



Department of Justice

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JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST AMERICAN AIRLINES INC.

American Airlines Agrees to Pay \$3 Million Civil Penalty

WASHINGTON, D.C. – The Department of Justice announced today that it reached a settlement with American Airlines Inc. (American) that resolves the government’s concerns regarding American’s alleged violations of a 1994 consent decree. American has agreed to pay a \$3 million civil penalty to the United States, which includes reimbursement to the government for its investigation. The settlement, filed in U.S. District Court in Washington, D.C., prohibits American from using travel dates when initiating or matching fare increases.

Along with the settlement, the Department also petitioned the court to find American in civil contempt for violating the consent decree. According to the Department’s petition, American violated the consent decree by publishing a fare with increased advance purchase requirements that did not apply to current travel, but rather contained a first travel date in the future. The future first travel date had little or no meaning to consumers and, when disseminated, substantially reduced American’s risk of losing passengers to other airlines that did not have the increased requirements.

“This is yet another example of the Department’s vigilance in monitoring and enforcing its consent decrees,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division. “These decrees are designed to preserve competition, and the Department will ensure that parties strictly comply for the entire life of the decree.”

On December 21, 1992, the Department filed a lawsuit against Airline Tariff Publishing Co. (ATPCO), American, and other major domestic airlines. Most domestic airline fares are disseminated through ATPCO, a company jointly owned by American and a number of other airlines. The complaint alleged that the defendant airlines used fare filings disseminated by ATPCO to communicate proposed fare increases to competitors.

On March 17, 1994, the United States, American, and other defendant airlines entered into a consent decree, which became final on August 10, 1994. The consent decree required the airlines to refrain from certain conduct, including disseminating information concerning planned or contemplated fares.

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