In the matter of:	:
	:
Final Rule	:
Enhancing Airline	: **Docket No. DOT-OST-2010-0140**
Passenger Protections	:

REQUEST TO EXTEND DOT ORDER 2012-1-2

Airlines for America, the International Air Transport Association, the Regional Airline Association, and the Air Carrier Association of America on behalf of their members, have made and continue to make substantial investments and efforts to comply with the passenger baggage regulations adopted in the Department's Passenger Protection II final rule.[1] However, despite carrier best efforts, it will not be possible to develop a fully automated solution that is essential to smooth and efficient customer service that complies with all aspects of the Department's baggage rules by July 24. We therefore request the Office of the Assistant General Counsel for Aviation Enforcement and Proceedings to extend until January 24, 2013 its enforcement discretion in monitoring compliance with these provisions consistent with DOT Order 2012-1-2.

While much progress has been made to ensure the vast majority of passengers, over 90%, will receive notice and have the DOT baggage rules applied to itineraries within the scope of the regulations, there are extremely challenging technical roadblocks to developing and implementing an automated solution for a minority of itineraries, specifically interline and certain codeshare itineraries. The Department recognized the compliance challenge for a small percentage of itineraries in its January 6, 2012 Order and we ask the Department to consider the limited scope of this request in its decision-making process.

It is in the public's best interest that the industry has enough time to complete and test an automated system and train employees on this system. Mandating a compliance period that will force carriers to institute hybrid manual and interim automation systems will confuse passengers and drain vital resources needed to complete a long-term automated solution. The requirement to refund any incorrect bag fees and a lack of complaints to carriers and to the Department concerning these baggage rules since the January Order suggests that consumers are satisfied with carrier efforts.

Completed Industry Compliance Efforts

Carriers have completed substantial DOT baggage rule compliance efforts while at the same time seeking to comply with IATA resolution 302. The U.S. carriers' biggest accomplishment is full compliance with all the new DOT baggage rules for passengers booking and flying on a single carrier, including segments flown by a regional partner. Other accomplishments include restructuring internal baggage fee databases to better communicate with ATPCO and ease communication with various carrier systems. Carriers created use cases and requirements for check-in and online applications, designed mockups for all systems, conducted usability testing for airport applications and rewrote airport applications code for all fee collection and fee waivers.

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[1] See 14 C.F.R. 399.87 "baggage allowances and fees" and 14 C.F.R. 399.85(c) "baggage notice."

In addition, significant technology changes were made to provide customers specific and customized baggage allowance and fee information in receipts and website confirmation pages for pure online itineraries. Many carriers have expanded and others are expanding efforts further by modifying mobile applications to provide the relevant baggage information applicable for each passenger based on their itinerary, frequent flyer status, etc. Some carriers are also adding baggage-fee calculators allowing the customer to get information before purchase. Finally, the IATA Joint Passenger Ticketing Committee (JPTC) adopted an industry standard for storing baggage information on the ticket at the time of issuance that will take effect on August 1, 2012. The adoption of this standard will lead to automated notice to other carriers in an itinerary as to what baggage rules should apply for the entire itinerary and compliance with 399.85(c).

Building solutions to comply with both DOT and IATA standards is complex, time consuming, and expensive. Each carrier faces unique circumstances and challenges in creating and modifying internal systems to meet complex DOT requirements. A change of this magnitude can be compared to moving the industry from paper tickets to electronic ticketing. Carriers began the compliance process in 2011 by working internally and using third party vendors to scope and diagram the new DOT baggage requirements. As additional guidance emerged, carrier and vendor compliance plans had to be modified. Based on information we received from polling members, we submit the following summary of completed compliance efforts.

Throughout 2011 and 2012, IATA, A4A, and ATPCO held numerous industry meetings to discuss and coordinate an automated solution to the new DOT baggage rules. DOT staff has participated in several of these meetings. Because the DOT rules require a level of baggage policy information sharing never contemplated, the work at these meetings is vital to devising industry solutions to meet the DOT standard of "applying one set of baggage rules per itinerary" and providing notice of those bag rules at various points of the ticketing process. The hard work at these meetings assisted ATPCO in enhancing its database of baggage fee information as carriers file extensive baggage policy information with ATPCO. While many aspects of the ATPCO database are complete, more work still needs to be done, which includes determining the scope of and filing various baggage policies such as carrying pets as checked baggage. Although ATPCO may complete work on various aspects of the database around the July 24, 2012 non-enforcement policy deadline, this will not provide enough time for carriers to test and provide feedback to ATPCO, which is typically a two month process.

As explained in our November 2011 request to extend the effective dates for sections 399.87 and 399.85(c), building a baggage policy database is only the first step in the compliance process. Carriers must redesign internal systems to utilize ATPCO information, build logic to apply the new DOT rules, and spread the applicable information to many different departments within each airline, including ticketing and Departure Control Systems (DCS). So far, carriers have been successful in ensuring that their own baggage rules apply throughout an itinerary sold by a carrier, including segments flown by regional partners, and that passengers have notice of the baggage rules. Airport DCS however were not designed or architected to communicate externally with other airline systems for sharing of baggage entitlement or enforcement. Therefore, retrieving and applying another carrier's baggage policies in an efficient automated manner is a challenge, especially when any of the hundreds of airline policies across the globe could apply. Fortunately, current carrier solutions ensure over 90% of all U.S. passengers have accurate and consistent baggage information. The Department acknowledged most passengers would not be impacted by a non-enforcement policy in the Order issued on January 6, 2012.

While working on a long term solution with vendors to comply with the DOT baggage rules, carriers have provided advisories, training, and reference materials to airport agents on interim procedures to comply with the DOT January 6 Order. This information included baggage policies of other carriers and materials

on how and when passengers should manually receive refunds if incorrect baggage fees are applied, in accordance with the two conditions in DOT's January 6 Order. Changes have also been made to kiosk check-in, web check-in, and mobile check-in software to provide passengers with greater transparency on baggage rules. Carriers also provide information and training for call center compliance with DOT baggage rules. In addition, itinerary receipts now disclose that partner airline baggage fees may apply and provide customers with links to partner baggage policy and fee information. In some cases, carriers have asked a third party to temporarily address short term compliance with the DOT baggage rules, especially for itineraries that include interline flights.   Some carriers will send itineraries that include legs operated by other airlines to a third party for processing that will then be returned to the carrier. These temporary workarounds are highly inefficient given the thousands of itineraries that each carrier processes each day.

Compliance efforts have been intense and costly; based on information provided by A4A members, completed compliance efforts thus far range to date from 4,000 to 10,000 hours per carrier and range from several hundred thousand dollars to several million dollars per carrier in development costs alone. These costs were not considered at all in the regulatory review to this rule.

Work in Progress

While carriers continue to work with vendors on compliance, there are still many ongoing efforts that will not be completed by July 24, 2012. Most carriers or vendors are still building software that will provide baggage rule notices to passengers at the time of a fare quote and on e-ticket confirmations in addition to applying other carrier baggage rules at the airport for some codeshare and all interline itineraries.   For most carriers this requires a redesign of ticketing and airport applications.

Carrier compliance solutions will utilize the baggage allowances and charges from the ATPCO data application from the time of initial booking all the way through the bag check and charge collection process. ATPCO will become the single source of data for charges and allowances once all DOT mandated information is included in the database. There is still some ATPCO work needed to complete coding for various baggage categories including pets as checked baggage. Carrier and vendor personnel are working to provide dynamic disclosure details utilizing ATPCO data at the time of fare quote and on e-ticket confirmations, which includes integration with all channels: online, reservations, ticketing, and other customer facing channels.

A full carrier solution to comply with the DOT baggage rules is dependent on a vendor created data feed system or application. These systems will allow carriers to input information and find out the "rules determining carrier" (RDC) and related baggage charges. Part of the vendor solution will need to include the ability to store the baggage disclosure data in the reservation for bookings made online so all carriers in an itinerary will know which bag rules to apply.   Individual vendor data storing format for online tickets will be key to ensure that baggage data will be stored and appear on the e-ticket confirmation. This service is fundamental to any carrier solution. IATA has just adopted an industry standard for storing baggage information on the ticket at the time of issuance. Most vendors will release an initial version of a standalone automated service in October 2012 that will only provide first and second baggage charges.

Most vendor solutions will then need to be expanded to include excess, oversize, overweight, sporting equipment, and carry-on policies, which will take another 60 days to develop. Without visibility into these other baggage categories, carriers will not be able to fully comply with DOT's requirement to apply one set of baggage policies throughout an itinerary. Most carriers are also working to create a manual process to identify and process other carrier baggage policy and fee collection at the airport. Manual solutions are not ideal even on a temporary basis. First, relying on a manual process for applying and

charging other carrier baggage fees may lead to errors and an inconsistent application of fees. Second, having airport agents validate which carrier's rules apply and the corresponding baggage fees may lead to an increase in airport transaction times and result in passenger delays. Additionally, in the event that customers do not have their e-ticket disclosure providing the applicable baggage fees, airport agents will need to contact specialty groups who would be able to lookup the appropriate fees. These manual solutions will be error prone and cause delays and do not benefit passengers or carriers. For these reasons, a manual process is not sustainable in the long term and is undesirable from a passenger, security and carrier point of view, even as an interim step, an automated solution is required.

Once vendors deliver initial services, carriers will need to redesign baggage modules to interact and deliver relevant information to various applications such as ticketing, check-in, kiosk, and mobile applications. In order to ensure consistent application of baggage fees across all of the different customer touch points, carriers will be creating a centralized baggage pricing service which each of the applications will utilize to receive baggage pricing. In addition, each carrier will have to modify existing applications to connect to the baggage service, and connect the carrier baggage service to the vendor's solution.

Website

For tickets purchased online, vendors are working to store the RDC and related baggage charges for all instances of ticket issuance in carrier host systems. This will require determining and displaying the most significant carrier (MSC) and codeshare baggage allowance where applicable to provide a solution for the less than 10% of remaining itineraries for which bag charges may or may not be in compliance with DOT baggage rules.

Call Centers

For tickets purchased through call centers, carriers will need to build the ability to accept data from vendors into reservations systems. This will include the ability to store the MSC indicator and baggage entitlement data in the Passenger Name Record (PNR) as structured data. It will also include reprogramming of call center and customer service robotic applications to handle the additional information now displayed in various screens, e.g. PNR, fare quote, eticket, etc. Changes will also need to be made to e-ticketing applications, actual ticketing data, messaging for handling of MSC, and itinerary receipts issued by call centers. Itinerary receipts from call centers are currently static documents which need to be modified in order to become dynamic and reflect the information based on the customer's purchase.

Departure Control System (DCS)

Itineraries involving codeshare and interline segments where the check-in carrier is not the MSC continue to pose substantial challenges. Significant development is required to implement a solution for internal and proprietary DCS. Ongoing work includes:

- Changes to reservations systems to include new baggage data that will be shared with DCS
- Changes to core DCS records to support new baggage data
- Developing new business rules to govern query and response inquiries to internal fare management systems and other carrier systems that may handle check-in at some locations
- A new XML format message for query and response from third party system inquiries for interline itineraries
- New DCS error response handling processes that will account for new DCS functions

- Developing new business process flows that carrier agents will use to understand DCS changes
- Changes to firewalls and communications links to ensure the security and integrity of DCS systems because DCS will communicate with other systems via internet for the first time
- Changes to DCS user interface/agent applications to account for new DCS functionality
- Rewrite bag check and charge applications, which include changes to the bag check process and the collections application
- Vendor application changes to pull information from ATPCO applications at the airport

Another challenge some carriers face concerns relying on another carrier at certain stations for ground handling/check-in. Some carriers use different system providers for check-in and receive only a passenger name list (PNL) that conforms to IATA standards. At this point IATA has no planned initiatives to change PNL data to incorporate baggage information, which would require another manual process for certain stations.

Self Service Devices

For self-service check-in devices, carriers will need to develop an automated solution such as an identifier embedded in ticketed reservations to indicate when the operating carrier is not the MSC. This indicator will be read by self-service devices as well as by vendor check-in systems and access the ATPCO baggage calculator to determine the appropriate baggage allowances and charges for the MSC. This will allow passengers to continue to use automated bag check applications rather than waiting in line to see an agent. Until this automated solution is built or if the passenger chooses to see an agent, the system will alert agents that they must manually look up another carriers baggage rules, which is a tedious and slow process.

Potential Additional Delays

Additional challenges may delay individual carrier compliance schedules. For instance, correct disclosure of alliance partner elite travelers, disclosures on reissued/exchanged tickets returned by pricing, and application to Common Use Self Service (CUSS) providers are all difficult and time consuming challenges that will likely not come into full compliance until 2013. CUSS kiosks are managed by 10 different companies (AirIT, ARINC, Finavia, IER, IBM, NCR, SITA, Ultra, Unique and Unisys) and require at least an additional month after carrier software changes are completed.

Carriers will need to test airport applications, reservations, self-service, mobile apps, mobile check-in and vendor applications once vendor solutions are delivered. Carriers are also working to provide tools to assist with compliance such as a baggage calculator for internal customer services and external customer use to calculate potential allowances and charges.   Finally, carriers are developing and deploying customer service team training to enable clear communications on the new procedures to better serve passengers.

Reasons for Delay

There are a range of factors that have prevented the industry, carriers and vendors from meeting the July 24, 2012 deadline for 100 percent of itineraries. The need to change and reintegrate several entire carrier systems without interrupting ongoing operations has proven to be difficult and time consuming. For instance, one large U.S. carrier reports it is in the process of changing 11 different carrier applications in several different departments. This carrier currently has 14 development teams made up of carrier and vendor personnel working on the change processes. In addition, significantly changing parts of reservation systems that were written 20 years ago has also posed unique challenges.

The IATA JPTC adoption of an industry standard for storing baggage information on the ticket at the time of issuance is the first step in a very long process that each carrier and vendor must begin to plan internal changes to include the applicable baggage policies in a ticket. This standard will facilitate providing automated notice to other carriers in an itinerary what baggage rules should apply for the entire itinerary and compliance with 399.85(c). Implementing this new standard will be challenging and time consuming.

In addition, to achieve full compliance most carriers are coordinating with multiple vendors and business partners for software and business process changes and ensuring all entities have the same understanding of, and code consistent with, DOT baggage rule clarifications. Further, DOT baggage rule clarifications resulted in ATPCO service process change delays, which were derived from the March ATPCO Operational Service meeting and provided to the industry in May 2012. This timeline slip has resulted in the lack of a test environment for ATPCO products; carriers can currently test only in the production environment, which is high risk as it introduces changes directly into current systems. From a sequencing perspective, the ultimate dependency is on ATPCO to deliver the data application with the ability to apply all of the existing rules and exceptions carriers currently have in place for passengers across the system. Modifications continue to be made at this time and additional enhancements have been submitted for the next ATPCO working group, as the ATPCO data application does not support all of the current rules carriers have in place for passengers today.

After obtaining several ATPCO updates, carrier vendors continued to refine planned carrier products that are scheduled to be delivered in the third quarter 2012. In addition, there are a limited number of vendors with finite resources and expertise to assist industry with compliance efforts. Some vendors are not able to provide automated compliance solutions until well into 2013, which caused some carriers to evaluate and select another vendor to meet the DOT requirements in a shorter timeframe. This change requires integrating developments with two vendors, which extended timelines. In addition, ATPCO and vendor coding takes several iterations to ensure correct responses. The number of coding changes to reach a smooth exchange of information cannot be known prior to implementation. Multiple code revisions have also delayed compliance deadlines. In addition, some vendors require testing carrier systems for backwards compatibility, referred to as regression testing when upgrading software. This additional testing step delays implementation.

Carriers must conduct extensive data share testing with codeshare and interline partners because of the high level of information exchange required by DOT rules. Different carrier systems are further along with certain aspects of compliance, such as disclosure on e-tickets, whereas others are further along on communicating baggage rules at check-in. Different states of readiness delays information exchange and testing, which causes delays in overall compliance milestones.

In addition, if the non-enforcement period ends in July 2012, carrier resources which are needed to work on compliance matters will be diverted to figuring out concerns with live systems that are not fully automated or fully complete. Carrier resources would be better spent building more complete automated carrier systems than stopping work to figure out why there are errors in an incomplete error prone manual system.

Additional Technical Challenges:

There are also significant challenges when categories of baggage meet more than one special baggage category. For example, when a passenger checks more than two bags, e.g. "excess baggage," that are also overweight and/or oversized the application of these different variables is extremely complex and carrier systems have difficulty interpreting and utilizing ATPCO data. In addition, carriers have different baggage rules that are not always easily applied or communicated by operating carriers. For example, carrier rules differ on the most generous baggage allowance applied on an itinerary, whereas some apply the most generous baggage allowances by the direction of travel. It is important to carefully build rules and messages that fully account for these situations.

Most check-in systems only have a 48 hour window on the world, i.e. flights are created 24 hours in advance and are managed "day of", then are purged from the system. They do not check reservations or the ticket for previously flown segments, nor do they check for information on flight segments that are beyond the limit of what may be checked in during a given transaction. When a carrier elects to file their baggage charges per direction rather than per checked portion and a passenger is at a mid-stream point of the direction, most check-in systems have no way to know whether or not charges have been collected at the point of origin. A passenger can present a receipt, but automation would default to either present the charges for collection, which agents would have to override (meaning some passengers could not use self-service kiosks) or assume that the charges have been collected previously which will result in a potential loss of baggage revenue. Until industry standards are in place for fee collections such as IATA's electronic miscellaneous document (EMD), launched and used by all interline partners, and the EMD data is transmitted to all down-line carriers in the itinerary, application of DOT's baggage rules will continue to lack automated solutions.

Finally, there is currently no industry solution for applying the same set of pet as checked baggage fees throughout an itinerary. Pets have never been interlined with other carriers and each carrier has their own very specific pet rules. The coding for pet policies and fees will be very complicated and take considerable time and is a very sensitive topic for customers.

Timeline

The consensus among A4A members is that it will take until January 2013 to be fully compliant with all DOT's baggage rules. We note that some vendors are predicting it will take until 3rd quarter 2013 to provide full automation to comply with all aspects of the baggage rules. Compliance by January 2013 will require carriers and vendors to introduce a combination of manual and automated procedures, which are more time consuming and likely to slow passenger check-in processes. This timeframe includes condensed and simultaneous project management. For instance, training materials are being developed and deployed while vendors work on automated solutions.

Lack of Complaints:

The fact that 90 percent of itineraries comply with DOT baggage rules and the small number of complaints carriers are receiving indicates that the vast majority of passengers are receiving notice of bag fees and are being charged the correct fees. Since January, one A4A member reports having only 3 complaints questioning if the correct baggage fee was charged, another reports processing 20 requests of which 16 merited a partial refund. Therefore, extending the non-enforcement policy period through January 2013 will not materially impact the vast majority of passengers and will allow carriers to provide better customer service in the future.

Costs

Based on information provided by A4A members, it will take between 20,000 and 30,000 total hours per carrier to comply with the DOT baggage rules. While the cost of this constraint on industry resources varies widely, A4A members indicate a range from $1.5 million to over $4 million total costs per carrier. We note that the DOT did not include any cost or any benefit analysis associated with these provisions in the Passenger Protection II Final Rule Final Regulatory Analysis and the fact that the bag rules discussed here were not proposed in the NPRM, precluding a full consideration of the costs and benefits of this rule in the notice and comment period. Against that backdrop we ask the DOT to consider these unanticipated and unanalyzed additional burdens in its decision-making process.

Conclusion

Carriers and their vendors are working as quickly as possible to provide all passengers traveling to, from, or within the U.S. with a fully automated ticketing/reservation baggage check-in process that complies with the DOT baggage rules, while also complying with IATA Resolution 302. The industry has substantially met this effort with considerable investment and resources and is working diligently to provide an automated solution for a small percentage of codeshare and interline passengers.

Accordingly, we respectfully request that the Department extend its enforcement discretion in monitoring compliance with these provisions consistent with DOT Order 2012-1-2, until January 24, 2013.
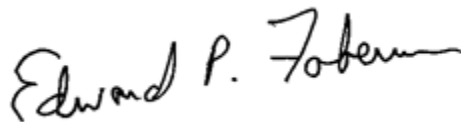
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