

Testimony

"FAA REAUTHORIZATION: NAVIGATING THE COMPREHENSIVE PASSENGER EXPERIENCE" STATEMENT OF SHARON PINKERTON, SENIOR VICE PRESIDENT, LEGISLATIVE AND REGULATORY AFFAIRS, AIRLINES FOR AMERICA BEFORE THE AVIATION SUBCOMMITTEE OF THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

March 23, 2023

Airlines for America (A4A) appreciates the opportunity to testify and bring a broader context to the passenger experience, air traffic control (ATC) modernization and provide our Federal Aviation Administration (FAA) reauthorization recommendations. We value the Committee's continued interest and focus on our industry and these important issues. We are thankful for the many members of this Committee who have dedicated significant time and resources toward understanding the nuances and logistical challenges our interconnected aviation system faces every day in order to craft effective policies tailored to benefit safety, the traveling public, cargo shippers and the men and women who work in our industry. Airlines are doing everything in their control to build upon and improve every aspect of the customer experience, and we value the Committee's appropriate focus on doing the same to update and improve the public sector factors which fall under the government's control.

<u>Safety First</u>. At the outset, I would like to take a moment to discuss aviation safety. I want the Committee to be assured that safety is the bedrock framework from which our industry operates, and safety is and will always remain our North Star. While the data shows that our aviation system is safe, and by far the safest mode of transportation including walking, the recent incidents we have seen in the system are reminders that we cannot ever be complacent. A4A member airlines welcome discussion and focus on safety and we all know we must remain vigilant. Our safety systems have many layers and many redundancies but there is no ceiling on improvement.

We also know that the COVID pandemic changed our industry. Given the hiring airlines have done in the last few years, we know that a greater percentage of our employees now are less experienced than prepandemic. Our job is not just to keep up with change, but to stay two steps ahead. That is why our carriers have taken steps, well before last week's Safety Summit, to ensure that we are focused on training, proficiency requirements and mentoring as tools to ensure our workforce is well prepared.

Conversely, the federal government must also address the air traffic controller shortage and ensure that safety technologies are fielded in the right places. The pace of change will only accelerate. We must recognize that new entrants and new technologies and the risks associated with those must be part of our constant evaluation of our safety environment and culture.

Deregulation and Robust Competition Continues to Benefit Consumers

Prior to the pandemic, we were experiencing what many have called the "Golden Age" of air travel. U.S. airlines were flying a record 2.5 million passengers and more than 58,000 tons of cargo each day. Those record numbers were in large part because of two main factors: affordability and accessibility. Accounting for inflation, and including ancillary services, average domestic ticket prices fell 15 percent from 2014-2019, 22 percent from 2000-2019 and 44 percent from 1979-2019— the 40-year period following the Airline Deregulation Act of 1978. Those lower fares made commercial air travel accessible to nearly all Americans. Air travel was opening doors, connecting loved ones and generating opportunity across all



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walks of life and economic circumstances, demonstrating that air travel is not just for the affluent anymore.

While the financial repercussions of the pandemic will be felt for years, the value proposition to consumers for air travel is still strong: it is affordable and accessible to more consumers than ever, and airlines are reinvesting record sums to continuously improve the product. U.S. airlines strive to provide the highest levels of customer service, and commercial air travel in the U.S. is safer and more environmentally friendly than ever before thanks in large part to the competition and innovation unleashed by multiple decades of deregulated air service.

<u>Airline Fares.</u> In 2021, domestic air travel (including ancillary fees) was 55 percent less expensive than it was in 1979. In 2022, inflation-adjusted fares averaged 6.8 percent below 2019. U.S. airlines have maintained this level of affordability while facing significantly higher costs.

<u>Competition.</u> In November 2021, Compass Lexecon released a report¹ entitled 'The U.S. Airline Industry: Myths vs. Facts' which concluded that competition in the U.S. airline industry remains dynamic and robust, to the benefit of consumers, communities, the U.S. economy and airline employees. The report also summarizes that:

- Today's airline industry offers consumers more choices among and between carriers competing with different business models than ever before.
- The lack of entry barriers and more comprehensive networks made possible by mergers has resulted in the average number of competitors per domestic city pair *increasing* from 3.33 to 3.44 over the past two decades.
- Lower cost carriers have entered hundreds of new routes and now carry nearly half of all domestic passengers; nearly nine of ten domestic passengers have lower cost carrier options for their travel.
- Lower cost carriers (including new entrants) are growing several times faster than the U.S. global network carriers and have hundreds of additional aircraft on order to support future growth.
- Mergers between the large network carriers have enabled them to regain their financial footing and restore their growth, including to small communities that depend on their large hub and spoke networks.

The facts and data show that passengers greatly benefit from this vigorous airline competition, which creates greater choice and service options. Congress recognized the benefits to consumers when they acted on a bipartisan, bicameral basis to deregulate the airline industry in 1978.

2022/2023 Systemwide Operational Accountability

There is no doubt that 2022 was one of the most difficult operational years in history. However, air carriers took responsibility and quickly took actions to address issues within their control. Airlines take customer service commitments very seriously and, as a baseline, it is important to note that airlines have

¹ <u>https://www.compasslexecon.com/wp-content/uploads/2021/11/The-U.S.-Airline-Industry-Myths-versus-Facts-November-17-2021.pdf</u>



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absolutely no incentive to delay or cancel flights and only do so when circumstances dictate. While the details of any specific given delay or cancellation are contingent on the unique operating variables that led to it, a wide array of challenges may contribute to the decision. Variables can certainly include circumstances within the airline's control, such as maintenance/crew issues or IT failures, and air carriers routinely take full responsibility and are accountable for those events both through Department of Transportation (DOT) rules and enforcement actions and through the court of public opinion.

In fact, there are innate disincentives for air carriers to incur operational disruptions. I can assure you that no airline takes these events lightly and ever wants them to happen. But when they do, there is certainly no lack of accountability.

Conversely, we hope there can also be accountability and broader context applied to other factors and variables that lead to delays or cancellations. While U.S. airlines are doing everything possible to make improvements to operational factors within their control, there are many factors beyond their control—including extreme weather, air traffic control (ATC) staffing or systems issues, airport power outages, National Air Space (NAS) volume, increased commercial space launches and military and law enforcement activity. One can also question where the incentives and disincentives lie for ATC and NAS accountability, and this is an area on which we would encourage the Committee to focus its attention and oversight. As an industry, we are committed to addressing issues on our end; the government, which is a critical component of our transportation chain, should focus on its end and take accountability for failings as well.

Analysis of 2022 data provides a good example for how a broader review can provide context to what is actually happening across the aviation system. Last year, 62 percent of flight cancellations in the system were caused by weather (53 percent), the NAS (8 percent) and security (0.6 percent) collectively, as our nation experienced unprecedented and often nationwide weather events, ATC staffing shortages amid rising volume from commercial and general aviation as well as an increase in commercial space launches.

Further, at the onset of 2022, the country experienced several significant winter storms and air carriers dealt with the unpredictable staffing/absenteeism challenges caused by the Omicron variant. Moving into the Memorial Day holiday and the summer months, the system experienced significant thunderstorm activity, carrier staffing challenges and numerous ATC facility and system challenges, including staffing issues that resulted in ground delay programs and ground stops, along with several runway closures.

As we transitioned to the fall, the system had to deal with the impacts of Hurricane Ian in September and Hurricane Nicole in November, among others, and in the final week of December the country was hit with a bomb cyclone. Despite all these events, preliminary data show that U.S. airlines completed more than 97 percent of flights at U.S. airports in 2022—meaning that fewer than 3 percent of flights were canceled, all for safety reasons.

In January 2023, despite two major FAA system outages and several winter storms, airlines canceled just 2 percent of flights, better than January 2018, 2019 and 2022.

Despite these many challenges, airlines remain committed to using every tool at their disposal to provide a safe and smooth experience to the traveling public, and our industry will do all it can to maintain and continually improve operational reliability.



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State of the Industry

<u>Jobs & Staffing</u>. U.S. airlines have had an acute focus on staffing and have been working diligently and continually to address operational challenges within their control by hiring additional staff and adjusting schedules to improve reliability. As 2022 progressed, carriers proactively reduced their scheduled departures from their initial levels by about 15 percent to improve operational reliability.

At the same time, like many other industries across the economy, airlines also quickly had to adjust to new employment realities and modify pre-pandemic staffing models. For example, in the second half of 2022, carriers continued to observe higher-than-pre-pandemic rates of absenteeism, and several carriers have indicated that they now require 5-10 percent more staff to operate the same amount of pre-pandemic capacity. These factors led to aggressive hiring tactics that have resulted in U.S. passenger airlines adding 50,000 employees over the course of 2022 and 4,400 more this past January.

In fact, as of January, U.S. passenger airlines had their highest employment level since October 2001 and were adding jobs at a rate more than twice that of the U.S. economy.

Carriers have also been focused on securing a pipeline of employees across the industry to accommodate future demand for air travel and have invested heavily in new programs, including apprenticeships, pilot academies and partnerships with universities. These pathways offer tremendous opportunities, and airlines are proud to offer high-quality, career track jobs that are well-paying and provide solid benefits. For example, in 2021, per the latest data point available from the Bureau of Economic Analysis, air transportation employees earned wages 37 percent higher than the average private sector employee.

<u>Debt</u>. Even with all the public and private actions taken over the course of the pandemic, U.S. carriers amassed a significant amount of debt, which ended 2022 just shy of \$150 billion in 2022. This debt comes with heavy cash outlays for interest. In fact, net interest expense tripled from 2019 to 2021 and will remain elevated through 2023. For 2022, 10 publicly traded U.S. airlines posted just \$2.4. billion collectively in pre-tax earnings—a modest 1.2 percent pre-tax profit margin. Notably, that comes on the heels of \$49 billion in pre-lax *losses* recorded in 2020 and 2021 combined.

<u>Costs.</u> In 2022, U.S. airline unit costs, including interest expense, were 29 percent higher than in 2019. This includes the higher costs in the price of jet fuel, which averaged 83 percent more in 2022 than in 2019. Through March 16, jet fuel prices were running 71 percent higher than in 2019.

Record Reinvestment. U.S. passenger airlines are reinvesting record sums in their products to continually improve the customer experience, enhance operational reliability, increase efficiency and reduce emissions. In addition to aircraft, facilities and ground equipment investments, this includes a wide range of customer-facing technology initiatives that make it easier for travelers to shop for tickets and other services; check in for their journeys and navigate airports; check or track bags; to modify their itineraries; redeem vouchers or loyalty points; and to stay apprised in real-time of changes to their flights during irregular operations. Capital expenditures reached an all-time high \$21.8 billion in 2022 and are poised to reach \$25 billion in 2023. And A4A passenger airlines spent \$6.5 billion on information technology last year.



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This has also been matched by record capital investments by U.S. airports, supported predominantly by rents, landing fees, parking fees, concessions, ticket taxes, fuel taxes, cargo waybill taxes and other revenues generated from airport customers. These investments reached an all-time high \$21.6 billion in 2021, the latest year for which data is available from FAA. That included \$12.7 billion for construction and renovation of airport terminals. With \$20 billion in new airport federal grants funds available through FY2030 under the Infrastructure Investment and Jobs Act, airport funding and development has reached historic levels and will continue to be robust for the foreseeable future.

Federal Responsibility, Accountability and Reauthorization

As this Committee begins debate on the reauthorization of the FAA, we would encourage the Committee to take serious stock and review of the broader context and situational awareness we should all be attuned to going into this reauthorization. The last FAA reauthorization was passed in 2018. However, in the interim there has certainly been no lack of legislative activity which has included the Aircraft Certification, Safety, and Accountability Act and the Infrastructure Investment and Jobs Act, both containing significant policy and funding requirements—all of which have piled onto the FAA's workload and responsibilities.

The U.S. airline industry is in the early years of a long road to full economic recovery; we also have an aviation safety regulator that is well behind schedule on existing mandates and that is struggling to just maintain a legacy ATC system, let alone operationalizing NextGen priorities. We would encourage Congress to fundamentally think about what needs to be done to structurally prepare the FAA for what is to come. Both from a resource and organizational perspective, is the FAA ready and capable of meeting existing demands along with the considerable challenges of the future like integration of new entrants into the ATC system? We think the answer to that question is clearly 'no'. While not a criticism of the dedicated individuals and leaders at the Agency, the FAA is on the precipice of being overwhelmed, if they are not already. Policymakers should keep this in mind as the legislative process moves forward.

<u>Recommendations:</u> With that context and foundation in mind, we are hopeful you will also consider proposals, among others, that address the following priorities:

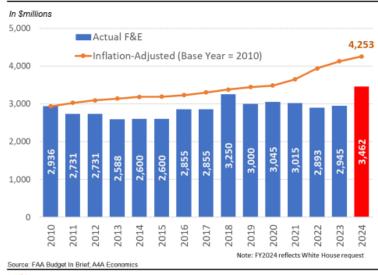
- Ensure Air Traffic Controller Staffing Model Updates Hiring Goals and Provide Funding
 The FAA and the National Air Traffic Controllers Association (NATCA) are working through a
 collaborative resource workgroup (CRWG) to improve the process for determining air traffic
 controller staffing targets by evaluating staffing needs on a facility-by-facility basis as well as
 improving the algorithm that determines the staffing target based on a variety of factors such as
 traffic demand and changing workforce. That work has been completed and although it is not
 publicly available, we believe this report should serve as the basis for increased funding and
 staffing to ensure the National Airspace System (NAS) is adequately staffed so that fewer
 passengers' itineraries are delayed or disrupted due to inadequate air traffic facility staffing levels.
- Increase Funding for FAA's Capital Programs
 A4A supports additional funding for the FAA's capital programs—particularly the Facilities and Equipment (F&E) account—through higher authorization levels and appropriations that match those levels. F&E has been stagnant for the last 14 years and resources have not kept up with inflation, much less the needs of the NAS.



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Moreover, the FAA's investment landscape over the past two decades has become increasingly tilted away from F&E investments and toward AIP grants. Since FY 2000, AIP funding has outpaced F&E investments by \$14.9 billion, even though airports have other funding sources. This has created a challenge in maintaining the facilities, systems, and equipment that supports all users of the nation's airspace and the ability to be the gold standard for global aviation. This historical underinvestment has led to a requirement gap of tens of billions of dollars over the next decade. Since 96 percent of the Airport and Airway Trust Fund (AATF) revenues are contributed by airlines and their customers, it is reasonable to expect additional resources from the AATF to be invested in an aging facilities and equipment infrastructure, which enhances safety and efficiency for all users.

Annual FAA F&E Appropriations: FY 2010 to FY 2024 Actuals vs Indexed Values (2010 base adjusted annually for CPI)



- Annual FAA F&E Appropriations have not kept pace with inflation
- \$7.1bn: the incremental amount of F&E resources available from FY 2010 through FY 2023 if annual F&E appropriations were indexed to inflation
- Cumulative FY 2010 FY 2023 ATC F&E Appropriations
 - Actual: \$40.0bn
 - Inflation-Adjusted: \$47.1bn
 - Variance: \$7.1bn
- FY 2024 proposed F&E appropriations (\$3.462bn) is higher than prior year actuals but \$791m less than the inflationadjusted benchmark (\$4.25bn)

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- Hold the FAA Accountable for Achieving Consumer/Operational Benefits
 NextGen Benefit-Focused Metric Task Force As the FAA restarts its air traffic control modernization efforts emerging out of Covid related restrictions, we want to ensure the NextGen program finally achieves its intended purpose, namely greater energy efficiency and emissions reductions. Getting passengers and packages to their destination safely, efficiently and as quickly as possible is a top priority for our carriers and crucial to the U.S. economy.
- Operationalize NextGen
 Our real is to implement

Our goal is to implement and integrate NextGen/ATC Modernization capabilities, aircraft equipage and people to achieve the intended purpose and produce measurable benefits for passengers and stakeholders. This includes throughput, efficiency, sustainability, fuel savings,



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emissions reductions, reduced miles flown and noise reductions in specific locations and time frames. Our top priorities to achieve this goal and improve customer service are:

- Flow Management/Flight Planning Tool Replace the FAA's outdated Traffic Flow Management System (TFMS) with a modernized national planning tool (Flow Data Management System or FDMS) by 2025. FDMS provides the FAA with the necessary capabilities in concert with operator flight planning automation enhancements to provide the basis for expanded capabilities for and improved use of automation by aircraft operators that are extremely limited by the current TFMS.
 - TFMS provides tools for users to develop, coordinate, issue, and manage Traffic Management Initiatives that balance flight demand and NAS capacity. However, those tools have reached end of life and are exhibiting accuracy and latency issues, as well as shortfalls in reliability, maintainability, and availability (RMA). The FDMS will provide a standards-based microservices architecture before the full implementation, and the final system will address operational needs such as improved means of flight plan revisions that address weather and traffic congestion, ultimately benefitting passengers and other stakeholders.
- Airport Surface Management Implement (Terminal Flight Data Manager) electronic flight strips and aircraft operational metering at agreed upon locations and time frames to finish 49 sites by 2027.
- Ensure the NOTAMs program is resilient, has redundancies and is modernized before 2030.

Additionally, leverage investments by industry in aircraft-based equipage capabilities and flight planning management. Specifically:

- Navigation Increase utilization of Performance Based Navigation (PBN) and implement PBN at additional designated airports sites recommended by industry. This includes the 48 site specific proposals made by the industry to the FAA under the NextGen Advisory Committee in the *Performance Based Navigation (PBN) Clarification Ad Hoc Team, NAC Task 19-4 Report*² to achieve desired PBN outcomes in the implementation of the FAA's PBN NAS NAV Strategy. The FAA should continue the implementation of Established on Required Navigation Performance (EoR) Procedures and development of Multiple Airport Route Separation (MARS). The Agency should also continue making use of Converging Runway Display Aid (CRDA) as a metering tool to facilitate PBN implementation.
- Communication Complete initial EnRoute DataComm and implement full data services by 2024.

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https://www.faa.gov/about/office org/headquarters offices/ang/nac/media/Updated PBN Clarification Final Report for NAC Distro-Nov 2020.pdf



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- Surveillance We support leveraging carrier investment in ADS-B Out and ADS-B In aircraft equipage to provide operational benefits and enhance trajectory-based operations capabilities to improve airspace efficiencies and reduce delay in the NAS. The FAA has shown benefits from reduced spacing in Center airspace and should complete implementation of this efficiency and capacity capability using ADS-B at all locations by 2025. Closing surveillance gaps in the Caribbean will also enhance safety and improve operational capabilities, expanding use of ADS-B surveillance should also be matured to implement reduced spacing at airports and in the Northeast Corridor as the Agency outlined in its report to Congress, as required by Section 505 of the FAA Reauthorization Act of 2018 (P.L. 115-254).
- Satellite Communication (SATCOM)

 We recommend requiring the FAA to utilize
 equipage for ATC communications in remote areas without VHF radio capability to
 improve system performance and efficiency benefits. Reduction of procedural separation
 should be developed for implementation in Oceanic WTRS and Gulf of Mexico Airspace
 through SATCOM.
- Ensure FAA Continues to Operate Normally During any Government Shutdown Congress should ensure the FAA's operations are protected during any government shutdown by allowing the FAA to continue to draw from the Airport and Airway Trust Fund (AATF) during any funding lapse to pay controllers and other operational needs so that travelers and shippers of goods are not grounded during a shutdown. Again, 96 percent of the AATF revenues are contributed by commercial passengers and airlines, it is reasonable that those revenues that have already been collected and are sitting in the AATF can be utilized when government shutdown events occur.
- Apply Current Funding Mechanisms to New Entrants
 Given the rapid growth and importance of advanced air mobility and commercial space new
 entrants, as new entrants increasingly divert FAA staff attention away from moving passengers
 efficiently across the country. Therefore, we recommend applying passenger taxes and the
 waybill tax to these stakeholders to ensure that everyone who utilizes the system also contributes
 to the AATF.
- Ensure and Reaffirm that the FAA is the Sole Regulator of Safety and Operations
 We recommend inclusion of language that codifies and reaffirms the FAA's singular authority over
 operations in the NAS. The scope should include all civil operators in the NAS, to avoid a
 patchwork of regulatory regimes that would make it impossible to operate in a system designed to
 connect the country and the world.

A federal standard for operational and safety requirements ensures that all civil operators, including new entrants and drones, comply with equivalent safety standards and that state and local requirements cannot create a competitive advantage or disadvantage, or negatively impact safety, operations and ultimately customer experience.

<u>Additional Priorities.</u> While a broader and more extensive version of our priorities is attached for your consideration, beyond ATC-centric recommendations, we are also supportive of:



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- <u>Sustainable Aviation Fuel (SAF)</u>. Incentivizing the production and use of SAF through existing
 grant and research and development (R&D) programs. These include the FAA's Fueling
 Aviation's Sustainable Transition (FAST)-SAF grant program, the Continuous Lower Energy
 Emissions and Noise (CLEEN) program and the FAA's Center of Excellence for Alternative Jet
 Fuels and Environment (ASCENT).
- Workforce. Incentivizing aviation careers through the expansion of both the scope and value of existing programs. The commercial aviation workforce must grow to meet future demand and prevent a lack of workers from negatively impacting passengers and their travel experience. Our primary goal is to increase the grant funds from \$10 million to \$50 million annually for the FAA's nascent pilot and technician education program and broaden the grant purposes beyond primary, junior and high school curriculum and teacher development.

Do No Harm - Congress Should Not Punish Passengers by Regulating Airlines

Additionally, we respectfully request that policymakers restrain from adopting punitive policies such as tax or fee increases or onerous rules and regulations that will otherwise hamper our industry, employees and customers. The cloud of the pandemic should not be used for convenient legislative opportunism to reregulate or refashion what was a highly competitive and burgeoning well-paid job creator prior to the pandemic. We should be moving forward, not backward to the early 1970s. As noted, the facts and data show that passengers greatly benefit from vigorous airline competition, which creates greater choice and service options. Congress recognized the benefits to consumers when they acted on a bipartisan, bicameral basis to deregulate the airline industry in 1978. At the same time, Congress also recognized that DOT needed to be a principled regulator and granted DOT broad regulatory authority and charged the Department to regulate with three complimentary considerations, which remain part of DOT's mission today:

- Prevent unfair, deceptive, predatory or anticompetitive practices;
- Place "maximum reliance" on competitive market forces and on actual and potential competition; and
- Maintain an air transportation system that relies on actual and potential competition to provide efficiency, innovation and low prices, and to determine the variety, quality, and price of air transportation services.

We acknowledge and support the need for a principled regulator, and our industry does not oppose all regulations. Rather, we firmly believe that regulation of airline services or practices should only be promulgated in response to proven market failures or when DOT has evidence of the need for government intervention in the marketplace to prevent actual consumer harm. We believe the same complimentary considerations should be exercised by Congress.

However, despite DOT's robust regulatory framework and the broad authority in this area, over the course of the pandemic our industry has needed to remain nimble and vigilant to many well-intended, but sometimes unnecessary, mis-guided and/or untimely, legislative and regulatory proposals. Some examples, among many others, are:

• Refunds. Some in Congress and the DOT, through a Notice of Proposed Rulemaking (NPRM), have proposed significant changes to DOT's airline refund requirements even though U.S.



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passenger airlines have been and remain keenly responsive to customers' refund interests. We support many of provisions in DOT's proposal, such as getting to a single definition of what constitutes a significant delay, but also have recommendations on how to ensure that some of these provisions are clear and do not have unintended consequences. Today, A4A member carriers abide by—and frequently exceed—all DOT regulations regarding these consumer protections, and there is no evidence of a market failure or unfair or deceptive practices in this area. In addition to other forms of compensation, the 11 largest U.S. passenger airlines issued more than \$32 billion in customer refunds, or \$900 million per month, between January 2020 and December 2022. This includes \$11.2 billion in 2022 alone, exceeding 2019 by almost 50 percent. The \$32 billion in refunds issued by these carriers equates to 65 percent of their \$49.6 billion in Payroll Support Program (PSP) receipts. It is also worth noting that in the first 11 months of 2022, DOT received less than one (0.86) complaint about refunds for every 100,000 U.S. airline passengers flown—a 90 percent improvement from the 2020 peak and airlines are working hard to reduce that number further in 2023. Additional regulation is simply not necessary.

- Ancillary Fees. The DOT has issued an NPRM which proposes to reregulate the disclosure and distribution of airline ancillary services and fees. A4A supports consumer protection regulation that advances the DOT's central obligation under airline deregulation to place maximum reliance on competitive market forces. Regulations that empower consumers to make intelligent choices in a competitive marketplace are consistent with airline deregulation. However, regulations that would stifle innovation and interfere with a thriving marketplace, such as those proposed in the NPRM, are fundamentally inconsistent with airline deregulation and will ultimately harm consumers. Competition—not government regulation—is the most reliable and efficient means to ensure air carriers deliver high-quality service, choice and value to their customers.
- <u>Family Seating.</u> In July 2016 a 15-month FAA authorization extension was passed that included a provision directing DOT to review, and if appropriate, establish a policy for all air carriers to establish policies that enable a child 13 or under to be seated adjacent to a family member to the maximum extent practicable. Per the directive from Congress, DOT then reviewed air carrier policies and found that no DOT directive on family seating was necessary because DOT found that, for the periods June 2016-May2017 and July 2017-June 2019 fewer than 0.5 percent of complaints received by DOT against U.S. airlines involved family seating and no single airline received a majority of the complaints.

DOT subsequently published data on family seating complaints and total complaints received by DOT against U.S. and foreign airlines for January 2020 through October 2022. In that 34-month period, DOT complaints concerning family seating were just 0.3 percent of complaints received.

DOT also established a family seating website, which provides advice to passengers traveling with a family, a link to every carrier's family seating policy, and a link to file a complaint. Despite significant work already done in this area and miniscule complaint data, the DOT has now submitted proposed legislation to Congress that would mandate that U.S. and foreign airlines guarantee that young children are seated adjacent to at least one accompanying adult at no additional cost.

To be clear, no A4A member airline charges a family seating fee. We do not believe that there is a reason to further regulate family seating and we are certainly not aware of any data to justify



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such micromanagement of a process where airlines, our employees and our customers work successfully to address any rare and unique situations that may arise. There are a multitude of variables like time of booking, check-in, and number of family members that a blanket regulation just cannot address. Customer service is best left in the hands of dedicated and experienced airline employees, not the government.

Similarly, some in Congress have proposed instituting government-controlled pricing, establishing a private right of action and dictating private sector contracts. These proposals would completely unravel the positive policy benefits that consumers have reaped via deregulation of the airline industry; would decrease competition; and would inevitably lead to higher ticket prices and reduced services to small and rural communities.

Stakeholders also have a number of effective and existing forums to transparently discuss and debate consumer protection issues. For instance, at Congress's direction, the DOT re-established the Aviation Consumer Protection Advisory Committee (ACPAC) in 2018 to advise the DOT Secretary in carrying out the DOT's activities related to aviation consumer protection. The ACPAC, with representatives of key stakeholders (airlines, airports, state and local governments and consumer protection groups), evaluates existing consumer protection programs, recommends improvements to such programs and recommends new protection programs, if needed.

Additionally, airlines and other stakeholders also work closely with the disability community and the DOT to proactively address accessibility issues. Similar to the ACPAC, the DOT established an Air Carrier Access Act Advisory Committee (ACAA Advisory Committee) in 2019 and includes committee members with expertise in accessibility, airline accessibility practices and aircraft design. We support Congressional reauthorization of this invaluable committee.

A4A passenger members are dedicated to improving air travel for passengers with disabilities. Most recently, our members announced a renewed commitment to improve accessibility and support for the DOT's Passengers with Disabilities Bill of Rights. This commitment was established after hearing from passengers with disabilities and their advocacy organizations about accessibility concerns, including those raised during A4A's passenger accessibility summit.

As part of the commitment, our members have committed to taking distinct actions to improve air travel accessibility. Each member will have a passenger accessibility advisory group that includes the disability community to more acutely help airlines incorporate accessibility into their policies and operations. Mobility aid handling is also a focus area of improvement, including the transfer of passengers between their mobility aids and seats. Additionally, accessibility services training will be improved for all frontline employees and carriers will educate all their employees about passengers with disabilities. Finally, our members also continue to support the study and development of more accessibility features on aircraft that will broaden air travel opportunities for passengers with disabilities. While some improvements will take time, our members are committed to making progress and taking action to implement these commitments.

The ACPAC and ACAA Advisory Committees are valuable tools and provide a transparent and public forum for consideration of data and evidence concerning consumer protection issues. These Committees should be used as alternatives to rigid and proscriptive regulatory mandates.



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Conclusion

We are thankful for the opportunity to testify, and we look forward to working closely with the Committee over the coming months on many of these issues. From our perspective, the simple goals of the upcoming FAA reauthorization effort should be long-term stability, predictability and a Congressional understanding of 'do no harm,' all components of an aviation policy that will serve the FAA, industry and consumers well, especially at this moment in time. Reforming inefficient government processes, retiring outdated technology and demanding public sector accountability while providing for the global gold-standard of safety will help to drive domestic economic growth, promote job creation and—most importantly—improve the travel experience for the millions of Americans who fly or ship cargo every day.