



## **Airlines Stretched So Thin that One Piece out of Place Throws Them Off**

**By Dan Reed, USA TODAY**

Charlie Miller could be a poster child for nightmarish air travel during the winter now drawing to a close.

A hospital consultant from Barneveld, N.Y., Miller got caught in the Dec. 20 blizzard that closed Denver International Airport for more than two days. Told by his carrier, Continental Airlines, that it would be Christmas night before it could get him home, Miller eventually set out on his own.

He managed to get home late on Christmas Eve. But to do it, he had to sleep two nights at the airport, check in at two high-priced hotels, pay \$150 for an 8-mile cab ride in Denver, buy a first-class ticket on United, fly to Los Angeles, then connect through Philadelphia. His total extra cost: \$3,000.

"I know weather is not covered" by the airline's policy for compensating displaced travelers because it is beyond their control. "But everyone was so rude and uncooperative," Miller said.

The travel collapse precipitated by recession and terrorism in 2001 has prompted draconian reductions by an industry that lost \$35 billion over the five years ended in 2005. Domestic airlines are operating smaller fleets and filling more seats on the average flight. They've shed 154,000 workers, become heavily reliant on do-it-yourself ticketing and shifted some of their telephone reservations work offshore and to part-timers working from their homes.

The retrenchment has brought most airlines in the USA back to thin profitability. But it also has created an industry that is running full tilt all the time and more vulnerable to breakdowns when faced with adversity.

Lesser events than that pre-Christmas blizzard in Denver have disrupted air travel this winter.



Hundreds of thousands of air travelers had their lives knocked off course this winter by a dust storm that closed Dallas/Fort Worth airport, an ice storm that slowed operations at New York John F. Kennedy on Valentine's Day and a flawed computer switch-over by US Airways last week.

It's not just the cutbacks that limit airlines' ability to bounce back from adversity. Outmoded systems for controlling aircraft on the ground and in the air, along with airport growth that lags behind the increase in passenger traffic, leave the aviation industry today with almost no margin for error.

R. John Hansman, an information technology and aviation expert at Massachusetts Institute of Technology, says the nation's air travel system is approaching capacity.

It's operating so close to the edge, Hansman says, that when any little thing goes wrong in one location, things are prone to go wrong across a whole region or even the nation.

Traveler Jan Harrison, a corporate trainer from Poulsbo, Wash., who twice last month was thrown off schedule by long delays at Salt Lake City and Chicago, puts it another way: "The entire system is so stretched, so understaffed, without room to flex. If it's sunny, and not too windy, and everybody does his or her job exactly right at exactly the right time, and the passengers can board themselves quickly and without any issues ... well, maybe we have a chance to take off on time."

### **Fewer flights**

Almost 684 million people boarded commercial planes in the USA through the first 11 months of last year, according to the most recent numbers from the U.S. Bureau of Transportation Statistics. That's more than the record 670 million boardings in all of 2005. But there were 3% fewer flights operated last year than in 2005.

Thus, planes last year were more full than in 2005. U.S. airlines filled a record 79.4% of their seats in the first 11 months of 2006. That average masks the fact that on the most popular routes, flights typically ran close to 100% full.

Though U.S. carriers are filling eight out of 10 seats on average, they remain barely profitable. In 2006, the industry profit margin was less than 2%, according to preliminary industry estimates.

All those packed planes create a huge problem when weather or other events cause airlines to go off schedule. There simply aren't enough readily available seats to accommodate all the displaced travelers. Miller, the New York consultant, was told he'd have a five-day wait in the pre-Christmas travel rush. Waits of 24 to 48 hours to get a rebooked seat are more common.

Part of the current problem with air travel may be one of perception. Delays caused by weather or other unexpected events are inherent in any form of travel. And whenever they begin to pile



up in air travel, as they have this winter, the negative headlines seem to stack up almost as deep as the stranded passengers. Frequently, they become part of the national conversation.

For example, the Valentine's Day ice storm in New York triggered a six-day near-meltdown of JetBlue's operations. CEO David Neeleman spent three days apologizing publicly. He went on CBS' *Late Show with David Letterman* after Letterman had been particularly biting in his criticism.

### Rare events

Statistically speaking, such events are rare. Last year, only about 10 out of every 10,000 flights were delayed more than two hours, according to the U.S. Bureau of Transportation Statistics. But that, says airline consultant Ira Gershkoff, a former airline operations executive who now leads JIT Airline Resources, does not entitle airlines to a free pass.

Says Gershkoff: "When there's a big tornado and 20 people get hurt or killed, we don't minimize it by saying it's only 0.02% of the local population, or whatever. So this is a legitimate issue."

For the most part, travelers seem to have taken well to today's do-it-yourself ticketing. American, for example, says 80% of its passengers avoid airport counters by using kiosks, the Internet or for-pay curbside services to check in.

But when things go wrong, the few agents working can be overwhelmed. That's because, in percentage terms, the biggest personnel cutbacks during the first half of the decade were among gate agents and telephone reservationists, according to industry data.

Mike Maloney, a beverage industry sales executive from Overland Park, Kan., says communication from the airline in such situations has become a huge problem.

When a scheduled six-hour trip home recently from Fort Lauderdale took 12 hours because of mechanical problems with two different planes and a de-icing delay at American's Dallas/Fort Worth hub, he and other travelers were kept in the dark. "Getting simple and accurate information to the customer doesn't seem to be their priority," he says. "No wonder people are pushing (Congress) for a passenger's bill of rights."

Jerry Quintiliani, a chemical salesman from Peoria, Ill., says he increasingly is "flabbergasted" by the way airlines and their front-line agents deal with delays.

A recent flight home from Chicago's O'Hare was canceled because of bad weather. The lone agent at the gate rebuffed requests for help in finding other flights, hotel rooms or rental cars on a night when all were in short supply.

Quintiliani eventually got home by teaming with two similarly desperate strangers. They rented a car and drove. "We got no help from the airline at all," he adds. "We know you can't control the



weather, but at least give us an idea of what we can expect. And be nice about it."

David Castelveter, spokesman for the Air Transport Association, the airlines' main trade group, agrees that the margin for error has narrowed. He says problems with quickly rebooking delayed fliers are the result of carriers filling such a high percentage of seats. In filling planes fuller, airlines are "providing our customers what they say they want most: cheap fares."

He says the delays are largely the result of governments failing to invest enough, and move fast enough, in updating the USA's aviation infrastructure. He says delays will get worse "until we modernize our air traffic control system." The industry is urging Congress to include more money for system modernization in pending legislation reauthorizing the Federal Aviation Administration.

### **Placing blame**

But consultant Gershkoff says airlines can't blame it all on the weather, government and customers' desires for cheap fares. They've invested heavily in sophisticated technology for running normal operations but little on technology to help them manage the complex recovery process.

"No airline has a decent method" for recovering, he says. "They just say, 'Get these planes out as soon as possible.' There's no strategic plan."

His firm is one of several developing information-management tools that could help them decide faster when to delay or cancel flights, plus when and how to reorder operations to quickly reposition planes and crews where they're needed.

Sabre Airline Solutions, a travel industry consultant, says each minute of delay costs an airline \$70, on average, and that delays and cancellations chew up more than 2% of airline revenue each year.

To reduce those costs and improve customer service, Sabre is developing tools to rearrange the itineraries of hundreds of displaced passengers in mere minutes.

Currently, that process can take several hours and be "quite an emotional experience for both the traveler and the agents helping them," says Gordon Locke, a Sabre vice president. "Think of it: Passengers could be handed their new itineraries and boarding passes as they exit the plane upon returning to the terminal."

Not all passengers would like the solution worked out for them by the Sabre technology, Locke concedes. But those who do will be on their way quickly, giving airline agents more time to deal with travelers who need to make different arrangements.



## Events conspire to keep fliers trapped at airports

Several events over the winter have knocked air travelers off course:

- **Denver, Dec. 20-24.** A surprise blizzard closed Denver International Airport, stranding about 4,700 United and Frontier passengers at the airport, some through Christmas Day. Two United Express jets that diverted from Denver to Cheyenne, Wyo., on Dec. 20 took off the next day, leaving 110 passengers behind.
- **Austin, Dec. 29.** American Airlines diverted 85 jets bound for Dallas/Fort Worth airport because of thunderstorms there. One flight sat for more than nine hours on the taxiway at Austin.
- **New York, Feb. 14.** A seemingly ordinary winter storm triggered a meltdown of discounter JetBlue's operation that lasted six days.
- **Dallas/Fort Worth, Feb. 24.** American canceled 556 flights at DFW because of a swirling dust storm, stranding about 5,000 travelers there. The shutdown of American's largest hub backed up the airline's network, delaying thousands more.
- **Chicago, Feb. 24-25.** A California-bound flight of United Airlines sat full with 181 passengers for more than seven hours at Chicago O'Hare amid an ice storm before the pilots canceled the flight.
- **The East, March 4-present.** US Airways passengers trying to check in for flights at airports, mostly in the East, are snagged by check-in delays. Lines have caused waits of three hours at some locations. The problem: A scheduled reservation computer switch-over failed to work as expected. "The worst is behind us," President Scott Kirby said Tuesday.