



U.S. Department of
Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Memorandum

Subject: Audit Announcement –
The Effects of Limited Competition
on Airline Flight Delays and Cancellations
Federal Aviation Administration
Project No. 12C3004C000

Date: October 9, 2012

From: Mitchell Behm 
Assistant Inspector General for Rail,
Maritime, and Economic Analysis

Reply to JA-50
Attn of:

To: Federal Aviation Administrator

Over the past decade, concerns have been raised about the effect that limited air carrier service options may have on delays and cancellations. Studies to date, however, have disagreed on whether reduced competition increases airline delays, and there has been little research on its effect on cancellations. Congressional concerns with airline service quality resulted in Congress including in the FAA Modernization and Reform Act of 2012 a requirement that OIG assess the effects of limited service options on the frequency of delays and cancellations.

Accordingly, we are initiating an audit to determine whether limited competition has substantially affected airline delays and cancellations. We will conduct the audit primarily at DOT headquarters in Washington, DC, and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at (202) 366-9970, or Betty Krier, Program Director, at (202) 366-1422.

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cc: FAA Deputy Administrator
DOT Audit Liaison, M1
FAA Audit Liaison, AAE-100