



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 23, 1983

AT
202-633-2016

The Department of Justice today filed a civil antitrust suit against American Airlines, Inc., and Robert L. Crandall, its president and chief executive officer, charging that Crandall, acting on behalf of his company, unlawfully attempted to monopolize interstate trade and commerce in violation of Section 2 of the Sherman Act by seeking to fix prices with Braniff Airways in February of 1982. According to the complaint, Braniff rejected the alleged attempt.

Assistant Attorney General William F. Baxter said the suit was filed in U.S. District Court in Dallas, Texas. Baxter said the suit alleges that on February 1, 1982, Crandall proposed during a telephone conversation with Howard Putnam, president of Braniff, that Braniff raise its prices 20 percent. Crandall assured Putnam that if Braniff were to raise its fares by that amount, American's fares would follow "the next morning," the complaint said.

As a result of that conversation, the Department filed today's action alleging that Crandall and American unlawfully attempted to acquire joint and collusive monopoly power between American and Braniff in a number of city-pair markets served by the Dallas/Fort Worth hub in violation of Section 2 of the Sherman Act. Baxter said that when an agreement to fix prices would result in unlawful joint

(MORE)

and collusive monopolization by two or more dominant firms, an attempt to enter into such an agreement constitutes unlawful attempted monopolization.

The lawsuit seeks an injunction, under Section 4 of the Sherman Act, against both American and Crandall, prohibiting the airline for two years from employing Crandall as president, chief executive officer, or in any other position having authority or responsibility for pricing. Crandall would be similarly enjoined from serving American or any other airline in such a capacity for two years.

Baxter said the purpose of the requested injunction was to minimize the risk of future efforts by Crandall and American to attempt collusively to monopolize scheduled airline passenger service. He added that such relief may be sought in other cases involving similar conduct.

#