

**U.S. Senator Maria Cantwell**

**U.S. Senate Committee on Commerce, Science, and Transportation**

**Full Committee Hearing Titled: “Enhancing Consumer Protections and Connectivity in Air Transportation”**

**March 23, 2023**

**Witnesses:**

- Trent Moyers, Director of Airports, Chelan Douglas Regional Port Authority
- Sara Nelson, International President, Association of Flight Attendants-CWA, AFL-CIO
- William McGee, Senior Fellow for Aviation and Travel, American Economic Liberties Project
- Diana Moss, President, American Antitrust Institute
- Heather Ansley, Associate Executive Director of Government Relations, Paralyzed Veterans of America
- Jeffrey Shane, Former Under Secretary for Policy, U.S. Department of Transportation

**Sen. Cantwell Opening Remarks**

[\[AUDIO\]](#) [\[VIDEO\]](#)

**Cantwell:** This morning we are having a hearing on enhancing consumer protections and connectivity in air transportation and we are joined by a distinguished group of panelists who we will get to in a minute.

Today we will be discussing the importance of strengthening consumer protections, expanding access for travelers and commuters across America.

The American consumer has had a rough flying experience over the past few years.

In 2020, the Department of Transportation received nearly 30,000 airline refund complaints, more than a 4,600 percent increase from 2019.

The following year, in 2021, DOT received over 6,600 complaints, still nearly a 1000 percent increase over pre-pandemic levels.

Last year by November 2022, U.S. consumer complaints were already 603 percent higher than in November 2019.

And then we had the massive disruptions that left nearly 2 million Southwest Airlines passengers delayed and stranded across the country.

In these situations, the U.S. consumer is left with limited information, hardly any choices, and very little recourse.

In this year's FAA reauthorization, I hope we can work together on a new passenger bill of rights that gets a better deal for the U.S. consumer.

Consumers deserve concrete definition of significant delays or cancelations of your flight, and they deserve very timely refunds.

We must take down the hurdles to getting your money back when you don't receive the service you paid for. Any travel credits accepted in lieu of refunds should never expire. That's your money and should be in your bank account.

We also need to have real time, real person communication when a system breaks down like in the Southwest situation. That system failure left consumers stranded without any information and no one to talk to. In this kind of a massive shutdown, we need a better communication system.

Second, Congress must end unfair and hidden fees known as "junk fees" that is taking real money out of the pockets of Americans.

We should force the rebooking fees when your flight is cancelled or delayed by the airline itself to end and stop that practice.

We should make sure that families aren't charged just for sitting next to each other at the very beginning of a flight when there are many flight options.

I look forward to hearing from Bill McGee on this issue this morning.

Many passengers with disabilities, especially those with wheelchairs, are cut off from their families and opportunities just because of these issues.

Sara Nelson, head of the Association of Flight Attendants, and Heather Ansley, from Paralyzed Veterans of America, will provide more information on this topic.

We also need to address, thirdly, that Congress gave the FAA the specific task of establishing what is a minimum seat size for airlines. The FAA has failed to take action on this. And this Committee should help resolve that issue.

To make this new Passenger Bill of Rights stick, we should formally authorize, fully fund, and staff up the Department of Transportation Office of Aviation Consumer Protection. This makes sense, given the incredible increase in workload and surge from consumer complaints.

Secretary Buttigieg has taken important steps to protect consumers, but we need more policemen on the beat to execute these tools.

We should consider tripling the civil penalties for non-compliance, the cost of bad actors continuing to do bad things. We must improve the consumer experience.

But today we also must talk about enabling the rural markets and small markets who are trapped because of the lack of access to the air transportation system. Most economic development happens within 10 miles of an airport. So, if we're hampering our airports, we are hampering our economic development.

I am proud to welcome Trent Moyers, Director of Airports at the Chelan Douglas Port Authority, who will be with us to talk about why Wenatchee – the Apple Capital of the World – needs to have good air transportation.

Next to the airport, Microsoft is building a 41,000-square-foot data center that will employ 50 full-time employees. This a \$409 million investment that would not be possible without the airport connection to the larger Washington economy.

So we have to have our communities like Wenatchee thrive. And for Wenatchee to thrive, they need good air transportation connectivity.

This Committee also needs to deal with this issue and help rural America access good air transportation service.

### **Trent Moyers - Director of Airports, Chelan Douglas Regional Port Authority**

#### **Opening Remarks**

[\[AUDIO\]](#) [\[VIDEO\]](#)

**Trent Moyers:** My name is Trent Moyers. I'm the director of the Pangborn Memorial Airport in Wenatchee, Washington. While I don't speak for the hundreds of airports and communities who are facing air service challenges, I believe our experience in central Washington's Wenatchee Valley is an example of the impacts felt by airports nationwide.

Commercial air service began in Wenatchee in 1945. Fast forward to 2019 and we had a record year for enplanements with more than 64,000 passengers departing from our airport. As the reality of the pandemic took hold in 2020, that number dropped to 27,000 while passenger numbers rose to 48,000 the next year in 2021. Last year, enplanements fell again to 35,000.

Service in Wenatchee and in many small airports have not returned to pre-pandemic levels, largely due to a lack of airline capacity. The number of daily flights to our airport has gone from four in recent years down to one. The post pandemic recovery of air service continues to be challenging Wenatchee, but we know we're not alone.

Today 76% of airports have less air service than before the pandemic, 14 U.S. airports have lost all commercial air service, and 53 airports like ours have lost over half of their flights. The

Wenatchee Valley is known proudly as the Apple Capital of the world and is home to a population of approximately 120,000.

In addition to a robust agricultural economy, a relatively new type of farm has cropped up thanks to our affordable and clean hydroelectric energy server farms. Both invest heavily in our area. Tree fruit farms and server farms are linked to the global economy and as such, these industries have a need to connect with their consumers and suppliers far beyond our region.

In Chair Cantwell's opening remarks, and last week, mentioned during the hearing regarding aviation workforce issues, you mentioned that over 80% of economic development occurs within 10 miles of an airport.

This statement is true in Wenatchee where just one mile from the airport, Microsoft's completed construction of the first of six 240,000 square foot data centers that's created 50 full time jobs with plans to invest a total of \$3 billion in the community.

Another example of a high-tech industry finding its way to Wenatchee occurred in 2018 when Diamond Foundry, a company located in headquartered in San Francisco, established a diamond growing facility in Wenatchee. Air transportation accessibility was among the key factors that contributed to their selection of Wenatchee as a suitable site.

In the Wenatchee Valley, 850 people drive every day to an airport other than Pangborn because connectivity from Wenatchee is limited. A single flight per day to Seattle means only 76 people can directly access air transportation to or from Wenatchee without spending three hours driving.

Finally, I want to note that in Wenatchee, commercial air service saves lives. Last year Airlift Northwest, an air ambulance operator based at our airport conducted 700 ambulance flights. They depend on our commercial air service to deliver blood supplies and flight nurses. And in the winter, they're able to land and take off because of our FAA requirements to remove snow from the runway in support of air carrier operations.

Our community needs continued access to commercial aviation to keep these essential services. Given all of these impacts, Congress should act to restore, to revitalize air service in small and rural communities.

Senator Cantwell has been a leader in promoting the SCASDP program, and Senator, I thank you for that. possible actions could include allowing greater flexibility in existing programs. Airline business strategies change over time, and the term of a grant should be able to meet those changing market demands.

If adequate incentives that are attractive to airlines and supportive of the communities, they serve are available, the likelihood of successful airline recruitment improves.

The upcoming FAA reauthorization presents a key opportunity to examine and improve air access for small communities. For someone who manages a small airport, the correlation

between airport improvement programs and air service development and retention programs is clear.

The challenge of an airport with a limited budget and limited service means that sometimes being forced to choose between infrastructure improvements and air service incentives is a reality.

Paying the 10% local share of an FAA funded project can mean sacrificing other priorities like pursuing air service expansion.

I would encourage the committee to restore the 95% federal cost share for small airports that was put in place in the 2003 FAA bill to help address this challenge.

Thank you for the opportunity to testify today. I look forward to answering any questions you may have.

#### **Sen. Cantwell Question & Answer with the Witnesses:**

##### **Witnesses:**

**Trent Moyers, Director of Airports, Chelan Douglas Regional Port Authority**  
**Sara Nelson, Intl President, Association of Flight Attendants-CWA, AFL-CIO**  
**William McGee, Senior Fellow for Aviation and Travel, American Economic Liberties Project**

**[VIDEO]**

**Cantwell:** Mr. Moyers, back to the situation of rural communities and how essential air service is. The community air service program that you mentioned in your testimony, and I think you mentioned you think we should fully fund that, and obviously essential programs, but is the issue coming down to pilots? Is the issue that airlines, if you have pilot capacity and you can fly from Seattle to Hawaii, you probably make a little bit more money on that flight than Seattle to Wenatchee?

And so what do we do, do you think? Because I don't think...one SCASDP, focused on the market, and then one focused on essential service. What's the best way for us to get at this underlying problem?

**Moyers:** I can't disagree with you about a revenue on a flight to Hawaii versus to Wenatchee. And that's the challenge those business decisions are being made that marginalize a small market. It's hard for me to compete for service in Wenatchee versus of service from some other destination where there's a greater yield or return on their investment. And a startup service as well for bringing new service in. That airline is going to incur some costs of bringing ground handling equipment, ground crew, the ticket agents, all of those expenses. They're looking to the airports, how can you help us with that startup? And so there's some questions there as far

as infrastructure and equipment that I can't answer fully right now. That is the big challenge for us in competition in other markets.

From a rural standpoint, I think everyone's agreed that everyone deserves accessibility. I don't think there's a question there. It's how do we get to it.

The SCASDP programs are in place right now. With, I think, the last announcement was for \$15 million, is that enough to go as far as it needs to for enough communities to benefit from it? If an applicant is going to ask now for a couple million dollars, whereas before it was \$700,000 or \$800,000, those dollars aren't going to go as far and fewer markets will benefit.

**Cantwell:** Well, I guarantee you, we did the CHIPS and Science bill with our colleague, Senator Wicker, with the notion that we were going to spread out innovation.

And when you talk about the innovation that's happening in Wenatchee, which is amazing, people probably didn't get all the digestion of your comments about being in the diamond manufacturing business now. But you used to be an aluminum smelter there and now you're manufacturing diamonds. And the community decided they wanted to do that. And as you said, the community told them that you would have air service. And I'm pretty sure you probably told Microsoft the same thing.

So the question is, we're going to hamper economic growth and development in other parts of the country. We're going to hamper innovation because innovation can happen in other places. But it has to happen here... And I just think we're going to have to figure out working together how to how to bridge this gap somehow.

So do you think it's back to Essential Air Service then?

**Moyers:** I don't know that it's Essential Air Service. I think there are markets where that does make sense. But from the standpoint of Wenatchee, I couldn't say that I need a Essential Air Service. I don't think...we wouldn't fit that criteria. There may be places where that's viable. So to just scrap that program, I couldn't sit here today and tell you that would be my suggestion.

**Cantwell:** Okay.

Ms. Nelson, thank you for being here. You've mentioned in your testimony about chaotic scheduling by airlines that strain the system. I know a lot of people, I hear from our colleagues, we're definitely flyers. So we hear lots of different things about people who capture a market by saying they're going to leave every half an hour, and then they don't leave every half an hour, and then they get so congested and backed up, but have they captured the market – yes. They just haven't delivered the service.

Do you agree that DOT should be carefully examining whether airlines are publishing unrealistic schedules and leaving workers and consumers in a bind? That was the DOT [rule on] unfair and deceptive practices.

**Nelson:** Yes, yes, I agree with that wholeheartedly. And it was because of pressure from lawmakers and from DOT, that the airlines rolled back that unrealistic service this last summer.

So there needs to continue to be a real transparency on that, and oversight on that, to make sure that we're not over promising because the people on the frontlines are left to hold the bag. And we also are not getting home to our loved ones.

We also don't have the infrastructure at the airlines. In some cases, they haven't purchased the new scheduling programs that allow them to respond immediately. And they don't have the staff behind the scenes to be able to pick up the phone.

So when the operation falls apart like that, many times the people on the front lines are left on hold for five, six hours to try to get through to a scheduler in order to get rescheduled. So it takes the proper investment in infrastructure for the airlines. It takes the proper staffing, both in terms of the frontlines and the back end to support that frontline crew. And it can't be, as Senator Welch said, just driven to share price because that is what we end up with, when that's the only objective at the airline.

**Cantwell:** Mr. McGee, your testimony was clear. So I'm pretty sure you think that passengers deserve refunds in a timely fashion. But do you think we should also up the oversight by DOT on this so that you actually are forcing the airlines to comply with this?

**McGee:** Yes, thank you, Senator.

**Cantwell:** Do we have enough infrastructure to oversee that as well?

**McGee:** I guess, you know, it's clear we don't. We're in constant touch with the DOT. And they expressed in 2020, when they received a record number of complaints from consumers on refunds, a total of some 29,000, that their staff was overwhelmed just processing it. And understand, that's not acting on the refunds, that's just processing it.

The bottom line is that when you look at the refund problem, there are multiple layers to it. One is the fact that we do have an existing DOT rule that says you are entitled to a cash refund if your flight is canceled for any reason, whether it's the airline's fault or not.

It is clear that U.S. airlines and some foreign airlines have blatantly violated that rule. And there has not been enough enforcement on that.

But an additional problem, sitting right behind me is my colleague Matt Stoller, he had a flight canceled last summer. He was entitled to a cash refund, he and his wife, and he forwarded me a text from Delta Airlines that said 'we're sorry your flight was canceled, you're entitled to a credit.' That's unacceptable. In our view, that should absolutely not have happened.

We live by the fact that about 87% of Americans fly less than once every 18 months. How are they supposed to know these rules? Who knows?

Now, Matt was lucky enough to have an aviation geek on speed dial. So he was able to text me and I said, 'WHOA' in all caps, 'do not accept that credit.' And I gave him the rule. He went to Delta and they said, 'fine,' but that is an unfair and deceptive practice.

And then of course, we have the problem with the with the credits then expiring. And you know, Southwest and others have gotten credit for not letting them expire. All U.S. airlines should be mandated. But yes, we need more enforcement here.

**Cantwell:** It'd be one thing if you then could get them on the phone and talk about it. But they may not even have the details of the case. So then they would just tell you it's expired. And then you'd say no, no, no, I got this because my flight was canceled. Who [can] get me this? I should have it. Then you try to get somebody on the phone. You spend a lot of time getting that money back.

**McGee:** And don't forget that Frontier Airlines just shut down its call center. You cannot even call that airline. Let's hope that's a trend that doesn't continue.