

THE PLANE TRUTH PART 3

Complaint volume is larger than record-setting 2022, so high that DOT can't keep up.



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Analysis shows airlines still haven't resolved big problems.

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CONSUMER WATCHDOG U.S. PIRG EDUCATION FUND

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I EXECUTIVE SUMMARY

So far in 2023, airline passengers aren't finding travel much easier than it was in 2022. A little bit. But not much. At the same time, consumers are filing significantly more complaints this year than last.

Our analysis of newly released data from the U.S. Department of Transportation (DOT) shows airline performance has not noticeably improved compared with problem-filled 2022. DOT released operations data for the first half of 2023 on Sept. 27.

There are some encouraging signs as we enter into our fourth post-COVID holiday travel season. However, the most recently released information includes only one month of the summer travel season – June. And those results were mixed.

Here are the key takeaways from the analysis by U.S. PIRG Education Fund of the 10 largest airlines and their marketing carriers: (American, Alaska, Delta, Hawaiian and United this year marketed flights operated by their branded codeshare partners, such as Republic and SkyWest.)

- The number of airline passengers for the first half of 2023 increased by 11%, to 419.2 million. That's the highest number since 2019 and puts us nearly back at pre-pandemic levels. There were 419.7 million passengers for the first half of 2019.
- Flights are fuller this year than they were in 2019. We had 419 million-

- plus passengers in both the first half of 2023 and the first half of 2019. But we've had fewer flights in 2023 nearly 3.5 million this year compared with nearly 3.9 million in 2019, meaning the same number of people stuffed onto fewer flights.
- On-time performance in June fell to 71.3%, worse than a year ago. The on-time rate for the first half of 2023, at 76.5%, was a hair better than in 2022 but worse than in 2019.
- Cancellations in June fell to 2.1%, better than a year ago. The cancellation rate for the first half of 2023, at 1.6%, was half of what it was in 2022 and better than in 2019.
- The mishandled/lost baggage rate in June was flat compared with a year ago. And the mishandled baggage rate for the first half of 2023 was also flat compared with last year and 2019.

JUNE PERFORMANCE AT A GLANCE

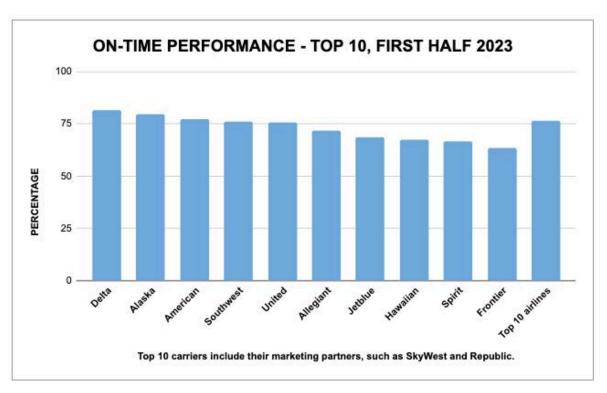
•	FLIGHTS*	600,721
•	ON-TIME	71.3%
•	CANCELLATIONS	2.1%
•	MISHANDLED BAGGAGE	1.46 million
•	MISHANDLED WHEELCHAIRS	5,361

^{*} Operated flights, scheduled flights minus canceled.

TARMAC DELAYS +3-HOURS

74

- The mishandled/damaged rate for wheelchairs and scooters in June was flat compared with a year ago. The mishandled rate for the first half of 2023 was slightly better than in 2022 and 2019.
- The percentage of passengers bumped involuntarily from overbooked flights during the second quarter was flat compared with a year ago. For the first half of 2023, the bump rate was slightly lower than in 2022 and flat compared with 2019.
- In June, airlines had 74 delays on the tarmac that exceeded three hours on domestic flights. In June 2022, there were 60 such tarmac delays. Airlines aren't supposed to have tarmac delays exceeding three hours for domestic flights without giving passengers the opportunity to get off, unless there's a safety, security or air traffic control issue.



Source: DOT

I COMPLAINTS ARE OVERWHELMING

Meanwhile, a year after consumer complaints against U.S. airlines hit a new record high, complaint volume is so large this year that DOT staffers have not been able to keep up with them. In fact, DOT hasn't released any complaint totals beyond the February data.

After saying DOT would get caught up with complaint reporting this summer, officials in July said that isn't happening after all. Now they are considering a new way to process the flood of complaints because there's no slowdown in sight.

"I don't think they're ever going to go back to pre-pandemic numbers," a DOT official told U.S PIRG Education Fund.

It's troubling that complaints filed with DOT this year are exceeding the volume from the last two years by such a wide margin. Consumers can <u>file complaints</u> about U.S. and foreign airlines, ticket websites, etc. Complaints in 2021 hit nearly 50,000, the second-highest level ever, behind only 2020. Then last year, complaints increased by more than 50%, to nearly 78,000.

The 2022 total was five times more than filed in 2019, the last normal pre-pandemic year, even though there were fewer passengers in 2022. When the totals are finally released for 2023, we wonder how high they'll be.

Keep in mind, and this is important: Complaints are generally filed only *after* an airline hasn't resolved a problem raised by a customer. So even one complaint about an airline not providing a legally required refund or paying to repair a damaged wheelchair is one complaint too many.

Most of the complaints during the last few years stemmed from flights that were extremely late or canceled, refunds not provided for canceled flights (which are required by law) and lost or damaged baggage.

DOT says that while officials are behind in categorizing complaints and tallying them by airline, they are still forwarding all complaints to whoever is named in it. Airlines are then required to acknowledge complaints filed with the DOT within 30 days and respond in writing within 60 days. Ticket agents are also expected to respond to consumer complaints, although there's no timeline for replies.

I WHAT HAPPENED DURING A BUSY JUNE?

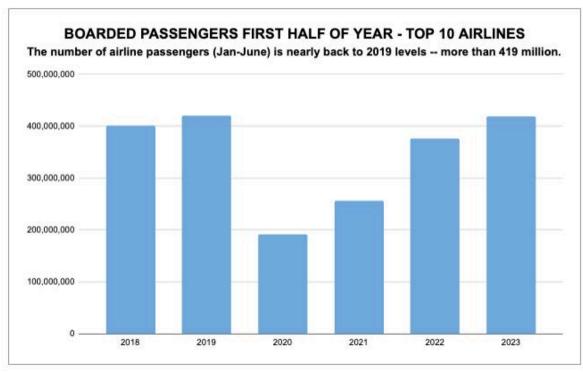
To have a better idea of what might lie ahead during the holiday travel period, you might look at the <u>record-setting volume</u> of travel this summer. But overall statistics are available only through June. And when the passenger counts went up in June, performance got worse:

In June, with the <u>10 largest carriers</u> and their partners:

- 71.3% of flights arrived on time (less than 15 minutes late,) worse than May's 81.2%.
- 2.1% of domestic flights were canceled, worse than May's 0.6%.
- 0.70% of bags were mishandled, worse than May's 0.51%.
- Of the 77,661 wheelchairs and scooters that were checked, 1,126 or

- 1.45% were mishandled, worse than May's 1.27%.
- There were 74 delays on the tarmac that exceeded three hours on domestic flights, up from three such tarmac delays in May.

On the on-time arrivals, it may not matter much if a flight arrives late by less than 15 minutes, but more than 25% of flights arrived late this summer, by an average of 57 minutes, according to information from FlightAware. A delay of nearly an hour can and often does make the difference between catching or missing a connecting flight. That can have a whole domino effect on various airlines and travelers for whom missing a flight could mean they miss a wedding, a cruise or other important event.



Source: DOT

I BEST AND WORST AIRLINES

On-time arrivals:

DOT considers flights on time if they arrive within 15 minutes of the scheduled time, meaning they weren't delayed or canceled. In June, one in four flights was nearly an hour late, on average. The largest airlines' on-time performance was 76.5% for the first half of 2023. Will it improve during the second half? Until last year, it finished below 77% for the entire year only once in the last 15 years.

The June average for the 10 largest carriers and their partners was 71.3%.

The three best in June:

Alaska Airlines Network – 79.4% Delta Air Lines Network – 77.8% Hawaiian Airlines – 77.4%

The three worst in June: Frontier Airlines – 53.7% Spirit Airlines – 58.8% JetBlue Airways – 60.8%

For January through June 2023, the average on-time arrival rate was 76.5%. The ranking for the top 10 and their partners for the January through June 2023 period, best to worst:

- 1. Delta 81.5%
- 2. Alaska 79.5%
- 3. American 77.4%
- 4. Southwest 76%
- 5. United 75.6%
- 6. Allegiant 71.7%
- 7. Jetblue 68.6%
- 8. Hawaiian 67.4%

9. Spirit – 66.8% 10. Frontier – 63.6%

Cancellations:

The June average for the 10 largest carriers and their partners was 2.1% cancellations of scheduled domestic flights.

However, the rate of cancellations means only so much. The figures that DOT provides include only flights canceled within seven days before the planned departure date. Flights that get scrubbed more than seven days ahead of time are considered "discontinued flights." A flight that gets canned eight or 10 days before your trip might be a hassle to rebook, and could mean you face higher prices or no available seats. But shockingly, it doesn't count against the airline.

This little-known fact about "discontinued" flights had been kept largely under wraps until cancellations started becoming such an enormous problem last year.

The three lowest cancellation rates in June, compared with the 2.1% average:

- 1. Alaska 0.3%
- 2. Allegiant -0.6%
- 3. Southwest -0.6%

The three worst cancellation rates in June, compared with the 2.1% average:

- 1. United 4.5%
- 2. Frontier -3.9%
- 3. JetBlue 3.5%

The cancellation rate for the first half of 2023 was 1.6%. The ranking for the top 10 and their partners for the January through June 2023 period, best to worst:

- 1. Allegiant 0.81%
- 2. Alaska 1.05%
- 3. Southwest 1.32%
- 4. Hawaiian 1.36%
- 5. American 1.44%
- 6. Delta 1.45%
- 7. Jetblue 1.86%
- 8. United 2.09%
- 9. Frontier 2.16%
- 10. Spirit 2.17%

Mishandled bags:

The mishandled bag rate for the first half of 2023 was 0.61 of 100 checked bags. This calculation included only checked bags on domestic, *nonstop* flights, meaning no connecting flight. The ranking for the top 10 and their partners, best to worst:

- 1. Allegiant 0.16
- 2. Southwest -0.46
- 3. Frontier 0.48
- 4. Hawaiian -0.5
- 5. Delta 0.51
- 6. Jetblue 0.54
- 7. Alaska 0.56
- 8. Spirit 0.58
- 9. American 0.81
- 10. United -0.82

Mishandled wheelchairs:

The percentage of mishandled/damaged wheelchairs and scooters for the first half of 2023 was 1.37%. The ranking of the top 10, best to worst:

- 1. Allegiant 0.06%
- 2. Delta -0.62%

- 3. United 1.25%
- 4. Southwest 1.61%
- 5. Hawaiian 1.62%
- 6. Jetblue 1.71%
- 7. American 1.78%
- 8. Frontier 1.79%
- 9. Alaska 1.96%
- 10. Spirit 5.89%

Getting bumped from flights:

Airlines generally overbook flights so they can maximize the number of passengers and therefore, maximize revenues. They're pretty good, based on history and algorithms, at calculating how many passengers won't show up at the gate for a particular flight for whatever reason. When the airlines miscalculate and too many passengers show up, airlines generally first ask for volunteers and may offer another flight as well as compensation for the inconvenience. When they don't get enough volunteers, airlines have to bump people who didn't volunteer.

For the first half of 2023, the rate of involuntary bumping was 0.33 per 10,000. The rates for the top 10 airlines and their partners, per 10,000 passengers:

1 and 2. Neither Allegiant nor Hawaiian had any involuntary bumps.

- 3. Delta 3 bumps, rate of 0.
- 4. United -184 bumps, rate of 0.03.
- 5. Jetblue -114 bumps, rate of 0.06.
- 6. Alaska 178 bumps, rate of 0.09.
- 7. Southwest -1,652 bumps, rate of 0.2.
- 8. Spirit 798 bumps, rate of 0.39.
- 9. American -5,033 bumps, rate of 0.54.
- 10. Frontier -5,782 bumps, rate of 4.19.

I CONCLUSION AND RECOMMENDATIONS

It's clear that three years after the pandemic hit and Congress gave the airlines \$54 billion to keep them afloat, air travel still hasn't bounced back. Some of that is the airlines' fault; some of it isn't.

- 1. Airlines should focus on realistic scheduling, fast refunds for canceled flights, up-front, transparent pricing instead of add-on gotcha fees, and quick resolution of problems so consumers don't need to file a complaint.
- 2. DOT should focus more on accountability from the airlines, particularly regarding scheduling, excessive cancellations and delays, slow-rolled refunds and disproportionately high complaint volume. In 2022, Frontier Airlines had the largest number of complaints per 100,000 boarded passengers, followed by Spirit and JetBlue.

Earlier this year, the DOT said it launched "a rigorous and comprehensive investigation" into possible "unrealistic scheduling" by four airlines, including Southwest, which had a meltdown over the Christmas holidays last year. Unrealistic scheduling is regarded as "an unfair and deceptive practice" under federal law, DOT said. We haven't learned about any findings or actions. It's irresponsible and harmful if airlines sell tickets to

- flights in bad faith, because lastminute cancellations can wreak havoc on travelers' lives and wallets.
- 3. On that note, DOT should revise its definition of a canceled flight to include more than just those canceled within seven days of the departure date. Right now, those are considered "discontinued flights" and DOT doesn't even tally them nor are airlines accountable for them, despite the disruption they can cause.
- 4. In its enforcement action in November 2022 against six airlines for taking too long to issue \$600 million in refunds, DOT said the \$7.25 million in civil penalties wouldn't be the last ones if the airlines don't do better and issue timely refunds as legally required. The enforcement included only one U.S. airline, Frontier. Slow issuance of refunds is still a problem. We haven't seen any additional enforcement. DOT needs to keep its word and hold airlines accountable.
- 5. DOT should also demand more accountability from third-party online ticket sellers, who make up a growing percentage of the market but often are a nightmare to deal with if a customer wants a refund for a canceled flight or needs to rebook a canceled or delayed flight.

- 6. And DOT should do everything it can to make sure the skies have an adequate number of air traffic controllers. Airlines blame some issues on shortages here.
- Pilot shortages are also blamed for some of the cancellation/delay issues. All parties should work together to address this.
- 8. Congress should allow state attorneys general to enforce federal consumer protection laws involving the airlines. The states want to and should be able to do this, but they can't. Airlines are just about the only industry that is protected from state enforcement of consumer protection laws. And 35 of the state attorneys general signed a letter to Congress on this issue in August 2022.

9. The DOT has done a great job of pushing the major carriers to adopt new passenger-friendly policies, such as family seating so young children can sit next to an adult companion at no additional charge.

Other policies deal with the airlines' commitments in cases of cancellations and delays under the airlines' control. The DOT's flightrights.gov dashboard clearly displays each airline's policy on various issues. Further, once the airlines have made a promise like this to the DOT, it becomes part of their contract and they can't go back on it.

The hope is the transparency pushes more airlines to adopt such practices.

This is one of the dashboards on flightrights.gov that spells out airline guarantees.*

	Carrier									
	Alaska [©]	Allegiant	American [5]	Delta ^{Cf}	Frontier	d Hawaiian d	JetBlue	[©] Southwest [©]	Spirit	United
Rebook passenger on same airline at no additional cost	1	1	1	1	1	1	1	1	1	1
Rebook on partner airline or another airline with which it has an agreement at no additional cost	v	×	V	~	×	~	~	×	×	~
Meal or meal cash/voucher when cancellation results in passenger waiting for 3 hours or more for new flight	~	~	✓	~	~	~	1	~	~	1
Complimentary hotel accommodations for any passenger affected by an overnight cancellation	1	~	1	1	×	~	1	~	1	1
Complimentary ground transportation to and from hotel for any passenger affected by an overnight cancellation	~	~	✓	1	×	~	1	~	~	~
Cash compensation when a cancellation results in passenger waiting for 3 hours or more from the scheduled departure time	×	×	×	×	×	×	×	×	×	×

^{*} as of Oct. 2, 2023



TIPS: What to know before you fly

First, the big one: If any airline cancels your flight for any reason, you're entitled by law to a full refund of your ticket price, taxes, baggage fees, any extra charges and ancillary fees – if you want a refund. Airlines and ticket agents must issue refunds promptly. Airlines must issue the refund within seven business days if you paid by credit card and within 20 days if you paid by cash or check.

If you learn your flight is canceled or will be significantly delayed or changed and you find a flight on another airline with available seats, you can ask the first airline to transfer your ticket to the second airline. Airlines aren't required to do this, but many will. This could save you a significant amount of money compared with getting a refund and buying the new ticket, because tickets often become more expensive closer to the departure date.

If you prefer a credit or voucher instead, here's what you need to know.

You also have legal rights if you are bumped from a flight that departs, if your baggage is misplaced or lost or if you're stuck on the tarmac. More on that below.

Airlines often are accommodating when they cancel or delay a flight for a reason that's their fault. The Department of Transportation in 2022 <u>launched a dashboard</u> so travelers can see the policies of various airlines when they cancel or delay flights for reasons *within* the airline's control. Many airlines rebook you, pay for hotels, meals, etc.

Here's advice to avoid headaches and what you should know if something goes wrong.

BEFORE YOU GO

Hedge your ticket purchase

Many airlines will allow you to book a ticket and give you 24 hours to cancel and get a refund, in case you find a better deal or change your mind.

Check the flight's record

Major airlines are required by law to provide on-time performance information on their websites when you consider what flight to buy. Check out the <u>historic flight record for a specific flight</u> to help avoid long delays. Note: Sometimes a flight number will show up under multiple routes.

The results will show you each city-to-city route. On a flight I took recently, it showed 85% going one direction, and 77% going the other direction.

Give yourself a buffer

If you're going to an important event, such as a wedding or cruise, plan to fly out a day before you actually need to be somewhere by a certain time if possible.

Pay with a credit card, not a debit card

If you buy your plane ticket with a credit card, you have far greater protection to dispute the charge under the federal Fair Credit Billing Act.

Fly in the morning

Schedule your flight as early in the day as possible. The DOT says you're more likely to get where you're going. The later in the day you fly, the more chances there are for the airline to get off schedule. And if you have a late-night flight that's canceled, there may not be another one until the next morning.

Avoid connecting flights

This isn't always possible, of course. But two flights mean two chances for a problem. And a delay on the first leg could mean you miss the second leg (as happened to me recently on a return trip.) The extra cost of a non-stop may save you stress and expense.

Avoid checking a bag

This also isn't always possible. But having a carry-on reduces the chances of you getting separated from your bag. If you do check a bag, consider putting a tracker in it so you can find it even if the airline can't.

Consider buying travel insurance

It won't keep your flight from being canceled but should help with other expenses. (But read the terms and conditions.)

Get the app

Get the airline's app on your phone a couple of days before your flight. It can help you with notifications, rebooking and contacting customer service.

AT THE AIRPORT

Involuntary bumping

If you're involuntarily bumped, airlines must provide you with a list of your rights and compensate you according to how long your flight will be delayed.

Delay compensation:

- Less than 1 hour: None
- 1-2 hours: (Domestic) 200% of your one-way fare up to \$775
- 1-4 hours: (International) 200% of your one-way fare up to \$775
- More than 2 hours: (Domestic) 400% of your one-way fare up to \$1,550
- More than 4 hours: (International) 400% of your one-way fare up to \$1,550

Tarmac delays

Airlines have to provide medical attention and working bathrooms the entire time the plane is on the tarmac. After two hours, you must have food and water. After three hours, you must be in the air or off the plane and back in the airport if you want—or the airline faces massive fines.

Flight delays

If your flight is delayed more than 30 minutes, airlines must give you regular updates.

POST-FLIGHT PROBLEMS

Delayed bags

If your bag is delayed overnight, most airlines set guidelines that allow their employees to reimburse you for some emergency expenses.

Lost bags

Airlines must refund any checked baggage fees, and reimburse you for the lost items up to \$3,800.

Complaints

Airlines are required to give you information on how to file complaints. Airlines need to acknowledge written complaints within 30 days and respond within 60 days.

If you don't get satisfaction from an airline, file a complaint with the DOT. To file a complaint against an airline, airport or ticket agent, go to DOT's Air Travel Service Complaint Form.

For other information about passenger rights, go to <u>DOT's Aviation Consumer Protection page</u>.

Just a reminder: Your rights and responsibilities as an air traveler may change. U.S. PIRG is not providing legal advice. Please check the <u>Department of Transportation website</u> for the most complete and up-to-date information about your rights.

| METHODOLOGY

For The Plane Truth 3, U.S. PIRG Education Fund reviewed Department of Transportation <u>Air</u> <u>Travel Consumer Reports</u> for the first half of 2023 (which was released Sept. 27,) and for 2022 and for 2019.

The reports, which often include 55 to nearly 80 pages worth of data, cover everything from performance of airlines, including cancellations, departure and arrival records and tarmac delays; on-time departures and arrivals at major airports nationwide; mishandled baggage and wheelchairs; and complaints about airlines and others that are part of the air travel experience. (This year, however, no complaints data has been released since February.) Complaint categories are flight problems, oversales, reservations/ticketing/boarding, fares, refunds, baggage, customer service, disability, advertising, discrimination, animals and other.

For this report, we analyzed data on cancellations, delays, on-time performance, bumping, mishandled baggage and mishandled wheelchairs. Our references to complaints come from our April report, The Plane Truth 2. That report consisted of an in-depth analysis of complaint data going back to 1997, the oldest year available online (through the lookback 1998 report.)

DOT generally looks at issues through three lenses:

- Top 10 airlines and their 16 marketing partner airlines.
- All U.S. operating airlines with revenue that represents at least 0.5 percent of all of the industry's revenues (last year there were 17 airlines in this group).
- All U.S. airlines, regardless of size.

In both of the first two categories, the top airlines represent about 95 percent of the domestic scheduled passenger air traffic.

For this report and all of our reports, we focus on the top 10 with their marketing partners because many travelers don't realize they're flying on a small partner if they booked their flight through American, Delta, United or Alaska Airlines.

The top 10 airlines and their branded codeshare (marketing) partners for last year included four airlines with partners:

- American Airlines: Air Wisconsin Airlines, Envoy Air, Piedmont Airlines, PSA Airlines, Republic Airways and SkyWest Airlines.
- Alaska Airlines: Horizon Air, SkyWest Airlines.
- Delta Air Lines: Endeavor Air, Republic Airways, SkyWest Airlines.
- United Airlines: Air Wisconsin Airlines, Commutair, GoJet Airlines, Mesa Airlines, Republic Airways, SkyWest Airlines.

APPENDIX

The DOT's most recent Air Travel Consumer Report noted that complaint volume has increased, compared with the past two years. Last year, complaints against U.S. airlines (not counting foreign airlines, ticket agents, etc.) hit a record high. This is from the report that was supposed to be released in August; it was released Sept. 27.



Air Travel Consumer Report

THE OFFICE OF AVIATION CONSUMER PROTECTION



Issued: August 2023

Flight Delays¹ June 2023

Mishandled Baggage, Wheelchairs, and Scooters ¹

June2023 January - June 2023

Oversales¹ 2nd Quarter 2023 January - June 2023

Consumer Complaints²

(Includes Disability and Discrimination Complaints)

Airline Animal Incident Reports

Customer Service Reports to

June 2023 January - June 2023

Please see page 54 for details

the Dept. of Homeland Security³

June 2023

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CONSUMER COMPLAINTS

The release of 2023 consumer complaint data has been delayed primarily because of the increase in consumer complaints received this calendar year compared to the prior two years. The Department is examining how best to review and process the increased number of consumer complaints received in 2023 so not to delay its reporting.