

Posted: 10/14/99  
4:10 p.m.

Order 99-10-14



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Action on IATA Agreement  
Issued by the Department of Transportation  
on the 14<sup>th</sup> day of October, 1999

-----+Served: October 18, 1999		
Agreement Among Member Carriers of the		Docket OST-98-4918
INTERNATIONAL AIR TRANSPORT ASSOCIATION		R-1 through R-43
concerning passenger services matters:		
-----+		

ORDER

The International Air Transport Association (IATA) has filed an agreement with the Department for approval and exemption from the U.S. antitrust laws under sections 41309 and 41308 of Title 49 of the United States Code. The agreement was adopted at the Twentieth Passenger Services Conference (PSC) held in Fort Lauderdale, during October 13-15, 1998.<sup>1/</sup>

The agreement consists of a number of resolutions and recommended practices (R.P.'s) affecting passenger services.<sup>2/</sup> They address codes, notices, formats and procedures relating to the issuance of electronic and paper tickets, boarding passes and other travel documents; baggage handling procedures and tag specifications; assignment of airline designators, accounting codes and location identifiers; and standard interline agreements and reservation procedures.

Existing Resolutions and Recommended Practices:

Most of the proposals in the agreement involve non-substantive changes, essentially of a technical, editorial or administrative nature, to existing approved resolutions and recommended practices, and appear to be in conformity with our substantive policies and concerns. As such, they raise no public interest issues, and will be approved.

---

1/ IATA memorandum PSC/Reso/096, filed with the Department on December 15, 1998. IATA's Twentieth Passenger Services Conference was held in conjunction with the Nineteenth Joint ATA/IATA Passenger Services Conference.

2/ The individual resolutions and recommended practices, along with their subject matter, are listed in the Appendix.

Substantive Changes and New Procedures:

The agreement revises provisions in Resolutions 722g and 722f, which govern electronic ticketing, with regard to distribution to passengers of the conditions of contract and other required legal notices.<sup>3/</sup> These changes require that the notice in Resolution 724, Attachment A, which pertains to application of the Warsaw Convention, be included with the itinerary/receipt; incorporate the various conditions of contract into the itinerary/receipt by reference; provide each carrier the option of delivering the actual conditions of contract and other legal notices itself, and allow each carrier to select the means of delivery. IATA believes that these changes will facilitate use of electronic tickets for interlining purposes by maintaining standard notice delivery requirements, and will allow carriers to provide required legal notices at check-in or through information sheets at the airport as well as by mail.

Other significant changes include revisions to Resolution 762 (Airline Designators) which permit assignment of airline designator codes on a provisional basis to new entrant airlines upon receipt of written notice from the applicable national licensing authority that the new entrant has met all national requirements for a license. Once assigned a provisional code, the new entrant would have six months to complete any remaining requirements for full licensing and to begin operations. If not, the code would be automatically recalled at the end of that six month period.

Finally, the agreement revises R.P.1748 (Baggage Construction Standards) by setting forth more specific industry guidelines on baggage construction in a effort to reduce costs arising from damaged baggage; consolidates all R.P.s dealing with carry-on baggage into R.P.1749 along with a new optional carry-on baggage awareness program in that same R.P. for use by members; and adopts a new R.P.1798a that establishes guidelines for carriers to follow when dealing with unruly passengers.

Most of the above-noted proposals involve non-substantive matters, essentially of a technical, editorial or administrative nature, and appear to be in conformity with our substantive policies and concerns. As such, they raise no public interest issues, and will be approved.

However, we will dismiss, without prejudice, the proposed amendments to Resolution 722f, set forth as paragraphs 6.2.1.7 and 6.2.1.8 in PSC (20) 722f; and to Resolution 722g, set forth as paragraphs 6.2.3.8 and 6.2.3.9 in PSC (20) 722g, pending further clarification from IATA of the terms "validating carrier" and "issuing carrier", and their

---

<sup>3/</sup> In addition to the conditions of contract, these notices include: a) coverage under the Warsaw Convention (Resolution 724); b) passenger and baggage liability (Resolution 724); c) overbooking (Resolution 724a); and d) dangerous goods (Resolution 745).

significance in the proposed notice amendments. In so doing, we emphasize that in no way do we affirm that the referenced Warsaw notice in Resolution 724, Attachment A, meets our current standards for Warsaw notice. This issue is still under review by the Department.4/

We will also dismiss, without prejudice, the changes proposed to R.P.1748. In a letter to the Department dated August 13, 1999, IATA explained that the technical specifications are only intended to help manufacturers design baggage to withstand normal mechanical baggage handling, and have no bearing on carrier baggage acceptance policies. However, the letter states that the wording of the changes to R.P. 1748 is not as clear as it should be, and that IATA staff has agreed to reconsider this language at the next meeting of the PSC so as to ensure that the language adopted is more consistent with what the airlines want to achieve. Since the changes before us appear to represent the results of a work in progress, we will dismiss them and revisit the matter when IATA submits clarified language for our review.

Section 41309 of the Code directs us to approve any agreement or modification of an agreement if we find that it will not substantially lessen competition, and is not adverse to the public interest or in violation of the Code. Except as noted above, we find that the agreement in Docket OST-98-4918, as conditioned, is not adverse to the public interest, in violation of the Code, or likely to lessen competition substantially, and that it should be approved.

Furthermore, we conclude that the approved portions of the agreement should be granted immunity from the operation of the antitrust laws to the extent necessary to permit their implementation. In general, they amend existing provisions already approved and immunized by the Department. Where new provisions are created, they perform administrative and facilitatory functions similar to other resolutions that have been approved and immunized. As a result, none raises immunity issues not previously considered, and the conferral of immunity upon them is consistent with our policy of conferring immunity on amendments coextensively with the underlying agreements.

Pursuant to the authority duly assigned under the Department's

---

4/ In this connection, we draw attention to the proviso in newly issued section 221.105(a) of the Department's regulations which states: "Provided however, that when the carrier elects to agree to a higher limit of liability to passengers than that provided in Article 22(1) of the Warsaw Convention, such statement shall be modified to reflect the higher limit." Moreover, our approval in Order 97-1-2 of the IATA/ATA Agreements which waived the Warsaw passenger liability limit in its entirety, we exempted the carrier parties to the Warsaw liability agreements (the IATA IIA and MIA Agreements and the ATA IPA Agreement) "from all of the Department's regulations and authority conditions only to the extent necessary to implement those agreements in the manner contemplated by this order." Therefore, at a minimum, Attachment A of IATA Resolution 724 should contain a note that reflects the above provisions.

Regulations 14 CFR 385.13:

We do not find that those resolutions or portions of resolutions set forth in the attached appendix and incorporated in the agreement in Docket OST-98-4918 to be adverse to the public interest, in violation of the Code, or likely to lessen competition substantially, provided that approval is subject, where applicable, to conditions previously imposed.

**ACCORDINGLY,**

1. We approve those resolutions or portions of resolutions of the agreement in Docket OST-98-4918, as set forth in the attached appendix, under 49 U.S.C. 41309, subject, where applicable, to conditions previously imposed;

2. To the extent that the resolutions in the agreement in Docket OST-98-4918 are approved, we exempt any person affected by this order from the operation of the antitrust laws as provided in 49 U.S.C. 41308.

3. We dismiss paragraphs 6.2.1.7 and 6.2.1.8 of R-7 (Resolution 722f: Electronic Ticket/Electronic Miscellaneous Documents-Airlines); paragraphs 6.2.3.8 and 6.2.3.9 of R-8 (Resolution 722g: Electronic Ticket/Electronic Miscellaneous Documents-Neutral); and R-37 (R.P.1748: Baggage Construction Standards) of the agreement in Docket OST-99-4918.

Persons entitled to petition the Department for review of this order, under 14 CFR 385.50, may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Department of Transportation upon expiration of the above period, unless within such period a petition for review is filed or the Assistant Secretary for Policy and International Affairs gives notice that he will review this order on his own motion.

**By:**

Paul L. Gretch  
Director, Office of International Aviation

**(SEAL)**

*An electronic version of this document is available on the World Wide Web at  
[http://dms.dot.gov/reports/reports\\_aviation.asp](http://dms.dot.gov/reports/reports_aviation.asp)*

<u>Docket</u>	<u>IATA</u>	<u>IATA Resolution Title</u>	<u>Expiry</u>
<u>OST-98-4918</u>	<u>Designation</u>		<u>Date</u>
R-1	PSC(20)003	Standard Rescission Resolution	6/1/1999
R-2	PSC(20)720a	Passenger Ticket and Baggage Check-Issuance and Honoring Procedures (Amending)	Indefinite
R-3	PSC(20)722	Transitional Automated Ticket (TAT) (Amending)	Indefinite
R-4	PSC(20)722a	Off Premise Transitional Automated Ticket (OPTAT) (Amending)	Indefinite
R-5	PSC(20)722c	Automated Ticket/Boarding Pass -Version 2 (ATB2) (Amending)	Indefinite
R-6	PSC(20)722d	Off Premise Automated Ticket/ Boarding Pass-Version 2 (OPATB2) (Amending)	Indefinite
R-7	PSC(20)722f	Electronic Ticket/Electronic Miscellaneous Documents-Airline (Amending) (Except paragraphs 6.2.1.7 and 6.2.1.8)	Indefinite
R-8	PSC(20)722g	Electronic Ticket/Electronic Miscellaneous Documents-Neutral (Amending) (Except paragraphs 6.2.3.8 and 6.2.3.9)	Indefinite
R-9	PSC(20)725b	Miscellaneous Charges Order (MCO)-Issuance and Honoring Procedures-Agents (Amending)	Indefinite
R-10	PSC(20)726	Multiple Purpose Document (MPD) (Amending)	Indefinite
R-11	PSC(20)726e	Multiple Purpose Document (MPD) Neutral, Carbonized, Manual (Amending)	Indefinite
R-12	PSC(20)726f	Multiple Purpose Document (MPD) Carrier, Carbonized, Manual (Amending)	Indefinite
R-13	PSC(20)728	Code Designators for Passenger Ticket and Baggage Check (Amending)	Indefinite

<u>Docket</u>	<u>IATA Designation</u>	<u>IATA Resolution Title</u>	<u>Expiry Date</u>
OST-98-4918 R-14	PSC(20)735d	Involuntary Change of Carrier, Routing, Class or Type of Fare (Amending)	Indefinite
R-15	PSC(20)735e	Procedures for Involuntary Change of Routing en Route (Amending)	Indefinite
R-16	PSC(20)736	Voluntary Changes to Tickets (Amending)	Indefinite
R-17	PSC(20)738a	Automated Agents Refund Voucher (ARV)-Neutral (Coupon-by Coupon) (Amending)	Indefinite
R-18	PSC(20)740	Form of Interline Baggage Tag (Amending)	Indefinite
R-19	PSC(20)744	Establishment of Transfer Baggage Delivery Times (Amending)	Indefinite
R-20	PSC(20)745	Dangerous Goods in Passengers Baggage (Amending)	Indefinite
R-21	PSC(20)745b	Acceptance of Power Driven Wheelchairs or other Battery Powered Mobility Aids as Checked Baggage (Amending)	Indefinite
R-22	PSC(20)762	Airline Designators (Amending)	Indefinite
R-23	PSC(20)763	Location Identifiers (Amending)	Indefinite
R-24	PSC(20)765	Interline Connecting Time Intervals-Passenger and Checked Baggage (Amending)	Indefinite
R-25	PSC(20)767	Assignment of Airline Accounting Codes and Airline Prefixes (Amending)	Indefinite
R-26	PSC(20)780	Form of Interline Traffic Agreement-Passenger (Amending)	Indefinite
R-27	PSC(20)780e	IATA Interline Traffic Participation Agreement-Passenger (Amending)	Indefinite
R-28	PSC(20)781	Blacklisted Documents (Amending)	Indefinite

<u>Docket</u>	<u>IATA Designation</u>	<u>IATA Resolution Title</u>	<u>Expiry Date</u>
OST-98-4918 R-29	PSC(20)783	Passenger and Airport Data Interchange Standards Board (Amending)	Indefinite
R-30	PSC(20)791	Specifications for Airline Industry Integrated Circuit Card (ICC) Version 03 (Amending)	Indefinite
R-31	PSC(20)1008	Glossary of Commonly Used Air Passenger Terms (Amending)	
R-32	PSC(20)1708	Passenger Name List Message (PNL)/Additions and Deletions List (ADL) (Amending)	
R-33	PSC(20)1719	Passenger Final Sales (Post-Departure Reconciliation) Message (PFS) (Amending)	
R-34	PSC(20)1720a	Standard Thirteen-Digit Numbering System for Traffic Documents (Amending)	
R-35	PSC(20)1728	Reservations and Ticket Coding Directory (Amending)	
R-36	PSC(20)1743g	Marking of Expedite Baggage for Security Control (Amending)	
R-38	PSC(20)1749	Carriage of Carry-on Baggage (Amending)	
R-39	PSC(20)1777	Married Segment Control (Amending)	
R-40	PSC(20)1779	Journey Data (Amending)	
R-41	PSC(20)1784	Electronic Reservations Services Providers (Amending)	
R-42	PSC(20)1798	Carriage of Passengers with Infectious Diseases (Amending)	
R-43	PSC(20)1798a	Handling Disruptive/Unruly Passengers (New)	