require the beyond flights to be continuations of flights that originate in the United States or earlier legs of flights that are destined for the United States. Our bilateral agreement with Great Britain expressly requires that U.S. carriers use the same flight numbers for all change-of-gauge sectors, for example. This and similar restrictions make through flight numbers a necessity if U.S. carriers are to redeem international route rights to many points beyond foreign gateways. Banning multiple change-of-gauge services would sacrifice these rights and deprive the traveling public of U.S. carrier service. Moreover, most of the bilateral agreements that allow multiple change-of-gauge services do so for both parties and specifically authorize multiple flight numbers for a single operation. To prohibit foreign flag carriers from operating multiple change-of-gauge services in the United States would breach these agreements. To sacrifice U.S. carriers' rights unilaterally would contravene the public interest as a matter of principle and in practice could put U.S. carriers at a competitive disadvantage.

The pleadings indicate that the problems associated with change-of-gauge services lie not with the services in and of themselves but with the failure to inform passengers effectively that these services entail a change of aircraft *en route*. This failure, as stated above, we tentatively find to be an unfair or deceptive practice or an unfair method of competition. The disclosure rules that we are proposing should alleviate not only most of the consumer problems detailed by the commenters but also whatever competitive problems may now result from consumers' mistaken belief that they are purchasing single-plane transportation. For the reasons discussed below, the other concerns voiced by the commenters—*i.e.*, CRS display issues, the single-coupon ticketing, the effects on foreign air carriers, and the incomplete flight displays at airports associated with funnel flights and change-of-gauge services—do not, in our view, warrant a ban on these practices.

Those who comment on this notice should be aware that the tentative conclusions and analysis set forth here do not reflect any of the comments filed in Docket 49702, *Disclosure of Code-Sharing Arrangements and Long-Term Wet Leases, Notice of Proposed Rulemaking, 59 FR 40836 et seq.* (August 10, 1994). Rather, to the extent that they may bear on this rulemaking, we will consider these comments, as well as our disposition of them in our final action in the code-sharing rulemaking, before we adopt any final rule on disclosure of change-of-gauge services.

In light of our tentative conclusion that funnel flights do not violate 49 U.S.C. 41712 in and of themselves and should not be banned, we dismiss the complaints of TACA, Aviateca, and NICA against Continental in Dockets 49511, 49512, and 49513, respectively. Continental appears, moreover, to be complying with our policy requiring that passengers be informed of aircraft changes. After reviewing the complaints, we asked our Officer of Consumer Affairs to investigate Continental's compliance by making anonymous test calls, and that office informs us that in all of its calls, the aircraft change was disclosed. We also dismiss TACA's complaint because the carrier has provided no evidence in support of its charge of predatory pricing and because the other acts with which its charges Continental do not violate 49 U.S.C. 41712, any other provision of title 49 of the U.S. Code, or the bilateral agreement between the United States and El Salvador.

Passenger Confusion and Deception: In requiring operators of change-of-gauge services to disclose aircraft changes in their schedules and in requiring all sellers of scheduled passenger air transportation to make oral disclosure of aircraft changes to prospective passengers before booking travel and to provide written notice at the time of sale, we mean to eliminate instances in which passengers choose these types of transportation under a mistaken impression that they will remain on the same plane throughout their journeys. We understand that in some cases, passengers have only learned that they must change aircraft after they have begun their travel. The written notice should also eliminate any misunderstanding as to the nature of the transportation that might otherwise result from the receipt of only one flight coupon for an itinerary that entails a change of planes. It should eliminate or reduce as well any confusion that passengers might otherwise experience if they see multiple flight numbers listed at the airport for the same flight, with or without their own flight number. We have recently addressed analogous concerns regarding the sharing of airline designator codes by proposing to require sellers of air transportation to give passengers oral and written notice of such arrangements. *See Disclosure of Code-Sharing Arrangements and Long-Term Wet Leases, Notice of Proposed Rulemaking, supra.*

The disclosure requirements proposed here should thus address the problems associated with passengers' misunderstanding of the nature of their transportation. Two other consumer-related concerns cited by some commenters do not, in our view, justify a ban on one-for-one or multiple change-of-gauge services. First, that passengers are issued just one flight coupon and therefore cannot switch automatically to another carrier in the event that the ongoing segment of their transportation is cancelled or seriously delayed does not justify banning one-for-one or multiple change-of-gauge services. This restriction is not unique to those services. Many widely-used discount fares are not automatically transferrable from one carrier to another, either, but instead must be specially endorsed by the issuing carrier in order to be accepted by another carrier. Second, we do not agree that we must sacrifice the public benefits of multiple change-of-gauge flights in order to eliminate whatever confusion may result from their incomplete listing in some airports' displays. This is an issue that affected airports should address. In any event, the written notice that our proposed rule would require would alert passengers to the possibility of incomplete airport displays.

Competition: To the extent that competition among airlines may be affected when passengers reject other connecting services in favor of one-for-one or multiple change-of-gauge services under the mistaken belief that they will thereby avoid changing planes, our proposed disclosure requirements should correct this distortion.

American and the commenters also cite padded displays in CRSs as a competitive concern that warrants banning these practices outright. We do not agree, because the legitimacy of change-of-gauge services in and of themselves is a separate issue from the way that such services are displayed in CRSs. In fact, the issue of multiple CRS listings has been raised in two recent petitions for rulemaking: American and Trans World Airlines have filed petitions in Dockets 49620 and 49622, respectively, for a CRS rule prohibiting multiple listing of code-sharing services. In that context, the Department will consider the issue of display practices as it involves both code-sharing services and change-of-gauge services.

American and the commenters also complain that funnel flights are improperly given preference in CRSs over on-line connecting services. As noted above, though, Continental claims that even though its funnel flights to Latin America are displayed in CRSs as