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Order 99-8-20

Posted: 8/24/99



3:30 p.m.

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

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Issued by the Department of Transportation
on the 24th day of August, 1999

Agreement adopted by the Tariff	:	Docket OST-98-4428 - 6
Coordinating Conferences of the	:	R-1 through R-9,
International Air Transport Association	:	R-11, and R-13
relating to passenger fare matters	:	through R-31

ORDER

Various members of the International Air Transport Association (IATA) have filed an agreement with the Department under section 41309 of Title 49 of the United States Code (the Code), and Part 303 of the Department's regulations. The agreement was adopted at a meeting of the IATA Composite Passenger Tariff Coordinating Conference held in Singapore during July 21-25, 1998.1/

Applicable on an area or worldwide basis, the agreement proposes a variety of amendments to resolutions applicable on an area or worldwide basis. These include resolutions dealing with definitions of terms used in IATA passenger resolutions; calculation of mileages and routes for tariff purposes; revisions to previously-approved fare construction practices; currency rules, practices or procedures; stopovers; counting of transfers; standard conditions for special (discount) fares; passenger enroute expenses; baggage; and charges for PTA services. In addition, the standard fare for children is changed to 67 percent of the applicable adult fare, in line with action already taken in many tariff coordinating conference areas.

We have decided to approve the agreement, subject to all conditions that we have imposed previously, including the one recently imposed in Order 99-07-08, (July 14, 1999) which ensures that agents and carriers retain maximum flexibility in constructing fares so that they may compete effectively and obtain the best deal for their customers. For the most part, these changes and revisions are purely technical, editorial or clarifying in nature, and do not propose material changes at odds

1/ IATA memoranda PTC COMP 0326 and 0327. IATA filed technical corrections to Docket OST-98-4428 in memorandum PTC COMP 0346. R-10 and R-12 of this agreement have already been dealt with by Orders 99-4-9 (April 12, 1999) and 99-2-16 (February 16, 1999), respectively.

with our substantive policies and concerns. Based on our review of the information submitted and other relevant material, we conclude that the agreement, as conditioned, will not result in fares or charges that are unlawful or injurious to competition in the markets at issue.

Acting under Title 49 of the United States Code (the Code), and particularly sections 40101, 40103, 41300 and 41309:

1. We do not find the following resolutions, which are incorporated in the agreement in Docket OST-98-4428 as indicated and which have either direct or indirect application in foreign air transportation as defined by the Code, to be adverse to the public interest or in violation of the Code, provided that approval is subject, where applicable, to conditions previously imposed:

<u>Docket</u> OST-98-4428	<u>IATA</u> <u>No</u>	<u>Title</u>	<u>Application</u>
R-1	001qq	Special Baggage Resolution (As per Resolution 002 below)	1;2;3;1/2; 2/3;3/1;1/2/3
R-2	001x	Special Baggage Tie-in Resolution (Weight System) (As per Resolution 002 below)	1;2;3;1/2; 2/3;3/1;1/2/3
R-3	002	Standard Revalidating Resolution	1;2;3;1/2; 2/3;3/1;1/2/3
R-4	011	Mileages and Routes for Tariff Purposes	1;2;3;1/2; 2/3;3/1;1/2/3
R-5	012	Glossary of Terms	1;2;3;1/2; 2/3;3/1;1/2/3
R-6	012b	Countries, Currencies, Codes Administrative Resolution	1;2;3;1/2; 2/3;3/1;1/2/3
R-7	014a	Construction Rule for Passenger Fares	1;2;3;1/2; 2/3;3/1;1/2/3
R-8	017r	Construction Rule for Helicopter Service	1;2;3;1/2; 2/3;3/1;1/2/3
R-9	017s	Construction Rule for Narita/ Haneda Airports	1;2;3;1/2; 2/3;3/1;1/2/3
R-11	017g	Special Provisions for Circle Trips	1;2;3;1/2; 2/3;3/1;1/2/3
R-13	024d	Currency Names, Codes, Rounding Units and Acceptability of Currencies	1;2;3;1/2 2/3;3/1;1/2/3

<u>Docket</u>	<u>IATA</u>	<u>Title</u>	<u>Application</u>
OST-98-4428	No		
R-14	024f	Administrative Provisions for the Review and Monitoring of Currency Values	1;2;3;1/2; 2/3;3/1;1/2/3
R-15	040	Stopovers	1;2;3;1/2; 2/3;3/1;1/2/3
R-16	040	Counting of Stopovers	1;2;3;1/2; 2/3;3/1;1/2/3
R-17	100	Standard Condition Resolution for Special Fares	1;2;3;1/2; 2/3;3/1;1/2/3
R-18	1002	Special Fares Rerouting During Haj Periods	2;1/2;2/3
R-19	102	Passenger Expenses Enroute	1;2;3;1/2; 2/3;3/1;1/2/3
R-20	201	Children's and Infants' Fares	1;2;3;1/2; 2/3;3/1;1/2/3
R-21	210	Charge for PTA Services	1;2;3;1/2; 2/3;3/1;1/2/3
R-22	211	Special Charges Resolution - Lebanon (Except USA/US Territories (As per Resolution 002 above)	2;1/2;2/3; 1/2/3
R-23	300	Baggage Allowance Weight System (As per Resolution 002 above)	1;2;3;1/2; 2/3;3/1;1/2/3
R-24	301	Baggage Allowance Piece System (As per Resolution 002 above)	1;3;1/2;3/1; 1/2/3
R-25	313	Commercial Couriers (As per Resolution 002 above)	1;2;3;1/2; 2/3;3/1;1/2/3
R-26	017	Construction Rules	1;2;3;1/2; 2/3;3/1;1/2/3
R-27	017a	Construction Rules for Journeys	1;2;3;1/2; 2/3;3/1;1/2/3
R-28	017b	Construction Rules for Pricing Units	1;2;3;1/2; 2/3;3/1;1/2/3 .
R-29	017c	Construction Rules for Fare Components	1;2;3;1/2; 2/3;3/1;1/2/3

Docket	IATA	Title	Application
OST-98-4428	No		
R-30	017d	Minimum Check for Consecutive Components	1;2;3;1/2; 2/3;3/1;1/2/3
R-31	-024e	Rules for Payment of Local Currency Fares	1;2;3;1/2; 2/3;3/1;1/2/3

2. This agreement is a product of the IATA tariff conference machinery, which the Department found to be anticompetitive but nevertheless approved on foreign policy and comity grounds by Order 85-5-32, May 6, 1985. The Department found that important transportation needs were not obtainable by reasonably available alternative means having materially less anticompetitive effects. Antitrust immunity was automatically conferred upon these conferences because, where an anticompetitive agreement is approved in order to attain other objectives, the conferral of antitrust immunity is mandatory under Title 49 of the United States Code.

Order 85-5-32 contemplates that the products of fare and rate conferences will be subject to individual scrutiny and will be approved, provided they are of a kind specifically sanctioned by Order 85-5-32 and are not adverse to the public interest or in violation of the Code. As with the underlying IATA conference machinery, upon approval of a conference agreement, immunity for that agreement must be conferred under the Code. Consequently, we will grant antitrust immunity to the agreement in Docket OST-98-4428 as set forth in finding paragraph-1 above, subject, where applicable, to conditions previously imposed.

ACCORDINGLY,

We approve and grant antitrust immunity to the agreement contained in Docket OST-98-4428, as set forth in finding paragraph one above, subject, where applicable, to conditions previously imposed.

By:

A. BRADLEY MIMS
Acting Assistant Secretary for Aviation
and International Affairs

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