



Oscar Munoz
Chief Executive Officer

April 27, 2017

The Honorable Tammy Baldwin
709 Hart Senate Office Building
Washington, DC 20510

Dear Senator Baldwin:

Thank you for your letter dated April 11, 2017 and for your patience in receiving this response.

The awful event that occurred on Flight 3411 has elicited many responses from our customers: outrage, anger, disappointment. I share these sentiments. No one should ever be mistreated this way.

I continue to offer my profound apologies to Dr. Dao and all the passengers aboard the flight who witnessed this appalling scene. I also offer my sincerest apologies to you and your constituents for not living up to the values you expect of United.

United seeks to repay our customers' trust with the highest quality of service and deepest level of respect and dignity. We failed to fulfill that promise, monumentally, and take full responsibility for that and for making things right.

Since the incident, United has completed a full review and action report which is enclosed for your reference. This thorough review of our policies has led to significant changes designed to better serve our customers and empower our employees.

For example, we are now ensuring flight crews are booked on flights at least 60 minutes prior to departure, unless there are open seats, and law enforcement will no longer be asked to remove a customer unless safety or security is at risk. We are also increasing customer compensation incentives for volunteers up to \$10,000, reducing the amount of overbooking, and eliminating the red tape on permanently lost bags by adopting a "no questions asked" policy on lost luggage.

These changes, and others detailed in the action report, will put our customers at the center of everything we do and will give our employees the tools to make the right decisions. You expect more from United and I promise we can and will be better. I am committed to putting proof behind our promise.



Oscar Munoz
Chief Executive Officer

Thank you for the opportunity to respond to your specific questions in the enclosed correspondence. A copy of this response has also been sent to the cosigners of your letter. Please do not hesitate to contact me or our Washington office at 202-521-4400 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Oscar Munoz", with a long horizontal stroke extending to the right.

Enclosures:

- 37. Questions and Answers
- 38. United Express Flight 3411 Review and Action Report

Answers to Submitted Questions

1) What is United Airlines' standard operating procedure when deciding to forcibly remove passengers, including those resulting from involuntary denied boarding?

United cannot apologize enough for the events from Flight 3411. United has found that its policies and procedures in non-safety or security situations did not adequately address instances in which customers refused to comply with requests. On April 12, in direct response to this incident, United implemented a policy change such that it will not ask law enforcement officers to remove a customer from an aircraft except when required for a safety or security concern. On April 27, United also announced several policy changes designed to reduce instances of involuntary denied boarding as close to zero as possible. Please see the enclosed *United Express Flight 3411 Review and Action Report* for more information.

2) How many times in the last year has United Airlines removed a passenger that has already boarded a plane due to overbooking or other reasons outside the customer's control? How many of these passengers were forcibly removed?

In response to this incident, United will limit the use of law enforcement on flights to safety and security issues only and will not require customers already seated on the plane to give up their seat involuntarily unless there is a safety or security concern. United does not have statistics on how often passengers have been removed after boarding or other events beyond the passenger's control when security personnel have been involved. In 2016, United had a total of 3,765 involuntary denied boardings across more than 86.8 million mainline passengers who travel from U.S. airports, or less than one involuntarily denied boarding per 23,000 of these customers.

3) When a passenger is involuntarily denied boarding or asked to deplane due to overbooking, at what stage of the trip does United Airlines provide the passenger with a written statement describing his or her rights and explain why the passenger was involuntarily denied boarding or removed from the aircraft? Was the passenger on Flight 3411 provided these requirements prior to his forcible removal from the aircraft?

United communicates overbooking policies in its Contract of Carriage, available on United.com; on signs at all United locations at which tickets are sold; check-in counters and boarding gates; on ticket receipts; and on printed forms at the airport. Typically, in the case of an oversold flight, if United is unable to get enough volunteers and must deny boarding involuntarily to a passenger, United agents will provide the passenger with a copy of the statement as well as a check for the denied boarding compensation amount at the gate immediately following the denied boarding. United also provides this statement upon request to any passenger.

Given the difficult circumstances surrounding Flight 3411, including the involvement of the Chicago Department of Aviation Security officers and Dr. David Dao's departure in the care of paramedics, United was unable to provide him with the written notification immediately. However, the notification was subsequently provided to his attorney. For all other passengers who were involuntarily denied boarding, United provided the written notification to them immediately.

4) A federal cap exists on the amount of money a commercial airline may compensate a passenger for being involuntarily denied boarding or rescheduled for a flight. Why was the full amount of \$1,350 not offered to passengers aboard Flight 3411 before the passengers were involuntarily denied boarding and forcibly removed? Does the \$1,350 cap serve any benefit to consumers?

With respect to Flight 3411, United has recognized that its agents did not have the authority to act independently and authorize the appropriate levels of compensation or provide other means of transportation and/or the right transportation options to avoid this incident. Therefore, effective April 28, 2017, United is revising its policy to increase compensation levels up to \$10,000 for customers willing to volunteer to take a later flight. United will also establish a customer solutions team that will be able to proactively identify creative solutions to get customers to their final destinations, provide annual training to its frontline employees, and empower employees to resolve customer service issues in the moment via a new "in the moment" app that will enable agents and flight attendants to compensate customers proactively when a disservice occurs.

Please see the enclosed *United Express Flight 3411 Review and Action Report* for more information on changes United is making to reduce instances of involuntary denied boarding to as close to zero as possible.

5) Was the Louisville-bound flight oversold prior to including the four United Airlines personnel reported to have been granted seats to enable them to reposition from Chicago to Louisville? If so, were there alternative flight or ground transportation options for these four crew members that could have ensured they arrived in Louisville with sufficient time to board their next flight? Did United Airlines have the ability to assign other crew members to that flight departing from Louisville?

As described in detail in the enclosed *United Express Flight 3411 Review and Action Report*, United Express Flight 3411, operated by Republic Airline, was oversold by one passenger prior to boarding and before the four Republic personnel reported to the gate. United recognizes that its policies were inadequate with respect to crew bookings and other transportation. To remedy this, immediately following this incident, United implemented a new policy ensuring that crews are booked onto a flight at least 60 minutes prior to departure unless there are open seats. United will also be empowering our customer-facing employees with resources, such as a customer solutions team that can proactively identify and provide creative solutions (such as flights out of nearby airports, other airlines, and ground transportation) to get crews to their final destinations

without impacting customers. More information on the policy changes United is implementing can be found in the *United Express Flight 3411 Review and Action Report*.

6) Does United Airlines limit the number of airline tickets that may be oversold on each flight?

In response to the events of Flight 3411, United is committed to reducing incidents of involuntary denied boarding to as close to zero as possible. United monitors historical data for passenger no-shows and cancellation rates for specific flights, and overbooks its flights based on that information. A particular flight's authorization to overbook (and at what limit) is determined based on that history and other information. United has made significant investments in analyzing this data to keep the number of passengers denied boarding due to overbooking to the absolute minimum. As a result of United's efforts, the number of passengers denied boarding involuntarily has gone down in recent years. United is committed to reducing that number even more. To that effect, and in response to this event, adjustments have been made to reduce overbooking on flights that historically have experienced lower volunteer rates, particularly flights on smaller aircraft and the last flights of the day to a destination.

7) When purchasing tickets, does United Airlines provide a passenger with information that the flight has been oversold, so that ticket consumer can plan accordingly for the possibility that they may be involuntarily denied boarding for their purchased flight?

United generally begins to solicit volunteers for denied boarding when a flight remains oversold close to departure, which in the case of Flight 3411 was early in the day on April 9. On April 27, as detailed in the *United Express Flight 3411 Review and Action Report*, United announced new policies including an automated system to solicit volunteers to change travel plans earlier in the process.

At the time of ticketing, it is generally far too early to know whether or not a specific flight may be oversold by the time of departure due to a variety of factors. First, depending on how early a customer purchases a ticket, not all seats on the scheduled aircraft may have been reserved. In addition, at the time of ticketing, it is difficult to predict whether or not all passengers who have a confirmed reservation will actually show up for their flights. When United sells a ticket it provides a ticket receipt summarizing the possibility of an oversold flight, United's obligations in these situations, and the passenger's rights.

United is committed to reducing overbooking and reducing incidents of involuntary denied boarding to as close to zero as possible, and will be implementing policies to achieve that goal as outlined in the *United Express Flight 3411 Review and Action Report*.

8) Describe the internal investigation that United Airlines will pursue regarding this incident, including the name(s) of the individual(s) in charge of the investigation and the expected completion date for the investigation.

United completed a review of its policies under the leadership of CEO Oscar Munoz on April 27. The complete *United Express Flight 3411 Review and Action Report* is attached.

9) Has United Airlines implemented any policy changes as a result of this incident?

In light of this incident, United is making several changes so that policies that United controls can no longer get in the way of doing the right thing.

United implemented two policy changes quickly following the incident. First, United announced that it will not ask law enforcement officers to remove a customer from an aircraft except when required for a safety or security concern. Second, United has announced that unless there are open seats, all crew members traveling for work must be booked at least 60 minutes before departure. This is designed to ensure that the denied boarding process in an oversale situation may be implemented in the gate or lobby area and *not* on board the aircraft.

In addition to these two changes, on April 27, United released the results of its internal review, which identify the following additional policy changes as well as a timeline for implementation:

1) United will not require customers already seated on the plane to give up their seat involuntarily unless safety or security is at risk; 2) United will increase customer compensation incentives for voluntary denied boarding up to \$10,000; 3) United will establish a customer solutions team to provide agents with creative solutions; 4) United will provide agents with additional annual training; 5) United will create an automated system for soliciting volunteers to change travel plans; 6) United will reduce the amount of overbooking; 7) United will empower employees to resolve customer service issues in the moment using a new employee app; and 8) United will eliminate the red tape on lost bags by paying a customer \$1,500 for permanently lost bags (with documentation required for amounts claimed greater than \$1,500).

More information on these changes is provided in the attached *United Express Flight 3411 Review and Action Report*.

10) Is it the policy of United Airlines to use taxpayer-funded law enforcement to forcibly remove paying passengers for non-security reasons?

In direct response to this incident, United immediately changed its policy and will no longer ask law enforcement officers to remove a customer from an aircraft except when required for safety or security.

United is committed to ensuring a similar incident does not ever occur again. The attached *United Express Flight 3411 Review and Action Report* provides more information on the several policy changes underway to reduce instances of involuntary denied boarding as close to zero as possible.

11) *In a dispute such as the one that occurred on Flight 3411, what recourse or appeal process do passengers have to dispute an action taken against them by United Airlines during their travel?*

The policy changes outlined in the attached *United Express Flight 3411 Review and Action Report* are designed to ensure that an event similar to Flight 3411 never happens again.

United does advise its customers on its website that for any questions or concerns relating to travel that is in progress, customers may contact the Flight Reservations department or seek assistance in any United Service Centers at the airport. Following the denied boarding, a customer can submit a complaint to United through an online complaint process, make a complaint to the Department of Transportation's Aviation Consumer Protection Division or pursue legal action.



A STAR ALLIANCE MEMBER



United Express Flight 3411 Review and Action Report

April 27, 2017

Introduction

This is United Airlines' promised review of events from United Express Flight 3411 on April 9, 2017, when a customer flying from Chicago's O'Hare International Airport to Louisville International Airport was forcibly removed from our aircraft. This report outlines what we have already done and what we will do to prevent a terrible event like this from happening again.

We can never apologize enough for what occurred and for our initial response that followed. United Airlines takes full responsibility for what happened. The intention of this report is to communicate concrete and meaningful actions that will avoid putting our customers, employees and partners into impossible situations. Our goal is to reduce incidents of involuntary denial of boarding to as close to zero as possible and become a more customer-focused airline. And this is just the beginning of our commitment to you.

Our entire company is dedicated to making this right, working harder than ever to serve you and live up to our shared purpose and values of making decisions with empathy, respecting every voice and delivering what you expect and deserve.

Summary of What Happened on United Express Flight 3411

Sunday, April 9, 2017

United Express Flight 3411 is regularly scheduled to fly Sunday through Friday from O'Hare to Louisville, with a planned departure of 5:40 p.m. CDT and an arrival of 8:02 p.m. EDT. Seating capacity is 70 customers.

Before boarding, flight 3411 was overbooked by one customer. Despite early attempts by United, via website/kiosk and multiple announcements at the gate asking for customers willing to take later flights, there were no volunteers. As a result, one customer who had not yet been given a seat assignment, was involuntarily denied boarding (see Involuntary Denied Boarding Selection Process sidebar). The customer received a check as compensation and was booked on another United flight. The other customers were then called to board the plane.

At the same time, an earlier flight to Louisville, originally scheduled to depart O'Hare at 2:55 p.m. CDT was experiencing a maintenance issue (it was unclear if this issue could be fixed, but regardless, it would depart after flight 3411). Booked on this flight were four crew members, scheduled to operate the early Monday morning United Express flight from Louisville to Newark. Without this crew's timely arrival in Louisville, there was the prospect of disrupting more than 100 United customers by canceling at least one flight on Monday and likely more. With this in mind, the four crew members were booked on flight 3411, creating the need to identify four customers who would not be able to take the flight.

Involuntary Denied Boarding (IDB) Selection Process

United's involuntary denied boarding (IDB) process is automated and customers are not subject to discretionary choice by agents. This is our process:

- First, agents will deny boarding if a passenger does not have a seat assignment prior to boarding the aircraft.
- Customers are then sorted by fare class (estimated fare paid) and type of itinerary.
- Customers with the lowest paid fare are placed at the top of the list for involuntary denial of boarding.
- If a group of customers paid the same fare, then the group is sorted by time of check-in.
- Customers with frequent flyer status will not be involuntarily denied boarding, unless all of the remaining passengers have frequent flyer status, in which case the lowest status will move to the top of the IDB list.
- Customers with special needs (unaccompanied minors, passengers with disabilities) are excluded and are not involuntarily denied boarding.

United agents began to seek four volunteers, this time while customers were seated on the aircraft. The agent offered an \$800 travel credit plus the cost of meals and hotel accommodations for the evening, but no customers were willing to accept the offer. The agent then followed the involuntary denial of boarding selection process to determine which customers would be asked to leave the airplane.

Once the four customers on flight 3411 were identified, the United supervisor spoke with two of the customers, a couple, who then departed the aircraft and received compensation. The next customers approached were Dr. Dao and his wife. The supervisor apologized and explained they would also need to depart the aircraft, but Dr. Dao refused. The supervisor was unable to convince Dr. Dao to depart the aircraft. Given Dr. Dao's unwillingness to deplane, the supervisor left the plane and spoke to the United zone controller, who indicated that authorities would be contacted. The supervisor went back on the plane to request again that Dr. Dao deplane and advised him that authorities would be contacted. At this point, one customer onboard the aircraft volunteered to change flights for \$1,000 but United needed two volunteers in order to avoid having to remove the Daos. No other customers would volunteer unless United could guarantee an arrival in Louisville later that night. Given the fact that the 2:55 p.m. CDT departure remained on a maintenance delay, with a possibility of cancelling, United could not make that commitment.

Officers from the Chicago Department of Aviation, which has authority to respond to such airline requests and historically has been effective in getting customers to voluntarily comply, answered United's request for assistance. These security officers were unable to gain Dr. Dao's cooperation to depart the plane voluntarily.

At this time, the United supervisor left the aircraft and attempted to call a manager about the situation, and Dr. Dao, as evidenced by widely reported video footage, was physically removed from his seat by the Chicago Department of Aviation Officers. After being forcibly removed from the aircraft, Dr. Dao ran back onto the airplane and Chicago Department of Aviation Officers removed him for a second time. He was later taken to a local hospital.

All customers then deplaned. After approximately 40 minutes, the flight re boarded without the Daos and departed for Louisville.

United Failures Related to United Express Flight 3411

1. Calling on law enforcement to assist with policy enforcement when a security or safety issue didn't exist.

United's policies and procedures in non-safety or security situations did not adequately address instances in which customers refused to comply with requests.

2. Rebooking crew at the last minute.

The crew was booked and arrived at flight 3411 during the boarding process. Our policies did not prohibit this.

3. Offering insufficient compensation and not providing transportation/destination options to entice more customers to give up their seats willingly.

Agents did not have the authority to act independently and authorize higher levels of compensation or provide other modes of transportation and/or the right destination options.

4. Providing insufficient employee training and empowerment to handle a situation like this.

United does not provide regular training to prepare its team for denied boarding situations and individual interactions with customers during these potentially difficult situations.

Goals of United Policy Changes

With the policy changes it already has made or that are forthcoming, United seeks to:

Become more customer-focused.

Avoid putting our customers, employees, and partners into impossible situations due to policies we control.

Reduce incidents of involuntary denial of boarding to as close to zero as possible.

United Policy Changes Made or Forthcoming

1. United will limit use of law enforcement to safety and security issues only.

United will not ask law enforcement officers to remove customers from flights unless it is a matter of safety and security. United implemented this policy on April 12.

2. United will not require customers already seated on the plane to give up their seat involuntarily unless safety or security is at risk.

United implemented this policy on April 27.

3. United will increase customer compensation incentives for voluntary denied boarding up to \$10,000.

United's policy will be revised to increase the compensation levels up to \$10,000 for customers willing to volunteer to take a later flight. This will go into effect on April 28.

4. United will establish a customer solutions team to provide agents with creative solutions.

United will create a team to proactively identify and provide gate agents with creative solutions such as using nearby airports, other airlines or ground transportation to get customers and crews to their final destinations. Separately, the team also will work to provide solutions to help get crews to their final destinations. United expects the team to be operational by June. Examples include:

- Suggest flights to close-by airports and then provide transportation to the customer's preferred destination.
- If a customer's travel includes a connecting flight, provide options that would eliminate the connection and still get the customer to the destination.
- Offer ground transportation where practical.

5. United will ensure crews are booked onto a flight at least 60 minutes prior to departure.

Unless there are open seats, all crew members traveling for work on our aircraft must be booked at least 60 minutes before departure. This policy was implemented on April 14.

6. United will provide agents with additional annual training.

United will provide annual training for frontline employees to enhance their skills on an ongoing basis that will equip them to handle the most difficult of situations. This training will begin in August.

7. United will create an automated system for soliciting volunteers to change travel plans.

Later this year, United will introduce a new automated check-in process, both at the airport and via the United app, that will gauge a customer's interest in giving up his or her seat on overbooked flights in exchange for compensation. If selected, that customer will receive their requested compensation and be booked on a later United flight.

8. United will reduce its amount of overbooking.

United has evaluated its overbooking policy. As a result, adjustments have been made to reduce overbookings on flights that historically have experienced lower volunteer rates, particularly flights on smaller aircraft and the last flights of the day to a particular destination.

9. United will empower employees to resolve customer service issues in the moment.

Rolling out later this year, United will launch a new "in the moment" app for our employees to handle customer issues. This will enable flight attendants (by July) and gate agents (later this year) to compensate customers proactively (with mileage, credit for future flights or other forms of compensation) when a disservice occurs.

10. United will eliminate the red tape on lost bags.

United will adopt a new no-questions-asked policy on permanently lost bags. In these instances, United will pay a customer \$1,500 for the value of the bag and its contents. For claims or reimbursement over \$1,500, additional documentation may be required. This process is expected to be in place in June.

Conclusion

This has been a defining moment for our United family and it is our responsibility – our mission – to make sure we all learn from this experience. The changes we have announced are designed to better serve our customers and empower our employees. This is how we begin to earn back your trust.

Appendix

Background on Denied Boarding

While very rare, denied boarding occurs when more customers have checked in and are at the gate than there are seats on the flight. There are several conditions that may result in this situation, which usually occur prior to boarding, but can take place after the plane has been boarded. We've identified the five causes of denied boarding below.

While United strives to avoid any denied boarding situations, it also seeks to disrupt as few travelers as possible when they occur. Further, whenever possible, it seeks to compensate customers to relinquish their seats voluntarily. If it can provide compensation that a customer considers compelling enough to volunteer, then that customer will remain a satisfied customer. In 2016, 95.6 percent of United's denied boarding customers were volunteers.

United's DOT statistics in 2016 show 3,765 incidents out of 86.8 million United customers, of involuntary denied boarding (representing fewer than 1 in 23,000 customers). The rate of involuntary denials was a 44 percent decline from 2015 and 30 percent below the average among airlines reporting to the DOT (this data reflects mainline flights departing the United States only).

Causes of denied boarding:

- **Restrictions placed on the capacity of the aircraft:** In some circumstances, the weight of the aircraft and its contents must be reduced for a flight to operate safely. Weather conditions at the departure airport, arrival airport or somewhere along the route of the flight are the most common reasons for a flight to be subject to weight restrictions. When possible, United tries to reduce weight by removing cargo, but in some circumstances the aircraft simply cannot carry a full load of customers and operate within United's safety requirements. The restrictions usually occur close to departure time, as weather is developing, and sometimes even after a flight has boarded. As an example, when winter snowstorms result in a runway with snow at the departure airport, a reduction to the maximum takeoff weight for the aircraft may be required.

Unlike overbooking denials of boarding, which typically impact one or two customers, weight restrictions can require up to dozens of customers to be denied boarding. As the number of customers without seats increases, it becomes increasingly difficult to get enough volunteers. As a result, weight restrictions are much more likely to cause involuntary denial of boarding. This is a no-win situation: Get most of the customers to their destination, but create a difficult situation with the customers who are required to be denied boarding, or cancel the flight entirely. For the customers who get seats

on the aircraft, the outcome is better than cancelling the flight. But for the customers involuntarily denied boarding, the process seems very unfair and arbitrary and leads to some of United's and the industry's worst customer service experiences. As in all involuntary denied boarding situations, the customers are selected based on the criteria described in the Involuntary Denied Boarding Selection Process sidebar.

- **Aircraft downsizing (down-gauging):** This can occur when an aircraft is unable to make it to its intended destination either because of weather or due to a mechanical issue that would prevent it from completing its scheduled flight. United has spare aircraft; however, there are times when the substitute aircraft's number of seats is different from the flight it is intended to replace. Sometimes the only option to avoid a cancellation is to use a smaller aircraft that can accommodate fewer customers. This also can lead to the need to move customers from the cabin they were booked in originally. Like weight restrictions, this is more likely to lead to involuntary denial of boarding because the substituted aircraft may have as many as 40-50 fewer seats.
- **Crew movement:** As in the case of flight 3411, customers can be denied boarding involuntarily if a plane is full and a flight crew, under airline policies, must be allowed to take that flight. This is done to avoid further operational disruptions, which would impact even more customers (such as cancelling a future flight that a crew is scheduled to fly).
- **Overbooking:** Like most airlines, United overbooks flights, typically by less than 0-3 percent of the plane's seat capacity, to account for normal customer no-shows. United's forecast of no-shows is usually quite accurate and approximately four percent of its flights have more ticketed customers seeking to board the aircraft than available seats. The vast majority of denied boardings from overbooking are voluntary – customers agree to take another flight for compensation and incentives, reflecting the low overbooking levels.
- **Situations at the departure gate or on the aircraft resulting in safety or security concerns:** Airlines infrequently must deny boarding involuntarily on a flight when an unexpected situation arises at the departure gate or on a plane before departure. An example could be if a customer becomes unruly or disruptive for any reason and, for safety or security reasons, airline personnel consider it necessary to deny boarding or require the customer to leave the plane.