

**Statement of Carol B. Hallett  
President and Chief Executive Officer  
Air Transport Association of America  
Before the Senate Commerce Committee  
Hearing on DOT-IG's Final Report  
on Airline Voluntary Customer Service Plans  
February 13, 2001**

Mr. Chairman and Members of the Committee, I appreciate the opportunity to address the recently released Department of Transportation Inspector General's final report concerning the Air Transport Association's (ATA) member airlines "Customers First" program.

The airline voluntary commitment was a direct result of this Committee's concerns about the level of customer service in the airline industry. We appreciate the fact that the Committee has given us an opportunity to address this issue without the intervention of federal rules and inflexible regulations. We also acknowledge the fairness and objectivity represented in Mr. Mead's report and we recognize the enormous efforts of his office in preparing this document.

As announced in our voluntary agreement on June 17, 1999 and later included in PL106-81, carriers were required to submit and implement their individual plans to the Committee and the Department of Transportation Inspector General by September 15, 1999

and December 15, 1999 respectively. As you know, the fourteen signatories all provided and implemented their own plans in the required time frames.

Carriers have their individual plans on each of their Internet web sites, at their ticket offices, and at airports, so that passengers can familiarize themselves with each carrier's customer service policies and procedures.

In addition, earlier this year, the Air Transport Association launched a new Web site which also supplies downloadable files of each carrier's voluntary service plan, and gives examples of specific improvements since the programs were announced in 1999.

As the Inspector General's final report points out, our carriers have made solid progress in several areas since the interim report was released in June of 2000. Our carriers have incorporated the recommendations included in the interim report and continue to adjust, develop, and make improvements to their plans.

The fourteen ATA member carriers have made a recommitment to customer service and have employed these plans as a competitive tool, which is a positive development for the passenger. Carriers have gone above and beyond the commitment in several areas. For example, some carriers have removed seats from their planes to enhance legroom, enlarged overhead bins onboard aircraft, developed technological equipment to expedite the check-in process, employed equipment and personnel to reduce long lines at airport ticket counters during peak hours, and other significant positive steps.

The Inspector General's final report suggests that progress has been made in the area of customer service and that more work needs to be done. We share this view and remain committed to improving upon our performance.

In fact, since the inception of the voluntary program our carriers have spent over \$3 billion to improve customer service.

Moreover, the IG's report properly focuses attention on the root cause of customer frustration – flight delays and cancellations. As the report states, "The progress made this past year is often obscured when the traveling public experiences widespread delays and cancellations." Although the airline voluntary commitment does not directly address these concerns, it does address how we react to this growing problem.

With the enormous amount of daily operations coupled with an increasing number of delays and cancellations, providing updated information to both customers and employees is extremely complex by any definition. In order to help provide our customers with timely and accurate information of known delays and cancellations, a number of our carriers have begun to upgrade their communications systems. Others are making efforts to contact passengers of known delays and cancellations before they arrive at the airport. Several carriers have found ways or are currently testing systems that will integrate their operations and reservation systems in order to provide more rapid, accurate and reliable information to passengers.

We believe a dual approach is warranted to address passenger frustrations associated with delays and cancellations. Our voluntary commitment makes every effort to address the resultant effects caused by delays and cancellations.

The Air Transport Association and its member carriers stand ready to work with this Committee in order to address the root causes of these frustrations by expediting the modernization of our federal government's air traffic control system and to streamline the process for constructing new runways.

Mr. Chairman, 665 million people took to the skies on U.S. airlines in 2000. We have twenty-five thousand flights depart every day in this Country. As you well know, the complexities involved in transporting millions of people in a safe and convenient way is an enormous challenge.

According to the Federal Aviation Administration, the number of passengers traveling by airplane will rise by 42 percent in the next seven years. We will need an additional 2,500 aircraft to transport these people. If we do nothing, this increased traffic will result in a 250 percent rise in delays and an increase in passenger frustrations as well.

ATA's member carriers will continue to work to restore consumer confidence in the area of customer service. Together, airlines, airports, the Federal Aviation Administration, and Congress must continue to address the inadequacies associated with our air traffic control system and airport infrastructure.

Mr. Chairman, the flexibility provided in a voluntary approach to improving customer service continues to be a catalyst that is encouraging innovation and creativity among the airlines. As each carrier monitors its own internal measurements over time, which will allow for corrective action or recurrent training of employees, we will continue to see improvements in customer service and passenger satisfaction.

We appreciate the opportunity this Committee has provided the airline industry to refocus its efforts on providing quality customer service to all of our passengers. We certainly agree with the Committee that the free market system is the proper place to sufficiently address such issues.