

SUPPORTING STATEMENT
OMB No. 2138-0018 14 CFR Part 250
Report of Passengers Denied Confirmed Space

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. 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.

U.S. air carriers that account for 1 percent or more of domestic scheduled passenger revenue must submit Form 251. These are the same carriers that submit Airline Service Quality Performance Reports. Carriers do not report data from inbound international flights because the protections of Part 250 *Oversales* do not apply to these flights.

Previously, any U.S. or foreign air carrier that operated scheduled passengers service from a U.S. point with aircraft with more than 60 seats were required to submit the Form 251. Because there was not a public demand for the denied boarding reports for reports submitted by foreign or smaller U.S. carriers, the Department decided to rescind the reporting requirement for these carriers.

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 1.73 for the quarter ended March 2010. The denied boarding rate was 1.35 per 10,000 passengers for the 1st quarter 2009. The improvement has been made in a period when load factors have risen. This statistic demonstrates the effectiveness of the 'volunteer provision.' The publishing of the air carriers' individual denied boarding rates has negated the need for more intrusive

regulation.

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://airconsumer.dot.gov/>

A more detailed table of the Report of Passengers Denied Confirmed Space is available at:

http://www.bts.gov/programs/airline_information/passengers_denied_confirmed_space_report/

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.

The Research and Innovative Technology Administration's Bureau of Transportation Statistics recently issued a final rule (75 FR 41580 on July 16, 2010) that requires reporting carriers to submit their recurrent reports to the Department via the internet using a comma separated values format. Carriers are able to use their browser to upload the reports into the new system.

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.

Carriers that are required to submit Form 251 have annual scheduled passenger revenues of over \$650 million. Therefore, there are no small businesses that are required to report.

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.

The Final Rule addressing public comments was published in the Federal Register on April 18, 2008 (73 FR Number 76 page 21026). Two items were addressed; 1) adjusting the carriers that report passengers denied confirmed space to only include U.S. carriers that have at least 1 percent of the total industry domestic enplaned passengers and excluding foreign carriers and smaller carriers, 2) increasing the denied boarding compensation paid to passengers from \$200 to \$400 for passengers who are rerouted within 2 hours and from \$400 to \$800 for passengers who are not rerouted within this timeframe. With respect to increasing the denied boarding compensation, several consumer advocacy group as well as all individuals who commented, supported the increase. Air carrier lobby groups representing the air carriers, including the Air Transport Association, the Air Carrier Association of America and the Regional Airline Association all opposed the increase. With respect to the carriers required to report passengers denied confirmed space to the Department, three airlines and two airline associations commented and all supported the proposal.

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.S. AIR CARRIERS

Respondents		18
Quarterly Reports		<u>4</u>
Total Reports		72
Hours Per Reports		<u>10</u>
Burden Hours	720	-

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.

There are no other costs associated with this data collection.

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

Cost to the Government is estimated to be about \$10,000 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.

Government costs increased due the allocation of cost to make the information available to the public and the industry via the internet.

The decrease in burden hours is caused by the rule change which rescinded the reporting requirement for smaller U.S. air carriers and all foreign air carriers.

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.

More detailed denied boarding information is available at:

http://www.bts.gov/programs/airline_information/passengers_denied_confirmed_space_report/

B. Collection of Information Employing Statistical Methods

This data collection does not employ statistical methods.

MISSION STATEMENT

The Department of Transportation (DOT) relies on the Report of Passengers Denied Confirmed Space Report to fulfill its strategic plan. The DOT monitors and studies carrier scheduling and reservation practices to assess their compliance disposition and financial fitness. DOT is committed to guiding and overseeing America's air transportation system today and into the future by recognizing statistical trends that identify recurring problems and consumer dissatisfaction. High involuntary-denied-boarding rates exhibit consumer dissatisfaction with airline operations.

DOT is committed to developing transportation policies and programs that foster fast, safe, efficient, and convenient transportation at the lowest cost. Economic growth prospers when the real economic cost of transportation is reduced. DOT recognizes that the collection of delay data is critical to identifying and solving air congestion problems effectively reducing transportation costs. DOT performs an essential role as a catalyst for improving the quality of decisions affecting the transportation sector. In this role, the Bureau of Transportation Statistics serves as a facilitator in providing missing critical data to the FAA. Four economic trends impact transportation: (1) the globalization of commerce, (2) a growing attention to logistics in the production process, (3) a greater reliance on private investment in transportation industry, and (4) the rise of competing and complementary technologies. The accelerated application of advanced information technologies, competitive techniques, and traffic flow information systems affect the transportation industry. Adoption of these information-related technologies will facilitate the collection, management, integration, and distribution of more transportation information in less time with better accuracy and broader application

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 advance consumer satisfaction.

BTS has advanced the precepts of the Clinger-Cohen Act and the Paperwork Reduction Act by re-engineering its data processing system. 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.