LOST LUGGAGE, FOUND RESOLUTION: ADR MECHANISMS FOR AVIATION BAGGAGE CLAIMS

Friday, February 27, 2026
12:00 p.m. – 1:00 p.m.
Webinar

FREE FOR NYSBA MEMBERS



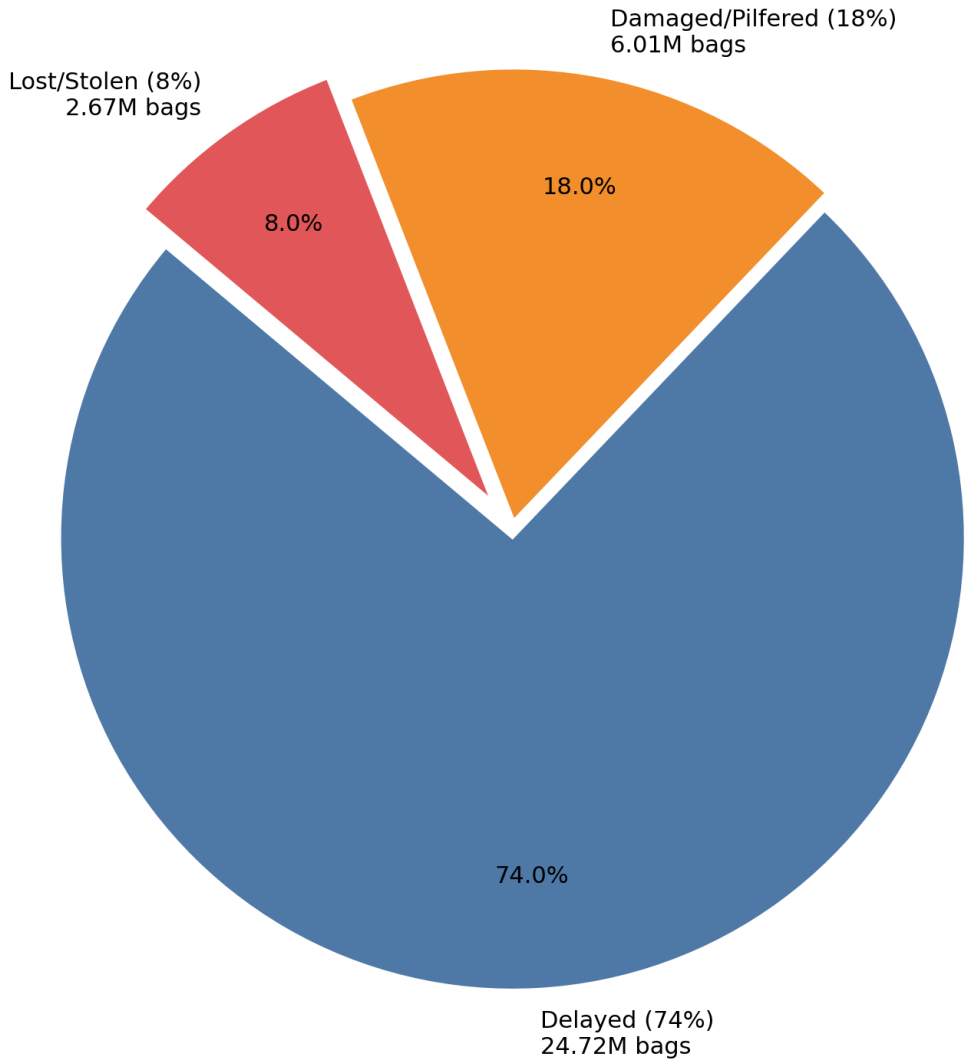
150 Years | Dispute Resolution Section

Why Baggage Disputes Are Uniquely ADR Ready

- High Volume, Lower Stakes
- Paperwork- Driven Proof
- Predictable Legal Anchors
- Both Parties Want Speed
- Standard Fact Patterns
- Global Proof of Concept

Sources: [24], [25] and [26]

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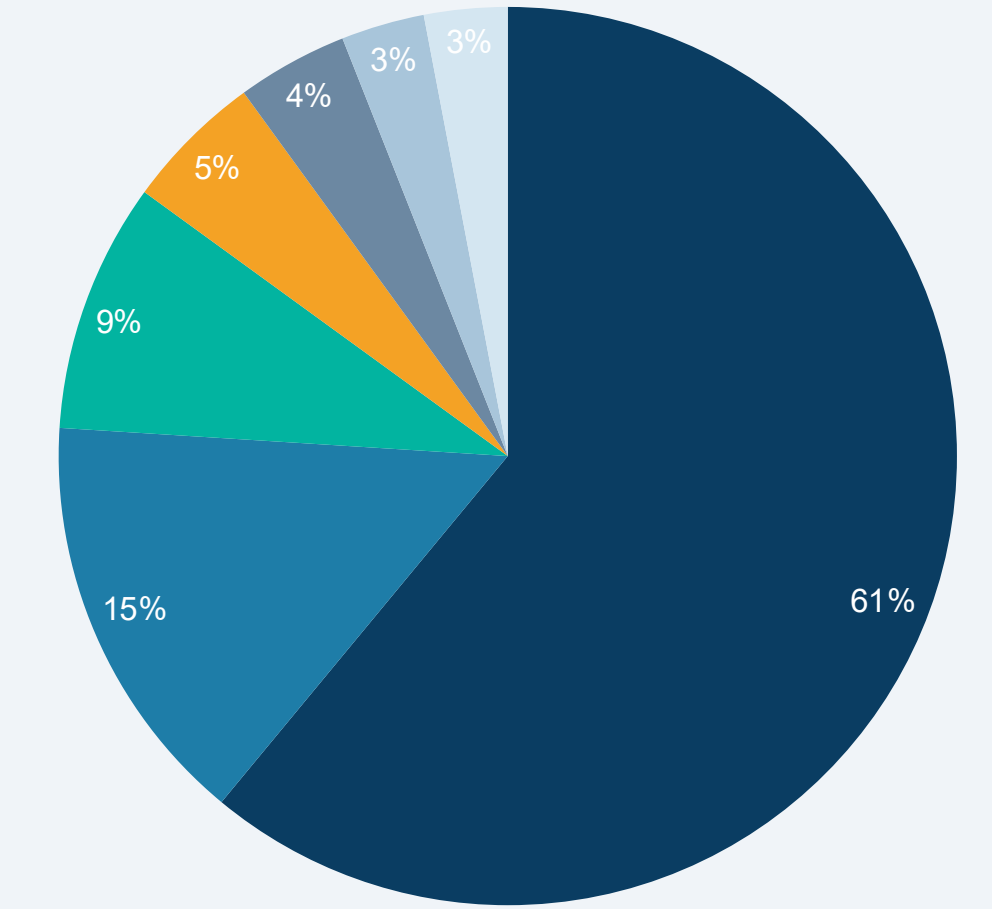


33.4 M Mishandled Bags Globally (2024)

Sources: [12] [13]

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ROOT CAUSES OF BAGGAGE MISHANDLING



Sources: [12] [15] [16]

ADR Implications

🔄 61% occur in transfer → multi-carrier disputes common; jurisdiction clarity is critical

📋 Documentation must capture which carrier was responsible at each leg

⚖️ Montreal Convention Article 36 governs successive carriers; both may be liable

📎 Load failure and tagging errors (18 % total) generate strong negligence claims

🤝 ADR batching works well when the same handler or carrier is the common thread

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Liability Baselines - Start Here before Negotiating

International - Montreal Convention (MC99)

U.S. Domestic – DOT Baseline

Montreal Convention (MC99)

Default liability cap: 1,519 SDR per passenger (≈2,000 USD) – updated 12/28/24

Strict notice requirements: 7 days for damage; 21 days for delay; 2 years for loss

Article 22(2): limits cover checked baggage; Article 17(2) covers cabin baggage differently

Sources: [1] [21]

U.S. Domestic – DOT Baseline

DOT cap for mishandled baggage: $4,700 per passenger (effective Jan 22, 2025)

Carrier cannot set arbitrary daily spending caps for reasonable interim expenses

Checked bag fee refund required when bags are substantially delayed or lost

Post-Airline Deregulation Act (1978): CCs no longer federally regulated — contracts govern

DOT enforces via 49 U.S.C. § 41712 — investigates violations but cannot compensate passengers

Fines: up to $27,500/violation for large carriers; $1,100 for small carriers

Sources: [1] [2] [3]

Maria Daños– Fact Pattern

Travel Facts

Origin → Miami (MIA)

Connection → New York (JFK)

Destination → London Heathrow (LHR)

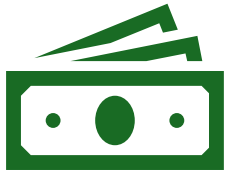
Purpose → Bridesmaid for best friend’s wedding

Baggage Facts



Checked TWO bags

high-value contents: dress, cosmetics, jewelry, and gifts



Total estimated value > $10,000



Purchased ticket with credit card offering travel insurance

Loss Facts

No checked bags arrived at LHR carousel

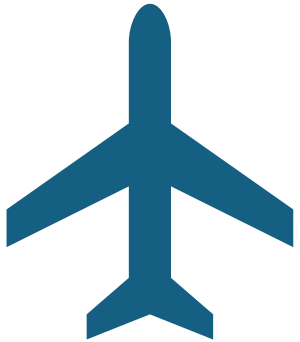
Airline stated bags were ‘**delayed**’ and promised delivery to The Kensington Hotel

Neither bag arrived, not in London, nor after return to Miami

Uncertain Loss Location



Bags may have been lost at:
MIA, JFK transfer, or LHR arrival



Airline did not identify a
specific point of failure

Impact

Maria incurred significant replacement expenses abroad

Lost access to essential items during wedding events

Ongoing disruption + unresolved loss of two bags

Domestic U.S. Framework (DOT + 14 CFR Part 254)



Airlines must compensate passengers for lost, delayed, or damaged baggage.

Impact: Maria is automatically entitled to compensation

Authority: U.S. Dep't of Transportation, Lost, Delayed, or Damaged Baggage (2025)



Strict responsibility/liability applies once the airline accepts the bag - fault does not matter.

Impact: Airline cannot argue uncertainty about loss location

Authority: DOT Aviation Consumer Protection



Federal minimum liability for domestic baggage is $4,700 per passenger.

Impact: Establishes a domestic compensation floor

Authority: 14 C.F.R. § 254.4 (2026); 90 Fed. Reg. 9952 (Feb. 20, 2025)

Sources: [1] [2] [3] [21]

Domestic U.S. Framework - Continued



Airlines must refund checked-bag fees when baggage is lost.

Impact: Maria gets reimbursement for both bag fees.

Authority: DOT ACP guidance



Airlines must reimburse "reasonable, necessary, actual" interim expenses.

Impact: Maria's London replacement expenses qualify.

Authority: DOT ACP (Delayed Baggage rules)

Sources: [1] [2] [3] [21]

Domestic vs. MC99 Comparison Table

Category	US Domestic U.S. (DOT + 14 CFR pt. 254)	Montreal Convention (MC99)
Liability Standard	**Strict responsibility** once airline accepts baggage. • *Authority:* U.S. Dep't of Transp., *Lost, Delayed, or Damaged Baggage* (2025). • **Impact:** Loss location uncertainty (MIA/JFK/LHR) does *not* weaken her claim.	Liability for **loss, destruction, damage, or delay** of checked baggage. • *Authority:* Montreal Convention art. 17. • **Impact:** Maria only needs to show her bags were checked and never delivered.
Liability Cap	Minimum **$4,700 per passenger**. • *Authority:* 14 C.F.R. § 254.4 (2026); 90 Fed. Reg.9952 (Feb. 20, 2025). • **Impact:** Higher compensation ceiling than MC99.	**≈ 1,288 SDR** (≈ $1,867 USD equivalent). • *Authority:* MC99 art. 22. • **Impact:** May limit recovery unless a higher value was declared.

Sources: [1] [2] [3] [21]

Domestic vs. MC99 Comparison Table (2)

Category	US Domestic U.S. (DOT + 14 CFR pt. 254)	Montreal Convention (MC99)
Valuables Exclusion	Airlines **may** be excluded - liability for certain valuables (jewelry, electronics) on domestic itineraries. • Authority: DOT Aviation Consumer Protection (ACP) guidance, and 14 C.F.R. Part 254 • **Impact:** Airline might dispute value of the luxury items, though still compensable if accepted.	**No exclusions allowed** for checked baggage once it is accepted. • Authority: DOT ACP (domestic-only exclusions). • **Impact:** Jewelry, designer cosmetics, tools **must be compensated**.
Consequential Damages	Certain consequential losses may be compensable under DOT standards. • Authority: DOT ACP. • **Impact:** Replacement expenses abroad (hotel-area purchases) count.	MC99 **prohibits punitive and emotional-distress damages**. • Authority: Montreal Convention art. 29. • **Impact:** Emotional stress from wedding disruption is **not** compensable.

Sources: [1] [2] [3] [21]

Domestic vs. MC99 Comparison Table (3)

Category	US Domestic U.S. (DOT + 14 CFR pt. 254)	Montreal Convention (MC99)
Fee Refunds	Airline must **refund all baggage fees** if bag is lost. • *Authority:* DOT ACP. *See* 14 C.F.R. § 260.5 • **Impact:** Maria recovers fees for both missing bags.	MC99 does **not** specifically address baggage fee refunds. **Impact:** Domestic rules still protect her for this portion. *See* 14 C.F.R. § 260.5
Evidence Required	Documentation (**receipts, baggage claim (PIR*), photos, tags**) required; airline must attempt to locate bag. • *Authority:* DOT ACP. • **Impact:** Maria filed same-day; strong evidentiary position.	Must show bag was checked + not delivered; **no negligence required**. • *Authority:* Montreal Convention arts. 17, 22. • **Impact:** Supports a straightforward MC99 claim.

Sources: [1] [2] [3] [21]

*Property Irregularity Report – industry standard

Airline Lost-Baggage Claim Portals

Airline	Where to File
American Airlines	**Delayed / Damaged Bags Portal** — passengers can **file a report** and then, after 5+ days, **submit the online claim.** https://www.aa.com/i18n/travel-info/baggage/delayed-or-damaged-baggage.jsp
Delta Airlines	**Baggage Online Claim Form** — used for **Delayed, Damaged, or Lost** baggage once you have your file reference. https://www.delta.com/bags/bags/claimLanding.action
United Airlines	**Bag Help / Report Delayed–Lost Bags** (enter file number, then claim if not recovered). https://www.united.com/en/us/baggage/bag-help
Southwest Airlines	**Report Missing / Delayed / Lost Bags** — includes link to file online if you've left the airport. https://support.southwest.com/helpcenter/s/article/lost-damaged-delayed-baggage
JetBlue Airways	**Baggage Service / Claim Filing** — report delayed/lost bags at airport or online via JetBlue Bag Portal; PIR tracking supported. https://handsoffmysuitcase.com/jetblue-baggage-claim/ *(instructional but links to JetBlue's portal)* **Bag portal login used by JetBlue:** https://app.nettracer.aero/pax/jetblue/bso/login
Alaska Airlines	**Delayed / Damaged / Missing Baggage Portal** — instructions + online reporting. https://www.alaskaair.com/content/travel-info/baggage/baggage-claim/delayed-damaged-missing

American Airlines

My Cases English Sign in

Home > Submit a claim

Submit a claim

We'll need more information to help you.

(* Required)

Primary reason for claim? *

Where did you travel? *

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BAGGAGE - ONLINE CLAIM FORM

BAGGAGE

- Carry-on Baggage
- Checked Baggage
- Track Checked Baggage
- Additional, Overweight, & Oversized Baggage
- Special Baggage Items
- Restricted & Dangerous Items
- Delayed, Lost, or Damaged Baggage
  - Declaring Baggage Value
  - Report Lost Items
- General Conditions of Baggage Acceptance

RELATED LINKS

Baggage FAQs

Making sure your baggage is handled properly is important to us. If your baggage gets delayed or lost, we will work to return it to you as soon as possible. If it is damaged in transit, we will help you repair it under many circumstances. Find the details below.

↓ Baggage Online Claim Forms

BAGGAGE ONLINE CLAIM FORMS

If you need to file a claim for Delayed, Damaged or Lost baggage or missing items:

1. Get a File Reference Number from the Baggage Service Center.
2. Complete the online claim form, giving us details on your itinerary and property.

If you have already submitted a mishandled baggage claim, you can use this form to upload any additional supporting documentation.

Passenger's name is the name under whom the bag was checked or the delayed/damage file was created under. Enter the name exactly as displayed on your bag file or original reservation (example: Elizabeth Smith, not Liz Smith).

* INDICATES REQUIRED INFORMATION

*FIRST NAME

*LAST NAME

*FILE REFERENCE NUMBER

↑ Return to top

NEXT

Maria’s Lost-Luggage Claim & Evaluation Process

Passenger Lane- Maria

1

Day 0: File at LHR, file baggage claim/**PIR**, input **London hotel + Miami home** delivery.

- *(Portal use/updates supported by WorldTracer self-service.)* [aa.com]

2

Day 1–5: Upload receipts for essentials; **track/update** case in portal.

- *(DOT: reimburse reasonable, verifiable, actual costs during delay.)* [256businessnews.com]

3

Day 5+: Submit full contents claim if still missing (inventory + receipts/photos).

- (AA/DL/UA claim flows require detailed documentation.)

Sources: [1]

Airline lane — Baggage Services / Central Claims

- **Open case & trace**;
  - Expose status via the bag portal (often **WorldTracer**).
- **Process interim expenses**:
  - Reimburse **reasonable, verifiable, actual** essentials while delayed (within liability limits). **Valuation if unrecovered**: review **inventory + proofs**
  - Apply **depreciation**; and
  - Draft **first offer**. **Revise & settle**:
  - Update amount based on additional documentation;
  - issue payment and close.
  - Many carriers describe check/credit resolutions.

Sources: [1]

Triggers Panel



Significant delay → automatic fee refund of checked-bag fees once a report exists:

12h domestic; **15h/30h international** (≤/> 12-h flight). [256businessnews.com]



When is a bag "lost"?

Airlines set their own policy; **most declare lost between 5–14 days**;

DOT can enforce if they delay unreasonably. [256businessnews.com]



Operational marker some airlines use:

21 days "likely lost" (e.g., Delta public guidance).



Settlement rule:

Compensation based on **documented value + depreciation**; **interim expenses** reimbursed while delayed. [256businessnews.com]

Sources: [1]

Negotiation Impasse

Next Steps

- Maria files a DOT Complaint with the Office of Aviation Consumer Protection (OACP). *https://airconsumer.dot.gov/consumer/s/oacp-form*
  - DOT **forwards** the complaint **immediately** to the airline.
  - The airline is **required to respond** directly to Maria **and** to DOT.
  - DOT logs the issue for **regulatory oversight** and may investigate patterns of mishandled baggage.
  - Airlines take DOT complaints seriously. It's the single best way to restart stalled negotiations without litigation.

Sources: [22]

DOT Requirements:

- Airlines **must compensate** passengers for **lost baggage** (value – depreciation), subject to the **liability limit $4,700 domestic** or **1,519 SDR (Approx.** $1,867 USD **) international**.
- Airlines **must refund checked-bag fees** for **lost or significantly delayed baggage.** Significant delay =
  - **12 hours domestic**,
  - **15 or 30 hours international** (depending on flight duration)

Sources: [1] [2] [3]

DOT Requirements

Continued

- **If the airline is refusing or lowballing:**
  - Maria can **demand**:
    - a **written explanation** of how valuation was calculated, including depreciation.
  - Maria can **challenge**:
    - any improper use of **domestic exclusions** (like electronics/cosmetics), because **international flights** under the Montreal Convention do **not** allow airlines to exclude categories once accepted.

Sources: [1] [2] [3]

DOT Enforcement Action

- **DOT warns that if an airline:**
  - Delays declaring a bag lost for an unreasonable period,
  - Imposes unlawful reimbursement limits,
  - Fails to refund bag fees,
  - Fails to compensate for lost contents,

- …it may trigger **DOT enforcement action**

  - **Unreasonable Conduct :** Airline "unreasonably refuses to consider a bag lost after it has been missing for an unreasonable period of time, the airline could be subject to enforcement action."

  - **Arbitrary Conduct** : Airline acts arbitrarily DOT also in **must reimbursing reasonable, verifiable, actual expenses** and attempts to apply arbitrary daily caps (e.g., "$50/day").
- Maria's documentation from the claim, portal communication, and negotiation attempts will support such enforcement.

Sources: [1] [2] [3]

Legal Action

- If **Maria** receives a **denied** or **partial claim** and believes the airline failed to comply with:
  - DOT rules (domestic),
  - The Montreal Convention (international),
- **Maria** can bring a **civil action** for the value of the lost baggage up to the applicable liability limit.
- **How litigation is structured:**
  - **International itinerary (as Maria has)** → governed by the **Montreal Convention**, which sets the liability limit at **1,519 SDR**, roughly **$2,175**.
  - **Domestic segments** have a DOT liability ceiling of **$4,700**.
  - Damages are limited to **documented value**, not emotional distress or punitive damages (Montreal Convention preemption).

International ODR Systems

- Many countries have consumer protection legislation requiring statutory ADR
- After Brexit, the U.K. abandoned its ODR system
- The U.K. relies on a sector-specific online ADR system, not a single portal.

Sources: [10] [11]

Canadian Transportation Agency (CTA)

- **Air Passenger Protection Regulation (APPR)**
  - Applies to all flights to, from, or within Canada on airlines with 10+ seats
  - Covers lost, damaged, and delayed baggage for both domestic and international travel
- **When Baggage is Delayed**
  - Airlines must provide reimbursement for reasonable interim expenses (e.g., toiletries, clothing) if baggage is delayed
  - Passenger must submit receipts; airlines can set reasonable caps

Canada

YOUR RIGHTS & COMPENSATION

~$2,300

CAD

Max compensation (international flights)

Approx. $2000 USD

7

DAYS

To report baggage damage

21

DAYS

To report lost/delayed baggage

1

YEAR

Deadline to file a CTA complaint

Note: International limits are governed by the Montreal Convention. Domestic limits may differ. A written claim to the airline must be submitted before escalating to the CTA.

THE 5-STEP ODR CLAIM PROCESS

1

Document & Report

Report at the airport before leaving. Keep photos, baggage claim report/ PIR number, and all receipts.

2

Contact Airline

Submit a formal written claim to the airline. This is a required first step.

3

File CTA Complaint

If unresolved, file online at otc-cta.gc.ca within 1 year of the incident.

4

ODR Facilitation

CTA mediates between you and the airline. No cost to the passenger.

5

CTA Adjudication

If mediation fails, CTA issues a binding decision and may order compensation.

ODR FACILITATION: HOW IT WORKS IN CANADA

WHAT IT IS

- **Non-Binding**
  No decisions imposed on either party
- **Asynchronous**
  No hearings — all via online portal
- **CTA Staff Facilitator**
  Neutral CTA employee manages flow
- **Free to Passengers**
  No cost; no lawyer required
- **Airline Bears Burden**
  Airline must justify any denial
- **No Direct Contact**
  All exchanges routed through portal

THE PROCESS

1. **File Online Complaint**
   Passenger submits via otc-cta.gc.ca with all supporting documents
2. **CTA Screens Complaint**
   Verifies jurisdiction, 1-year deadline, and prior airline contact
3. **Airline Notified & Responds**
   Airline receives complaint and submits its position + evidence
4. **Evidence Exchange Managed**
   Facilitator coordinates document submissions from both sides
5. **Facilitator Reviews & Probes**
   Asks clarifying questions; flags applicable APPR rules to each party
6. **Resolution Attempt**
   Parties negotiate through portal toward a voluntary agreement

OUTCOMES

✓ SETTLEMENT

Voluntary agreement reached.
File closed. Most common outcome.

→ MEDIATION

If facilitation fails. Mediator actively proposes solutions.

⚖ ADJUDICATION

Binding CTA decision. May order compensation up to ~$2,300 CAD.

Key insight: Facilitation is non-binding — the facilitator assists communication but imposes nothing. Only adjudication produces a legally enforceable order.

Maria’s UK Option

The Civil Aviation Authority (CAA)– regulated ADR Schemes

- The CAA approves two aviation ADR bodies that operate **fully online**:
  1. **CEDR – Aviation Adjudication** (Centre for Effective Dispute Resolution)
  2. **AviationADR (CDRL)**

- Both accept **lost, damaged, or delayed baggage claims** and provide decisions **online**, usually **within 90 days** of a complete case. They are free for passengers .
- Airlines have to be registered to ADR Scheme for decisions to be binding.

Sources: [4] [5] [6]

Can Maria File in The U.K.?

- Yes
- U.K. does not have a citizen or residency requirement to file
- Airline needs to be signed up to a U.K. ADR provider
- CEDR accepts global complaints (online)
- AviationADR states it is competent for passenger disputes involving airlines in the U.K. and across Europe
- Maria can file from the U.S., from her phone, with no U.K. address.

Sources: [4] [5] [6]

U.K. Jurisdiction

Maria can file if:

She flew on an airline that participates in U.K. ADR, OR

The flight departed from or arrived in the U.K., OR

The airline has agreed to be regulated by a CAA-approved ADR provider.

Sources: [4] [5] [6]

Option A - CEDR (Aviation Adjudiction)

- Booking details
- Bagge claim or PIR/file reference
- Flight details
- Receipts, photos, communications
- Requested remedy

Timeline: CEDR aims to resolve cases within **90 days** of receiving a complete file

Sources: [4] [5] [6]

Option B – AviationADR (CDRL)

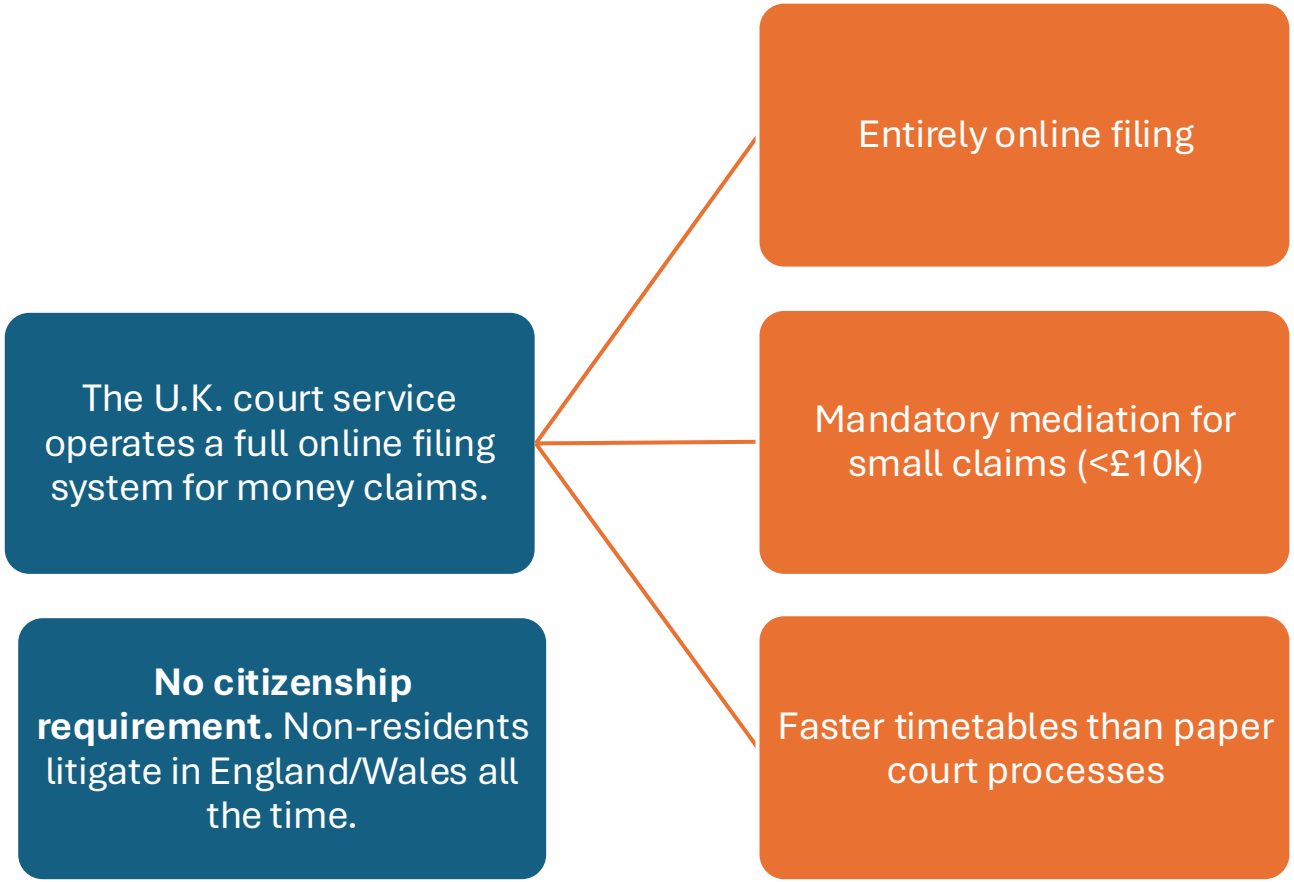
AviationADR is fully online and will:

- Validate the complaint
- Forward to airline for response (28 days)
- Allow Maria to comment
- Issue a decision

Timeline: Also **~90 days** once the case file is complete
Outcome: Binding on the airline if Maria accepts

Sources: [4] [5] [6]

U.K. Online Court System



Sources: [7] [8] [9]

U.K. Angle - Summary

- **The U.K. ODR system for baggage claims is the aviation ADR framework overseen by the CAA.**
  - Passengers, including non-citizens, file complaints online with **CEDR** or **AviationADR** once the airline gives a final response or 8 weeks pass.
  - ADR is free, digital, and normally completed within **90 days**, with decisions **binding on the airline** if the passenger accepts.
  - If the airline is not in ADR, passengers can escalate to **CAA PACT** or file a **U.K. Online Civil Money Claim**.

Sources: [7] [8] [9]

AI Tools That Help Maria Find Her Bag

Share AirTag Location → Airlines using SITA recover **90% more bags** & **26% faster** when passengers share live location.

AI Real-Time Tracking → **66%** of mishandled bags reunited within **48 hours** via automated SITA WorldTracer systems.

Computer-Vision ID → BagsID's AI recognizes bags even if **tags fall off**.

AI Turnaround Monitoring → Heathrow uses ApronAI to prevent baggage-related delays & missed transfers.

RFID + IATA Reso 753 → Automated tracking at each custody point = fewer lost bags.

Online ADR Automation → Faster digital resolution for baggage claims (CEDR / AviationADR).

Sources: [19] [12] [13] [17] [14] [15] [5] [6]

PARALLEL RECOVERY — INSURANCE, CREDIT CARDS & SUBROGATION

Travel Insurance

- Baggage delay benefit — often triggers after 6–12 hrs
- Baggage loss coverage — coordinated with carrier liability
- Requires original carrier documentation (PIR, claim reference)
- May pay faster than airline resolution; coordinate to avoid double recovery

Premium Credit Card Benefits

- Many cards include trip delay/baggage delay protection
- Benefits admin responds to structured documentation packets
- Treats insurer like 'another adjuster' — process competence wins
- Separate from and additional to carrier liability recovery

Subrogation & Lien Management

- When insurer pays first, subrogation rights shift to insurer
- Mediation term sheets must address: lien notices, allocation language, payment timing
- Assignment clarity is essential before any settlement release
- Avoid accidental waivers — release language must be reviewed carefully

Source: [23], [1]

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Thank you!

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