Highlights of GAO-20-191, a report to congressional committees

Why GAO Did This Study

Some airlines overbook their scheduled flights (intentionally sell more seats than are available) to compensate for passenger no-shows. It is not illegal for airlines to overbook their flights. However, it can result in an "oversale" where airlines cannot accommodate all passengers on a particular flight. In response, airlines may have to deny boarding to some passengers. DOT is responsible for ensuring airlines adhere to their denied boarding practices as part of its consumer protection enforcement responsibilities.

The FAA Reauthorization Act of 2018 included a provision that GAO examine airlines' oversales practices. This report focuses on denied boardings—the result of an oversale—and describes (1) trends in denied boardings and (2) airlines' actions related to denied boardings and mitigating the effects on passengers. GAO analyzed data on denied boardings and related passenger complaints submitted to DOT from 2012 through 2018, and reviewed seven airlines' publicly available documents describing their overbooking and denied boarding policies. Airlines were selected to generally include the largest airlines that GAO previously reported had varying practices on overbookings and denied boardings.

GAO also reviewed relevant statutes and DOT regulations, summarized GAO work published in 2018 describing airlines actions to reduce denied boardings, and interviewed DOT officials, one airline industry association, two consumer advocate organizations, and three airline revenue management specialists. The selection of stakeholders was non-generalizable and based on inclusion in prior GAO work and their relevance regarding denied boarding practices.

View GAO-20-191. For more information, contact Andrew Von Ah at (202) 512-2834 or VonahA@gao.gov.

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AIRLINE CONSUMER PROTECTIONS

Information on Airlines' Denied Boarding Practices

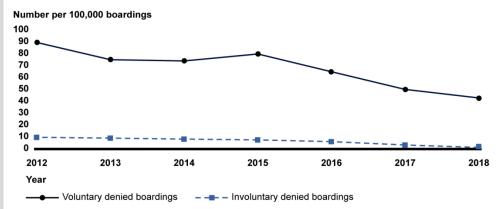
What GAO Found

The number of passengers denied boarding (not allowed to board flights they have tickets on) generally decreased in recent years, according to Department of Transportation (DOT) data. Combined, on an annual basis, voluntary and involuntary denied boardings account for less than 1 percent of actual passenger boardings.

- Voluntary denied boardings. As shown below, most denied boardings are passengers who "voluntarily" gave up their seat for compensation of the airline's choosing, such as airline vouchers. Passengers can negotiate compensation amounts. For every 100,000 actual boardings in 2018, about 43 passengers were voluntarily denied boarding.
- Involuntary denied boardings. All other denied boardings occur "involuntarily." These passengers may be eligible for compensation in an amount set by DOT. For every 100,000 actual boardings in 2018, about one passenger was involuntarily denied boarding.

While few denied boardings are involuntary, these passengers may encounter significant costs and travel disruptions. GAO's review of passenger complaints submitted to DOT showed instances where passengers involuntarily denied boarding reported missing significant events—e.g., a wedding or a cruise—and incurring additional costs. Airlines can face challenges rebooking passengers, such as those flying to smaller communities, exacerbating these disruptions.

Passengers Denied Boarding Voluntarily and Involuntarily per 100,000 Actual Boardings, 2012-2018



Source: GAO analysis of Department of Transportation (DOT) data. | GAO-20-191

Airlines have taken a range of actions, aimed at reducing involuntary denied boardings. Actions include reducing overbookings; requesting volunteers earlier (e.g., at check-in); and increasing compensation for volunteers. While consumer advocates GAO interviewed generally supported these actions, they advocated for an end to overbooking. Three airline revenue management specialists said if airlines were prohibited from overbooking, some airlines may offer fewer discounted fare tickets. Two of these specialists also said airlines might also slightly increase average fares across all tickets.

_ United States Government Accountability Office