



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

Issued by the Department of Transportation
on the 9th day of February, 2007

United Air Lines, Inc.

Violations of 49 U.S.C. § 41712

Docket OST 2007-26781

Served February 9, 2007

CONSENT ORDER

This consent order concerns certain fare advertisements on United Air Lines' website (www.united.com) that failed to disclose adequately one of the significant restrictions applicable to a discount fare program available to U.S. military personnel, referred to as the "United Thanks our Troops" program. These advertisements, consequently, constituted an unfair and deceptive trade practice in violation of 49 U.S.C. § 41712. Based on these violations, the order directs the carrier to cease and desist from future similar violations.

The Office of Aviation Enforcement and Proceedings (Enforcement Office) received a complaint regarding the "United Thanks our Troops" program from a consumer who sought a discount fare for travel from South Korea to the U.S. only to learn, on contacting the carrier, that the program was limited to domestic travel.¹ In disclosing the conditions of the sale on the website, the fare facts page states: "Domestic fares apply to U.S. point of sale only." The disclosure page also provided a list of sample fares, all in domestic markets. However, the advertisement and its statement of conditions did not state explicitly that the fare offerings were for domestic travel only or that all sale fares were domestic fares. Some consumers apparently assumed, not unreasonably, that while the sample markets were domestic, the discounts were available on international itineraries, or that international fare sales were available for sales made either in the U.S. or at foreign points. The carrier could easily have avoided confusion by stating simply that the sale fares were "for domestic travel only," or using phrasing to that effect.

On numerous occasions, the Department has provided guidance to the air travel industry that substantial restrictions that apply to advertised fares must be prominently disclosed to

¹ The complaint was referred to the Enforcement Office by the National Advertising Division of the Council of Better Business Bureaus (NAD).

alert consumers as to their existence and nature.² In this case, the limitation of this promotion to domestic travel constitutes such a significant restriction. By failing to disclose that restriction adequately, United engaged in an unfair and deceptive practice in violation of 49 U.S.C. § 41712.

In mitigation, United states that it is strongly committed to promoting its fares and services in a clear and readily comprehensible manner. Although United disagrees that its original advertisement was not sufficiently clear, it nevertheless voluntarily and promptly edited its website advertisement language to set forth the domestic travel restriction more explicitly in response to an inquiry from the Enforcement Office about this promotion. United points out that thousands of members of our military and their families have taken advantage of this special, limited-duration domestic promotion, and regrets the apparent misunderstanding of the individual whose complaint led to the Enforcement Office's investigation.

We acknowledge that United has cooperated fully in our investigation; however, we believe that enforcement action is nonetheless warranted in this instance. The carrier, for its part, in order to avoid litigation and without admitting any alleged violations, agrees to the issuance of this order to cease and desist from future violations of 49 U.S.C. § 41712. This compromise is appropriate in view of the nature of the violation in question and serves the public interest. This settlement, moreover, represents a deterrent to future noncompliance with section 41712 in advertising discount fare programs by United, as well as by other sellers of air transportation.

This order is issued under the authority contained in 49 CFR 1.57a and 14 CFR 385.15.

ACCORDINGLY,

1. Based on the above discussion, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that United Air Lines, Inc. violated 49 U.S.C. § 41712 by advertising a discount fare program for U.S. Armed Forces personnel on its Internet site without a sufficient disclosure of one of the major conditions attached to the fares; and
3. United Air Lines, Inc., its successors, affiliates, and assigns, are ordered to cease and desist from further similar violations of 49 U.S.C. § 41712.

² *Disclosure of Additional Fees, Charges and Restrictions on Air Fares in Advertisements, Including "Free" Air Fares*, Notice dated Sept. 4, 2003, at 1-2; *see also* Order 2002-12-12 (requiring disclosure that advertised fare was available only for domestic travel); Order 2004-10-19, at 2; 2003-9-26, at 3; Order 2003-7-39, at 2 (requiring "prominent" disclosure of a round-trip purchase requirement).

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own notion.

BY:

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