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**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 28th day of July, 1997

Data Requirements for

Rural Air Fare Study

under 49 U.S.C. 40113 and 41708

DOCKET OST-97-2767

ORDER REQUIRING DATA

Background

Section 1213 of the Federal Aviation Administration Reauthorization Act of 1996 (P.L. 104-264) directed the Secretary of Transportation to conduct a Rural Air Fare Study to examine service and fares at small and rural communities. Specifically, we were directed to compare air fares for service (a) between nonhub airports located in small communities, on the one hand, and large hub airports, on the other;¹ and (b) between large hub airports. In January 1997, we submitted an initial report to Congress which provided the requested data on service at small and rural communities. We indicated that we were working on the fare analysis and would submit a follow-up report on fares.

At present, the only fare data available to us are from the Origin-Destination Passenger Survey (O&D Survey) submitted by the certificated carriers using large equipment.² Furthermore, the O&D Survey only provides a 10 percent sample of all passengers carried by participating carriers.³ As a result, significant portions of the traffic data are missing

¹ The legislation directed the Secretary to define large hub with the limitation that the definition could not include a small hub airport as defined in section 41731(a)(5) of title 49, United States Code.

² 14 CFR 241.19-7. All certificated carriers providing scheduled service with aircraft larger than 60 seats are required to file O&D Survey data. Certificated carriers using smaller aircraft (those operating only aircraft with 60 or fewer seats) and commuter air carriers are not required to file O&D Survey data.

³ Data for each passenger in the sample (those passengers with coupons ending in a "zero") are submitted by the first participating carrier transporting the passenger. The first carrier submits data on the complete itinerary for the passenger (all previous segments flown by a non-participating carrier(s) and all

for the sizable number of small communities that are served exclusively by carriers operating small aircraft. Even when data are available, given the size of the individual markets at small communities, traffic levels and average fares computed on the basis of a 10 percent sample can be materially distorted.⁴ These problems seriously compromise our ability to provide useful fare analysis for small and rural communities in response to the Congressional requirement.

We attempted to obtain more complete data for all domestic passengers by contracting with TravelScan, Corp., to develop a system for creating a data bank composed of data from the computer reservations systems (CRS's) for passengers ticketed through CRS's and from the carriers for passengers ticketed through their internal reservations systems. We believed that a complete data bank could be established with the voluntary cooperation of the carriers and CRS's without our having to require outside parties to participate in the process. We have now concluded, however, that it is advisable to officially require the submission of these data by the carriers and the CRS's in order to resolve any concerns about the use of the data, the responsibility of parties to supply the information, and the manner in which the analysis of the data will be conducted.

Data Requirement

To enable us to provide Congress with the most accurate and complete analysis of fares for small and rural communities, we have decided to rely primarily on an automated data system already in place as a data source and to require the submission of data on all domestic passengers from all certificated and commuter carriers providing scheduled passenger service to communities in the continental United States.⁵ As discussed below, we will apply this requirement to the CRS's as well since they are a major repository and potential source of the required data.⁶ We are requesting the origin, destination, connecting points, and fares for all domestic passengers carried on scheduled service. We will require that such data be submitted for a period of approximately one year.⁷

The submission of this extensive amount of data on an industry-wide basis would not normally be possible on such short notice. However, much of the data is available through the CRS's, and the potential exists for submitting the data from the CRS's in an efficient

subsequent segments). Thus, some passenger data for non-participating carriers enter the O&D Survey if the passenger utilizes a connection to a participating carrier.

⁴ For example, if there are 30 passengers in the sample, indicating that there are 300 passengers in the market, there is a 95% confidence level that the actual size of the market is between 165 and 435, or within $\pm 45\%$ of the size indicated by the sample. Potential sampling error problems affect the vast majority of the small communities and any analysis of average fares in individual markets at those communities.

⁵ We have excluded intra-Hawaii and intra-Alaska traffic from our requirement because the focus of the study is on air service at small and rural communities in the continental United States.

⁶ Sabre, Galileo International, Worldspan, and System One/Amadeus.

⁷ For analytical purposes, it is necessary to obtain 12 months of data once the data system is functioning properly and all carriers are submitting data. Since it may take one to two months to achieve that level, the requirement will likely extend for a few months longer than one year.

and timely manner, with very little additional cost. The CRS's transmit Ticket Control Number (TCN) data to the Airline Tariff Publishing Co. (ATPCO) daily for reconciliation. ATPCO has agreed to forward a copy of these data to TravelScan, our contractor.⁸

We also need to obtain data for passengers whose reservations/tickets are issued by the carrier's own reservation system rather than through a CRS accessible to travel agents and other outside parties. Some carriers utilize CRS's as hosts for their internal reservation systems. Others utilize free-standing reservation/ticketing systems. Those carriers that utilize CRS's as hosts may either submit the data directly to our contractor (in a TCN format) or may submit it through their CRS and then ATPCO in the same manner that data for reservations/ tickets will be submitted for passengers booked outside the carrier's internal reservation system. Our contractor will have to work individually with carriers that do not utilize a CRS for their internal reservation system to develop a procedure and format for their submission of data. In either case, carriers are responsible for ensuring that data for their internal systems are provided to complement the data from the normal CRS data.

We will direct all carriers listed in Appendix A and the CRS's to contact Mr. George Pearson of TravelScan within seven days of the date of this order to indicate how they intend to comply with our data requirements in this order. TravelScan will work with each party to provide information on data content, format and means of submission.

We intend to afford the data confidentiality comparable to what we afford the existing O&D Survey. Specifically, the following information from the data entries submitted will be releasable to any member of the public requesting it: origin, destination, connecting points, carrier and fare data. Any request for confidential treatment must follow the procedures set forth by our rule, 14 C.F.R. 302.39. Before allowing any person (other than persons from interested Federal agencies or Congress) to see the material covered by a request for confidential treatment, we intend to rule on the request. We do not intend to release other data submitted in the transmissions and will apply our confidentiality rules to protect it.⁹

We expect carriers/CRS's to begin filing the data as soon as arrangements are worked out between the firms and our contractor. As indicated above, they should contact Mr. George Pearson of TravelScan to arrange for their submissions. We anticipate that the first one or two months of submissions will require processing and verification/editing work to establish an accurate and complete system and data bank. Once the system is

⁸ The TCN record contains additional data elements not needed for our project. However, to minimize the effort and cost of all parties in terms of editing the data tapes, we will accept the complete TCN data entry for each passenger. We intend to eliminate immediately confidential data pertaining to the passenger (name and credit card number).

⁹ Employees of TravelScan have signed non-disclosure agreements to protect the confidentiality of the data.

functioning properly, we will require the submission of data for twelve months from the date that the system and data bank are established.

Paperwork Reduction Act

This request for information is subject to the requirements of the Paperwork Reduction Act, 44 U.S.C. Chapter 35. A notice addressing these requirements is being published in the Federal Register. Persons will have sixty days to file comments.¹⁰

ACCORDINGLY, pursuant to 49 U.S.C. 40113 and 41708, the Department finds it necessary to compel the submission of certain information and reports and to take action, as follows:

1. The airlines and computer reservation systems listed in Appendix A are required to file data showing the origin, destination, connecting points, carrier, fares and fare class for all domestic passengers (100% sample);¹¹
2. We direct the airlines and computer reservation systems listed in Appendix A to contact Mr. George Pearson of TravelScan, Corp., our contractor, within seven days of the date of this order to discuss the content, format and procedures for submitting the required data (contact information for Mr. Pearson: TravelScan, Corp., 6106 MacArthur Blvd., Suite 104, Bethesda, MD 20816, telephone (301) 320-9105, fax (301) 320-0596, airbeat@travelscan.com); and
3. We direct that the carriers and computer reservation systems begin submitting the required data as soon as arrangements can be worked out with TravelScan and continue to provide such data until further notice.¹²

By:

Charles A. Hunnicutt
Assistant Secretary for Aviation

¹⁰ In the meantime, we have requested emergency approval from the Office of Management and Budget (OMB) to start collecting the data. We anticipate a response from OMB by July 30, 1997.

¹¹ The TCN format is preferred. However, we will not specify in this order the format or process for data submission in order to allow for greater accommodation to individual carrier circumstances and to minimize the cost and effort required.

¹² As indicated, we anticipate continuing this requirement for a period of 12 months after the system is in place and verified.

and International Affairs

(SEAL)

Appendix A

Air Midwest	Kenmore Air Harbor
Air Nevada Airlines	Kiwi International
Air South	Las Vegas Airlines
Air Sunshine	Lone Star Airlines
Air Vegas	Maverick Airways
Air Wisconsin Airlines	Mesa Airlines
Airtran Airways	Mesaba Airlines
Alaska Airlines	Midway Airlines
Allegheny Airlines	Midwest Express Airlines
Aloha Airlines	Nations Air Express
America West Airlines	New England Airlines
American Airlines	Northwest Airlines
American Trans Air	Pan American World Airways
Astral Aviation	Paradise Island Airlines
Atlantic Coast Airlines	Piedmont Airlines
Atlantic Southeast Airlines	Prestige Airways
Big Sky Airlines	PSA Airlines
Business Express Airlines	Reeve Aleutian Airways
Cape Air/Nantucket Airlines	Reno Air
Carnival Air Lines	Scenic Airlines
Casino Express	Simmons Airlines
CCAair	Skywest Airlines
Chautauqua Airlines	Southwest Airlines
Chicago Express Airlines	Spirit Air Lines
Colgan Air	Tower Air
Comair	Trans States Airlines
Commutair	Trans World Airlines
Conquest Airline	Tristar Airlines
Continental Air Lines	UFS
Continental Express Airline	United Air Lines
Delta Air Lines	US Airlines
Eastwind Airlines	US Airlines Shuttle
Executive Airlines	Valuejet Airlines
Express Airlines	Vanguard Air Express
Flagship Airlines	West Isle Air
Flying Boat	Westair Airlines
Frontier Airlines	Western Pacific Airlines
GP Express	Wings West Airlines
Grand Airways	World Airways
Great Lakes Aviation	Sabre
Gulfstream International Aviation	Galileo International
Hawaiian Airlines	Worldspan
Horizon Air	System One/Amadeus
Jettrain	