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Aviation Group Client Update

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U.S. DEPARTMENT OF TRANSPORTATION (DOT) ISSUES THIRD “ENHANCING AIRLINE PASSENGER PROTECTIONS” FINAL RULE

On November 3, 2016, the DOT issued a third Final Rule on [Enhancing Airline Passenger Protections](#) in an effort to further enhance protections for air travelers and to improve the air travel environment while also promoting competition in the airline industry. This final rule will become effective December 5, 2016.

Background. This final rule comes as a result of the DOT’s efforts to ensure that passengers are treated fairly by the airline industry, as well as an executive order issued by President Obama directing federal agencies to identify specific actions to relieve undue burdens on competition and better inform consumers.

Provisions. This final rule amends reporting requirements and increases information that airlines are required to report to the DOT. Additionally, it corrects certain drafting errors and makes minor changes to the DOT’s second Enhancing Airline Passenger Protections rule to better reflect the Department’s intent.

An increased number of carriers will be required to report data for domestic code-share partner operations, transparency in display of code-share operations pursuant to 49 U.S.C § 41712(c), prohibition of undisclosed bias by carriers and online ticket agents when displaying fares, schedules and availability information that includes multiple carriers, and protection of air travelers with disabilities.

Currently, carriers accounting for 1% of domestic scheduled passenger revenue are required to report data about their on-time performance, oversales, and mishandled baggage rates to the DOT. This rule lowers the reporting carrier threshold to include any carriers that account for at least 0.5 percent of domestic scheduled passenger revenue. The change will apply to flights that occur on or after January 1, 2018.

Costs. According to the DOT, the costs of the reporting requirements are estimated to total \$7.74 million over ten years, which amounts to an annualized cost of \$0.96 million using a seven percent discount rate.

If you have any questions or would like further information, please contact Shelley Ewalt.

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