



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.