



On April 21, 2006, the following e-mail message was sent to the larger U.S. passenger airlines, and associations representing those carriers.

From: Kelly, Tim <OST>
Sent: Friday, April 21, 2006 11:23 AM
Subject: Oversales data

This message was sent to the following airlines: America West, American, Alaska, Aloha, Air Tran, ATA Airlines, Comair, Continental, Delta, Frontier, Hawaiian, JetBlue, Mesa, Northwest, Skywest, Southwest, United, US Airways. **Also:** the Air Transport Association, Regional Airlines Association, International Air Transport Association, and the Air Carrier Association of America

Please forward this message to the individuals in your organization that deal with DOT's quarterly "Report of Passengers Denied Confirmed Space" (BTS Form 251).

On June 30, 2004, DOT's Bureau of Transportation Statistics issued a Reporting Directive transmitting revised instructions for BTS Form 251, "Report of Passengers Denied Confirmed Space." This report is the source of the oversales data in the Aviation Consumer Protection Division's Air Travel Consumer Report. On July 2, 2004, Norman Stickman, the Director of the A.C.P.D., e-mailed this Reporting Directive and the revised instructions to the air carriers that are listed individually in the Oversales section of the Air Travel Consumer Report. A copy of that message appears below, and a copy of the Reporting Directive and revised instructions is attached.

The Reporting Directive and the revised instructions (paragraph F) noted that Line 8 of the form, *compensation paid*, should include only cash or check payments to the persons described on that line; it should not include the actual or estimated value of any transportation vouchers provided to those passengers. We have recently completed an analysis of the Form 251 submissions for the 4th quarter of 2005 by the 19 carriers that are listed in the Oversales section of the Air Travel Consumer Report, and certain findings cause us to question whether some carriers may be including the value of transportation vouchers in the figure that appears on Line 8 of Form 251.

Line 8(a) should specify the amount of cash and check compensation furnished to passengers who were reported on Line 1(a) of the form, i.e. persons who were denied boarding involuntarily, qualified for involuntary denied boarding compensation, and were rerouted to their destination within two hours as described in section 250.5 of our Oversales rule (four hours in an international service). For such passengers, the rate of involuntary denied boarding compensation is 100% of the value of the passenger's fare to his or her destination or first stopover with a maximum of \$200. Our analysis of the 4th quarter Form 251 data shows that several carriers reported a dollar amount on Line 8(a) which, when divided by the number of passengers reported on line 1(a), produced an average denied boarding compensation amount which was far more than the required maximum amount of \$200. Put another way, even if **all** of the bumped passengers reported on Line 1(a) by those carriers qualified for the maximum \$200 compensation payment (i.e., they all had one-way fares of over \$200), the figure that those carriers reported on Line 8(a) was far more than \$200 multiplied by the number of passengers reported on Line 1(a). Our concern is that these carriers may be including the value of transportation vouchers on Line 8(a) [and perhaps Line 8(b).]

We have similar concerns about the dollar values reported on Line 8(c), which is the amount of cash/check compensation provided to passengers who volunteer to give up their seat on an oversold flight in exchange for compensation of the carrier's choosing. In our experience most carriers offer

transportation vouchers when soliciting volunteers. However, several carriers reported a figure on Line 8(c) that represented a fairly high amount of average cash/check compensation per volunteer [i.e., Line 8(c) divided by Line 5]. In the case of a couple of carriers this was an average of over \$300 cash/check compensation per volunteer. One carrier reported over \$3 million in compensation to volunteers. Again, our concern is that the figures on Line 8(c) for those carriers may include the value of transportation vouchers; they should not.

We noted one other anomaly during our analysis. A couple of airlines reported a high number of upgrades on line 6(a). We want to take this opportunity to point out that Line 6 of this "Report of Passengers Denied Confirmed Space" should only reflect *involuntary* upgrades, i.e. upgrades that result from a class of service being oversold.

Although our recent analysis was limited to the 19 carriers that are listed in the Oversales section of the Air Travel Consumer Report, the issues discussed in this message apply to all carriers that are required to file Form 251. The next quarterly Form 251 submission is due on April 30; we would appreciate it if your company would ensure that the issues described in this message are addressed appropriately.

If you have any questions, please let me know.

Tim Kelly
Team Leader, Aviation Consumer Protection
Aviation Consumer Protection Division
U.S. Department of Transportation

-----Original Message-----

From: Strickman, Norman
Sent: Friday, July 02, 2004 3:40 PM
Subject: Reporting Directive: Oversales
Importance: High

This message was sent to the following airlines: Air Tran, Alaska, America West, American, ATA Airlines, Comair, Continental, Delta, Hawaiian, Independence Air, JetBlue, Northwest, Skywest, Southwest, United, US Airways

[Please forward this important message to the appropriate people in your company.](#)

Attached is a Reporting Directive concerning Form 251 (the oversales report) that BTS issued on June 30. It is being mailed out today. Please note that it is effective immediately.

The actual Form 251 in the attached package (second page of the attached file) is unchanged from what was in use previously except that it has an updated OMB number and expiration date at the top. What's new are the directions for the back of the form (and of course, the RD itself, which is the first page of the attached document). Please make sure that whoever is completing your company's Form 251 for the 2nd quarter 2004 (due July 30) reads the Reporting Directive and directions.

Norman A. Strickman
Director, Aviation Consumer Protection Division
Office of Aviation Enforcement and Proceedings
Office of the General Counsel
U.S. Department of Transportation