, we estimate a potential annual total of between 12 million and 37 million tickets may involve change-of-gauge service. While we believe the number of affected tickets is much more likely to be at the smaller end of this range, we have used the higher number, 37 million tickets, to calculate the burden estimates.

Burden Estimates

To evaluate the related cost – in both hours and dollars – we examined operating costs from the perspective of the airline ticket agents, travel agents and the traveling public. In their comments to the Notice of Proposed Rulemaking regarding Disclosure of Code-Sharing Arrangements and Long-term Wet Leases,⁷ Midwest Express and Astral Aviation d/b/a Skyway Airlines (joint commenters) provided an estimate of the annual increase in operating costs (\$88,000) for Astral Aviation only for the disclosure requirement of that

⁵ The Department's Office of the Inspector General, in its 2001 *Final Report on Airline Customer Service Commitment* (p.106), concluded that "Change of gauge is not standard practice among the Airlines. In fact, at the time of our testing, only six Airlines (American, American Trans Air, Continental, Delta, Northwest and United) had change of gauge flights, with fewer than 15 flights each." See <http://www.oig.dot.gov/StreamFile?file=/data/pdfdocs/av2001020.pdf>.

⁶ For the most part, the extensive nature of hubbing in the domestic airline system and the emphasis on single-plane or on-line connecting service for markets not served by nonstop flights resulted in less need or incentive to use change-of-gauge services in domestic operations. A 2010 report by the Centre for concluded that change-of-gauge may happen on U.S.-Foreign Gateway flights. See <http://centreforaviation.com/analysis/non-stop-service-becomes-the-norm-as-new-aircraft-competition-change-the-rules-of-airline-service-35724>.

⁷ Docket No. OST-95-623.

rule, based on increased labor costs (\$30,000) resulting from additional talk time of 15 seconds per call for reservation agents and increased telephone line usage charges (\$58,000).⁸ Since the requirements of this disclosure rule are very similar to the code-sharing disclosure rules, we used their estimates as a starting point for our cost analysis.⁹

We estimate a total annual hourly burden of 76,313 hours and a total annual cost of \$1.9 million for respondents. On a per ticket basis, the average cost amounted to \$0.05 per ticket for the approximately 12.3 million change-of-gauge tickets estimated to involve personal contact.¹⁰ These estimates are detailed below.

While the Department would prefer not to take actions which have the potential to increase the cost of travel or result in a loss of productive time, we believe these amounts are not prohibitive, particularly given the increase in electronic ticketing and online ticket sales. Furthermore, carriers and travel agencies have had many years to develop reporting systems and the Department has made no changes to its reporting requirements that would result in additional costs to reporting entities.

The Department recognizes that change-of-gauge scheduling and the number of ticketed itineraries including change-of-gauge services may change in the future. We also recognize that the cost for fully informing prospective travelers will impact different segments of the travel industry and the public to varying degrees. However, we believe that the fact that such arrangements could increase, while also becoming more sophisticated, emphasizes the paramount importance that the traveling public be fully informed.

The Department is convinced that the benefits outweigh the related costs and that the burden hours and costs will continue to decrease in the future as consumers and frequent travelers adjust and as less-costly, channels of distribution (such as the Internet) play an even larger role in the ticket purchasing process.

In fact, the Department believes that the estimated burden hours and costs described above overstate the current impact of these regulations. We base this possibility on the fact that travel agents are booking a smaller percentage of airline tickets than in the past¹¹ and that a significant number of air travelers are using airline websites and other on-line travel websites to research, book, select a seat, purchase and confirm air transportation. Up to 80 percent of tickets on Southwest Airlines and 37 percent of tickets on Delta Air Lines are sold through the airlines' own websites.¹² Other worldwide airlines are experiencing similar trends.

⁸ Joint Comments of Midwest Express Airlines, Inc. and Astral Aviation, Inc. d/b/a Skyway Airlines, February 16, 1995, page 5.

⁹ In our draft regulatory analysis, we assumed that the additional time required for oral notice might range between one or two minutes in order to provide a preliminary estimate of the cost.

¹⁰ The average domestic ticket price in the fourth quarter of 2010 was \$337.00. See http://www.bts.gov/press_releases/2011/bts023_11/html/bts023_11.html.

¹¹ According to the 2003 *Travel Industry Survey/Travel Weekly*, travel agents booked 51% of all airline tickets, which represents a decline from the 80% previously referenced.

Annual hour burden estimate

Travel agents sell between 33 percent and 51 percent of airline tickets¹³ and many may use internet-based portals rather than personal communication. The remaining passengers purchase tickets directly from the airline (through its phone or web sales) or through an online ticketing agency. Airlines continue to improve their own internet-based sales and revenue management systems, as do non-carrier affiliated ticket sales sites. There are more than 500 active airlines in the world,¹⁴ although many do not offer scheduled passenger service, directly or through codeshares, to US customers.

First, we note that many carriers impose additional fees for using a carrier's reservations agent. As such, much of the cost incurred with verbal notification can be recovered by the carriers. Second, the growth of internet-based reservations systems has reduced the use, by passengers, of telephone-based communications. In our 2005 Supporting Statement for this collection, we estimated that travelers speaking to a travel agent made an average of 1.5 phone calls per trip.¹⁵ We also estimated 15 seconds (0.25 minutes) of additional talk time for each call to convey code sharing information, for a total 0.375 minutes per passenger¹⁶ for each passenger who spoke to an agent.

We apply this estimate of 0.375 minutes per passenger to the estimated average number of passengers who may be traveling on a change-of-gauge itinerary (37 million), for a total of 231,250 hours. We further reduce the total by increased use of internet bookings, estimating that approximately 33% of passengers do, in fact, speak with an agent.¹⁷ Our estimate is for an annual hourly burden of 76,313 hours for the 16,000 respondents and the estimated 12.3 million annual tickets involving personal contact. However, it is not possible to determine the burden for an individual respondent.

Estimated annualized cost to respondents

¹² See http://www.msnbc.msn.com/id/39689733/ns/travel-business_travel/t/low-cost-carriers-dont-always-mean-cheapest-fares/ and <http://www.tnooz.com/2011/08/05/news/delta-increases-share-by-squeezing-online-travel-agencies-and-metasearch/>.

¹³ Travel agents sell about 33 percent of all airline tickets. The US travel agency distribution landscape, hotelmarketing.com, May 21, 2008; American Society of Travel Agents (ASTA) at <http://www.asta.org/News/content.cfm?ItemNumber=1985>

¹⁴ <http://jwa.janes.com/public/jwa/index.shtml>

¹⁵ We assumed that travelers who use travel agents call between 1 and 2 times per trip (1.5 calls on average) since an advantage of using travel agents is that they do the work for the consumer. We previously estimated that travelers calling airlines directly would make more calls, but we believe that the advent of multiple internet-based fare search engines have led travelers to do much of the work for themselves prior to calling an airline's own reservation agents.

¹⁶ This calculation is based on 0.25 minutes per call and 1.5 calls per passenger (0.25 minutes plus 0.125 minutes), for a total of 0.375 minutes per passenger.

¹⁷ Since it is impossible to determine which percentage of travelers using travel agents rely on agents, versus web-based booking, and what percentage of travelers who use web-based booking then follow up with agents, we use the percentage of tickets sold through travel agents (33%) as a proxy for the total number of passengers speaking to an agent.

We recognize that the rule results in agents spending more “talk time” to provide the notice of change-of-gauge service. To evaluate the related cost, we examined operating costs from the perspective of the airline ticket agents, travel agents and the traveling public.

To estimate the annual operating costs, we used an average hourly rate of \$21.87 (salary and fringe benefits) for an agent¹⁸ and 76,313 hours, resulting in total additional costs of \$1.7 million per year. To these amounts, we added the cost of additional telephone line usage based on an average of \$0.05 per minute¹⁹ (\$3/hour), for a total of approximately \$0.3 million. Therefore, total annual operating costs for the 16,000 respondents, and estimated 12.3 million annual tickets, were estimated at \$15.4 million. On a per ticket basis, the average estimated cost is \$0.05 for the approximately 12.3 million tickets estimated to involve personal contact.

The cost to process an airline ticket has decreased. In 1999, these costs to an airline were estimated at approximately \$46, \$23, and \$25 for travel agents, airline websites, and on-line travel agency sites, respectively. By 2002, the same costs were estimated to be \$31, \$12, and \$20.²⁰ If ticket processing costs decreased at the same rate between 2002 and 2010 as they did between 1999 and 2002, we would expect processing costs to be approximately \$9.50(travel agents), \$1.70 (airline websites), and \$10.25 (on-line travel agency sites).

Because each of these groups has been reporting change-of-gauge information since 1997 and the cost to process an airline ticket has decreased over time, there is little evidence that the reporting requirement increases the base processing costs for the affected respondents. Given the rapid and substantial decrease in the cost to process an airline ticket, we believe our burden estimates to be realistic.

Number of Respondents	16,000
Frequency of Response/Number of Tickets	12.3 million

¹⁸ The median hourly wage for travel agents is estimated at \$16.32 (see <http://www.bls.gov/oes/current/oes413041.htm>). We add 34 percent for fringe benefits to estimate total hourly travel agent compensation of \$21.87.

¹⁹ Data on telephone line charges were not readily available. Midwest Express/Astral Aviation did not provide background information on unit rates. Our analysis of their data indicated a rate of \$0.64 per minute. Our independent research regarding toll-free numbers indicated a rate of \$0.03 to \$0.07 per minute including some volume discounts. We also recognized that some very high volume users (for example, the federal government’s use of FTS) obtained rates that were considerably lower than these rates. Although computer reservations systems and internal airline systems were very high users of telephone lines and presumably entitled to significant discounts, we have determined that \$0.05 per minute was a reasonable rate for purposes of this analysis.

²⁰ Airline Ticketing: Impact of Changes in the Airline Distribution Industry, GAO Report to Congressional Requesters, GAO-03-749, July 2003.

involving Change-of-Gauge Flights	
Annual Hour Burden 76,313 hours or 0.375 minutes/ticket	76,313 hours Or 0.375 minutes/per ticket
Annual Cost to Respondents	\$0.05 per ticket * See Supporting Statement (pg. 11) for detailed explanation.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

- 1. The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- 2. If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- 3. Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The Department originally considered the possibility that these rules could result in increased implementation costs for the worldwide airline and travel agent industries. Such costs were initially determined to be minimal and one-time charges. For the current renewal, implementation costs should be negligible.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead,

printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

This regulation will not result in any costs to the Federal government since data will not be collected as part of this rule.

15. Explanation of Program Changes or Adjustments

The program reporting requirements have not changed since 2005. An adjustment has been made to the Information Collection Request; the number of affected tickets remains in the midrange of the 2005 while the estimated number of respondents has decreased. Both changes reflect the changing nature of the passenger airline industry: increased use of Internet booking sites, decreased numbers of and commissions paid to travel agents, increased numbers of air travel journeys, and the same (or less) change of gauge service in the domestic and international markets. We also note that several airlines (which had some degree of codeshare relationships in past) have merged, including (a) Delta and Northwest and (b) United and Continental.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

his regulation involves only consumer notification and does not involve actual collection of data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

In the opinion of the Department, the nature and frequency of the notification requirements of these regulations make it impossible to display the expiration date for OMB approval for every occurrence.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

There are no exceptions.