



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

Issued by the Department of Transportation
on the 28th day of September, 2001

AIRLINE INDUSTRY CONDITIONS

Docket OST-2001-10709—/

ORDER

As a result of the tragic events of September 11 and their aftermath, the airline industry is in turmoil. Congress has passed legislation (P.L. 107-42) that provides financial assistance to airlines to offset losses caused by these circumstances. The Department must be able to monitor industry developments and to use our authority as appropriate to alleviate recent industry problems, to provide advice and analysis to Congress, and to implement legislation enacted by Congress. To undertake these tasks, we must obtain real time information from the airlines that will enable us to keep abreast of developments, including the airlines' operational, traffic, and financial situations. Supplemental *ad hoc* information from the airlines is necessary because there is a substantial time lag in the information and data that the airlines currently submit to us.

For these reasons we are requiring each of the airlines listed on Attachment A of this Order to provide the reports set forth on Attachment B. We are adopting this order under 49 U.S.C. 41708. Each report should be submitted to us within twenty-four hours of its delivery to the relevant corporate official.

To avoid unduly burdening the carriers, we are requiring each airline to submit only reports that it already routinely prepares for internal purposes. We may, however, issue further orders seeking additional material if we find that more information is necessary. We urge the airlines to submit the reports required by this order electronically, if possible.

The airlines subject to this information directive may consider at least some of their responses to this order to be sensitive for competitive reasons and may ask us to keep them confidential. Any request for confidential treatment must follow the procedures set forth by our rule, 14 C.F.R. 302.12. Before allowing any person (other than persons from interested Federal agencies or Congress) to see the material covered by a request for confidential treatment, we intend to rule on the request.

The reports shall be submitted to Randall Bennett, the Director of the Office of Aviation Analysis. Each airline listed on Attachment A shall designate an individual at its corporate headquarters responsible for the submission of these documents who shall serve as our point of contact.

We have complied with the requirements of the Paperwork Reduction Act, 44 U.S.C. Chapter 35, for this information directive.

ACCORDINGLY, pursuant to 49 U.S.C. 40113 and 41708, the Department finds it necessary to compel the submission of certain reports and to take action, as follows:

1. Each of the airlines listed on Attachment A shall submit to the address in Attachment B a copy of each report described on Attachment B prepared after September 11, 2001, within two days of the issuance of this order, for all reports prepared by the date of this order or on the following day, and for all future reports within twenty-four hours of the report's delivery to an airline official;
2. If any of the responding carriers object to the public release of any of the information submitted pursuant to this Order, they shall comply with the requirements of 14 CFR 302.12;
3. We direct the air carriers to retain the reports covered by this order and all books, records, and other source and summary documentation to support the reports. Air carriers shall preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the U.S. Department of Transportation, the Comptroller General of the United States, or other Federal agencies. Such documentation shall be retained for a minimum of 5 years. Each air carrier shall make all requested data available within 30 days from a request by the Department, the Comptroller, or other Federal agency; and
4. We will serve this order on all carriers listed in Attachment A.

By:

READ VAN DE WATER
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:
<http://dms.dot.gov/search>*

ATTACHMENT A

Airlines listed in this attachment and their owned affiliates (for example, Delta Express, ASA, and Comair for Delta) are required to provide reports set forth in Attachment B of this order.

MAJOR

Alaska Airlines, Inc.
America West Airlines, Inc.
American Airlines, Inc., American Eagle
American Trans Air, Inc.
Continental Air Lines, Inc.
Delta Air Lines, Inc.
DHL Airways
Federal Express Corporation
Northwest Airlines, Inc.
Southwest Airlines, Co.
Trans World Airways, LLC.
United Air Lines, Inc.
United Parcel Service
US Airways

COMMUTER/SMALL CERTIFICATED

Atlantic Coast Airlines/Atlantic Coast Jet, Inc.
Big Sky Airlines, Inc.
Chautauqua Airlines, Inc.
Colgan Air, Inc.
Commutair
Great Lakes Aviation
Mesa Airlines
Sky West Airlines, Inc.

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Airborne Express, Inc.

NATIONAL

AirTran Airways Corp.
Aloha Airlines, Inc.
Frontier Airlines
Hawaiian Airlines, Inc.
JetBlue Airways
Mesaba Airlines
Midwest Express Airlines
National Airlines
Spirit Air Lines
Sun Country Airlines
Trans States Airlines
Vanguard Airlines

ATTACHMENT B

SUPPLEMENTAL INFORMATION FROM U.S. AIRLINES REQUIRED TO MONITOR INDUSTRY DEVELOPMENTS & RECOVERY

The reports required by this order consist of any routine report already being prepared by an airline listed on Attachment A that covers any of the issues listed below and that was or will be prepared after September 11, 2001, for the airline's Board of Directors, Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, or Chief Marketing Officer, or equivalent official. If more than one report includes the same information, the airline should submit the report which has the most complete and accurate information.

Each report should identify the time-period covered by the report and the airline entities included in the report (*e.g.*, mainline, shuttle, express commuter, and low-cost subsidiary). Airlines that have separate subsidiaries or operating units (for example, Delta Express, ASA, and Comair for Delta) shall submit all reports being prepared on any of the listed issues for that subsidiary's or unit's Board of Directors, Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, or Chief Marketing Officer, or equivalent official.

It will be most efficient (and least burdensome on the airlines) to have these reports submitted on an ongoing basis within 24 hours of the report's delivery to an airline official via e-mail (preferably Microsoft Word or Excel) to the address listed below. Each airline shall designate an individual *at its corporate headquarters* responsible for the submission of these documents who shall serve as our point of contact.

The Department specifically requires copies (printed or electronic) of routine reports already being prepared by the airlines which include any of the following issues:

Financial Data & Analysis

(including year/year, week/week and/or similar relevant benchmarks)

- status of available credit lines
- changes in outstanding debt (*e.g.*, new debt, plans to sell debt, defaults, and lender refusals to renew)
- cash flow statements, including number of days cash coverage of cash operating expense
- operating revenues/expenses/profit(losses)/net income
- changes in insurance rates, requirements, and policies
- changes in existing relationships between commuter carriers and their mainline affiliates (including service changes) since September 11, 2001
- changes in aircraft (*e.g.*, sales, lease terminations, deliveries, acceptance of newly-purchased or leased aircraft, and delivery deferrals)
- changes in compensation for airline executives

Operations Data & Analysis

(including year/year, week/week and/or similar relevant benchmarks)

- operating performance summary statistics by airline entity (*e.g.*, mainline, commuter express, shuttle), geographic region, major station, and sub-fleet
 - schedule and equipment changes (ongoing comparison) identifying network ramp-up and coverage, route-specific reductions and cancellations, and termination of service to cities/airports
 - completion factors, (*e.g.*, ASMs scheduled/completed, departures scheduled/completed)
 - aircraft utilization
 - labor issues and furloughs by functional area (*e.g.*, pilots, flight attendants, maintenance, airport and check-in staff, etc.)
 - load factors and break-even load factors systemwide and by airline entity, geographic region, and/or network segment (*e.g.*, Northeast, West, Transcon, etc.)
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Traffic and Fare Data & Analysis**(including year/year, week/week and/or similar relevant benchmarks)**

- origin and destination passenger counts/enplanements by airline entity, geographic region and/or network segment
- ASMs and RPMs by airline entity and geographic region
- cargo ATMs and RTMs
- passenger yield information and trends by stage length, by hub, by region, by airline entity, etc.

Bookings & Cancellations Data & Analysis**(including year/year, week/week and/or similar relevant benchmarks)**

- bookings systemwide and by domestic and international geographic regions by leisure and business
- booking volume by week, systemwide and region to region breakdowns
- changes in booking windows (*i.e.*, days before the flight event that bookings are made)
- cancellations systemwide and by domestic and international geographic regions, by leisure and business
- changes in cancellation windows (*i.e.*, days before the flight event that cancellations are being received)
- changes in refund, change, and cancellation policies and procedures

Reports should be submitted as quickly as completed to:

Mr. Randall Bennett
Director
Office of Aviation Analysis, X-50
U.S. Department of Transportation
400 Seventh Street SW, Room 6401
Washington, DC 20590
Tel: (202) 366-1053
Fax: (202) 366-7638
E-mail: x10info@ost.dot.gov
