



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

**Issued by the Department of Transportation  
on the 5th day of December 2025**

**Southwest Airlines Co.**

**Violations of 49 U.S.C. § 41712 and  
14 CFR Part 259**

**Docket DOT-OST-2025-0001  
Docket DOT-OST-2023-0001**

**Served December 5, 2025**

**CONSENT ORDER**

The U.S. Department of Transportation (“Department” or “DOT”) is amending Order 2023-12-11 issued on December 15, 2023, Docket DOT-OST-2023-0001. Order 2023-12-11 assessed Southwest Airlines Co. (“Southwest”) a civil penalty of \$140 million and required Southwest to pay \$35 million to the U.S. Treasury in three installments—two installments of \$12 million and one installment of \$11 million. Southwest made one \$12 million payment on February 5, 2024, and a second \$12 million payment on January 31, 2025. The remaining \$11 million is due and payable to the U.S. Treasury no later than January 31, 2026. In lieu of a payment of an \$11 million civil penalty to the government, this order provides Southwest with an \$11 million credit for significantly improving its on-time performance and completion factor<sup>1</sup> through its \$112.4 million investment in its Network Operations Control (NOC). DOT believes that this approach is in the public interest as it incentivizes airlines to invest in improving their operations and resiliency, which benefits consumers directly. This credit structure allows for the benefits of the airline’s investment to be realized by the public, rather than resulting in a government monetary penalty.

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<sup>1</sup> U.S. Dep’t of Transp., Off. of Aviation Consumer Prot., *Air Travel Consumer Report: February 2023-2025*, at 9, 30 (<https://www.transportation.gov/individuals/aviation-consumer-protection/air-travel-consumer-reports>).

## BACKGROUND

On December 15, 2023, the Department approved a settlement order (Order 2023-12-11) between Southwest and the Department's Office of Aviation Consumer Protection (OACP). In the order, the Department assessed a civil penalty of \$140 million against Southwest for failing to provide prompt or proper refunds, prompt flight status notifications, and adequate customer service assistance to consumers during an operational disruption that occurred following Winter Storm Elliott (December 21, 2022, to January 2, 2023). Of that assessed amount, \$35 million was to be due and payable to the U.S. Treasury in three installments, \$72 million was to be offset in exchange for \$90 million worth of future passenger compensation that went above and beyond existing requirements,<sup>2</sup> and \$33 million was to be credited to Southwest for past compensation that was above and beyond existing requirements.<sup>3</sup>

Documentation provided to the Department by Southwest demonstrates that the carrier invested over \$1 billion in its operations to improve both performance and reliability since the operational failures over the 2022 Christmas holiday and into the New Year that led to the issuance of order 2023-12-11. Southwest has made major updates and improvements to its crew operations, ground operations, technical operations, customer service, and its Network Operations Control (NOC) with the goal of improving on-time performance and increasing operational resiliency, especially during irregular operations. Southwest has invested more than \$112.4 million in its NOC alone with a particular focus on gate optimization, flight planning optimization tools, a modernized movement control system, as well as optimizers to improve aircraft and crew network recovery.

Southwest's investments have led to meaningful improvements in the carrier's on-time performance and completion factor year over year for each calendar year since 2023.<sup>4</sup> At the end of the third quarter of 2025, Southwest ranked 3rd in both on time performance and completion factor among the 10 largest U.S. marketing carriers<sup>5</sup>—a significant improvement from its calendar year 2022 rankings.<sup>6</sup>

## DECISION

The Department is amending Order 2023-12-11 to restructure the payment provisions in a way that improves the travel experience of consumers by crediting Southwest for over \$112.4 million in investments the carrier made to its NOC to improve operational performance and resiliency—

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<sup>2</sup> The Department ordered Southwest to provide a total of \$90,000,000 in vouchers from April 30, 2024, to April 29, 2027 (\$30,000,000 per year), as set forth in section 6(b) of Order 2023-12-11. This modified order does not impact this provision of the settlement agreement.

<sup>3</sup> Southwest Airlines issued 25,000 Rapid Rewards points to impacted passengers.

<sup>4</sup> U.S. Dep't of Transp., Off. of Aviation Consumer Prot., *Air Travel Consumer Report: February 2023-2025*, at 9, 30 (<https://www.transportation.gov/individuals/aviation-consumer-protection/air-travel-consumer-reports>).

<sup>5</sup> *Id.* at 9, 30 (November 2025).

<sup>6</sup> In calendar year 2022, Southwest ranked 6th in on-time performance and 8th in completion factor among the 10 largest U.S. marketing carriers. *Id.* at 9, 30 (February 2023).

investments that have led to improvements in Southwest's on time performance rankings and completion factor.

Under this amended order, Southwest continues to be assessed \$140 million for its failure to provide prompt or proper refunds, prompt flight status notifications, and adequate customer service assistance to consumers during widespread flight irregularities. However, instead of requiring Southwest to pay the remaining \$11 million to the U.S. Treasury, the Department is of the view that it is more beneficial for the flying public to give Southwest credit for significantly improving its on-time performance and completion factor through substantial investments in its NOC. Given that Southwest has already paid \$24 million to the U.S. Treasury, this amended order focuses on the remaining \$11 million due to the U.S. Treasury under the prior order. In lieu of payment of the remaining \$11 million to the U.S. Treasury, the amended order provides Southwest with an \$11 million credit for operational improvements. This credit is for achieving a rank of 3rd out of the 10 largest U.S. marketing carriers in both on-time performance and completion factors for the first nine months of 2025. This is a significant improvement from its 2022 rankings of 6th for on-time performance and 8th for completion factor. We believe that these results can be attributed to the investments the carrier has made to improve operational performance and resiliency, particularly its \$112.4 million investment in its NOC.<sup>7</sup>

Given that Southwest's operational investments have led to significant improvements in its performance, the Department's decision to modify Order 2023-12-11 is in the public's interest.

**ACCORDINGLY,**

Order 2023-12-11 is amended as provided in the following paragraphs.

1. The Department is amending Order 2023-12-11 to credit Southwest Airlines Co. for significantly improving its on-time performance and completion factor through \$112.4 million in investments in its Network Operations Control in lieu of the \$11 million due and payable to the U.S. Treasury no later than January 31, 2026 by Southwest Airlines, Co.;<sup>8</sup>
2. We order Southwest to continue to comply with its obligation to cease and desist from further violations of 49 U.S.C. § 41712, 14 CFR § 259.5, and 14 CFR § 259.8 and its obligation related to the expenditure of vouchers in Order 2023-12-11.<sup>9</sup>

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<sup>7</sup> Southwest has provided the Department's Office of Aviation Consumer Protection substantiating documentation in addition to sworn and certified statements from an appropriate company official demonstrating that the \$112.4 million was properly expended in accordance with the ordering provisions herein.

<sup>8</sup> Subparagraph 6(a) of Order 2023-12-11 states that Southwest must pay \$35 million to the U.S. Treasury in three installments—\$12 million was due and payable on or before January 31, 2024, \$12 million was due and payable on or before January 31, 2025, and the remaining \$11 million is due and payable on or before January 31, 2026.

<sup>9</sup> The Department ordered Southwest to provide a total of \$90,000,000 in vouchers from April 30, 2024, to April 29, 2027 (\$30,000,000 per year), as set forth in section 6(b) of Order 2023-12-11. This modified order does not impact this provision of the settlement agreement.

This amended order is issued under authority assigned in 49 U.S.C. 46105(a), 49 CFR Part 1.27 (k), and 14 CFR 385.14 (e).

**BY:**

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**for the U.S. Department of Transportation**

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