BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

In the Matter of: Application of

FINAL RULE ENHANCING AIRLINE PASSENGER PROTECTIONS

) Docket DOT-OST-2010-0140

ANSWER OF FRONTIER AIRLINES, INC.

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July 13, 2012

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Frontier Airlines, Inc. ("Frontier") supports the Petition jointly filed by Airlines for America, the International Air Transport Association, the Regional Airlines Association, and the Air Carrier Association of America (collectively, "Petitioners") to extend DOT Order 2012-1-2 and its enforcement discretion in monitoring compliance with 14 C.F.R. §§ 399.87 and 399.85(c) (the "New Baggage Rules").¹

When the Department finalized the New Baggage Rules, Frontier moved expeditiously to alter its technology, procedures, programs, and training in order to be in compliance on or before the effective date. Frontier also participated in certain industry discussions with ATPCO about providing the baggage allowance and fee information on an industry-wide basis. The New Baggage Rules imposed sweeping changes on the industry that required Frontier to expend substantial financial and human resources to develop, test, and implement a large number of technological, reprogramming, hardware/software, process, and training programs in order to inform passengers about baggage allowances and fees and to apply them in a manner

¹ Good cause exists, to the extent necessary, for the Department to consider and accept this Answer. It will provide the Department more complete information, from a carrier that is not a member of any of the Petitioner-associations, upon which to base its decision on the Petition.

consistent with the New Baggage Rules. As a result of these efforts, Frontier believes that it is in full compliance with the New Baggage Rules for passengers booking and traveling solely on Frontier Airlines, including on any regional carrier fee-for-service partner operating under the Frontier brand.

However, meeting the requirement to coordinate baggage policy information with other carriers in relation to codeshare, interline and non-interline itineraries is highly complex and difficult, and requires more time. For example, with respect to one specific scenario relating to coordination of baggage allowances on multiple carriers over a single itinerary where the consumer is eligible for a frequent flyer baggage allowance on one of the carriers, the Department advised:

"It is up to the carriers to coordinate among themselves to determine whether, based on the passenger's eligibility for reduced or waived baggage fees for one or more segments of an itinerary, the reduced or waived baggage fees apply to the entire itinerary. The carriers are jointly responsible for sharing information regarding the baggage allowances and fees that will apply to those itineraries and coordinating among themselves to ensure that passengers are provided accurate information about the baggage allowances and fees that will apply to their itinerary...²

And, that is just for one very specific scenario among the many that arise in day-to-day operations. Frontier is working to obtain baggage policy information from other carriers. But, those efforts require more time given the myriad of carrier-combinations that might arise on interline itineraries where Frontier is operating only one segment of multiple segment itineraries, particularly where Frontier needs to coordinate with airlines with which it has no direct inter-carrier relationship.

² Answers to FAQs on EAPP #2, dated August 19, 2011, and revised on September 6 and October 19, 2011, and on January 11, 2012 ("DOT FAQs"), Q. #44.

The Department itself has acknowledged that application of the New Baggage

Rules to travelers on multi-carrier, single-ticket interline itineraries is difficult.

"As for interline itineraries, we [DOT] recognize that it is more difficult to disclose baggage fees and ensure that the same baggage allowances and fees that apply at the beginning of a passenger's itinerary apply throughout the itinerary on flights that are on a single ticket but are sold pursuant to interline agreements among the carriers listed on the ticket." DOT Order 2012-1-2, at 4 (footnote omitted).

And, the fact that the Department found it necessary to devote a large number of its FAQs to several (but, by no means, all possible) fact-specific scenarios involving the application of the New Baggage Rules only serves to underscore their overwhelming complexity.

As the rules have taken effect and carriers try in good faith to comply, the experience of implementation has revealed innumerable real-world situations not understood at the time the Department issued its enforcement moratorium in January 2012, nor contemplated by the New Baggage Rules themselves. It is hard to overstate the complexity of applying these New Baggage Rules to the myriad of real-world situations that arise.

The Petitioners explain in substantial detail some of the technological, reprogramming, coordination, training, and implementation issues that the industry is still facing in order to comply with the New Baggage Rules. Those same issues are magnified and even more acute for Frontier because, unlike many of Petitioners' member-carriers who are alliance partners or otherwise closely affiliated, Frontier is an *un*affiliated low-cost, low-fare competitor.

Frontier is not a member of an airline alliance, nor is it a member of any of the Petitioner-associations. Frontier has a code-sharing arrangement with only Great Lakes Airlines ("GLA"), no reciprocal frequent flyer agreements, and only a limited number of interline e-ticket agreements. It uses third-party contractors or personnel from other airlines to handle certain baggage-related customer service functions at many of its outstations. Therefore, with the single exception of GLA, Frontier's only relationships with other carriers are on an interline basis. Frontier has formal interline agreements with some carriers, but there are many carriers with which Frontier has no direct relationship. The Department acknowledged the difficulties faced by carriers like Frontier when it issued the current moratorium by noting that applying the New Baggage Rules and sharing baggage policy information are "particularly problematic [in cases such as Frontier's] when a passenger is flying on an interline ticket and the airlines listed on the ticket do not all have a direct relationship with one another." DOT Order 2012-1-2, at 4.

For example, a passenger may have a single ticket itinerary traveling from Los Angeles to Denver on Frontier and then from Denver to Frankfurt on Lufthansa. But, Frontier has no interline e-ticket or baggage agreement with Lufthansa, thereby complicating the baggage allowance and fee calculus. As a stop-gap for such situations lacking any inter-carrier relationship, Frontier is providing passengers with a coupon/receipt for the baggage fee paid to it that the passenger can then present to the other carrier's check-in or gate agent at the connecting point.³ That other carrier

³ "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

can submit the coupon/receipt to the clearing house for a pro rata allocation of the collected fee. Of course, such manual stop-gap measures are very inefficient. They can lead to the inconsistent application of the New Baggage Rules by individual agents or carriers, and, to the extent that this baggage fee calculus is done at the airport by a Frontier gate or customer service agent, they may well delay the check-in process for not only the passenger at issue but also other passengers waiting in line behind that passenger.

Moreover, given the lack of an industry-wide system for handling baggage allowances and fees, the New Baggage Rules have required the implementation of some practices that make travel less convenient. For example, Frontier no longer inputs "passive segments" in PNRs to facilitate the connection of checked baggage from a Frontier flight to another carrier's flight when the passenger purchased two tickets. In effect, Frontier is compelled to "short check" baggage, so that the passenger must reclaim his/her bags upon arrival on the Frontier flight, then bring them to the carrier operating the passenger's next flight, and then re-check the bags with that carrier. Another example involves a passenger traveling from Los Angeles to Denver on Frontier and then onward to Chicago on United where the passenger purchases two separate tickets but on check-in at LAX, the passenger asks the agent to check the bags through to Chicago. In the past, Frontier would have tried to accommodate the passenger's request. Until an industry-wide system is in place to

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." Petition at 7.

implement the New Baggage Rules automatically and consistently, such inconveniences may continue.

Frontier believes that the industry's efforts with ATPCO (as detailed in the Petition) will result in such a system. However, more time is needed for such a system to be implemented, and carriers should focus their resources on developing, testing, and implementing an industry-wide system and coordinating baggage information with other carriers, not on stop-gap bandage protocols. Thus the limited extension of the enforcement moratorium is fully warranted.

Accordingly, for the reasons set forth above and in the Petition, Frontier urges the Department to extend the enforcement discretion with respect to these New Baggage Rules.

Respectfully submitted,

este Cohn

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Answer of Frontier Airlines, Inc. has been served this 13th day of July 2012, upon each of the following addressees:

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