



AMERICAN ANTITRUST INSTITUTE

AIRLINE ROUNDTABLE

BROADENING THE LENS ON AIRLINE COMPETITION

December 7, 2017

National Press Club, Washington, D.C.

On December 7th, the American Antitrust Institute (AAI) will host its 3rd annual Airline Roundtable. Experts in antitrust and regulation from government, industry, advocacy, and academia will discuss major competition issues facing the airline industry and consumers of air travel. Evolving enforcement issues, regulatory initiatives, and legislative proposals make this an especially timely program. These include: developments in opening domestic passenger markets to international competition; market entry issues surrounding airport access, control, and infrastructure; and enforcement actions involving potentially anticompetitive agreements. The Roundtable focuses on challenges to competition, with the goal of focusing antitrust and regulatory aviation policies to promote rivalry, innovation, and consumer benefits. The day will include a “Year in Review,” three panels, a luncheon speaker, and roundtable discussions.

Panel 1: Market Entry: Airport Access, Control, and Infrastructure

This panel will examine the importance of access to airports and airport infrastructure for competition. Competition enforcement continues to focus on the importance of access to slots and gates at hubs in order to stimulate competition from smaller or new carriers. The panel will consider evolving regulatory and antitrust issues surrounding such access. Airport design and expansion is also becoming an important factor in promoting rivalry and consumer welfare. Panelists will examine the benefits of open or common use models in this context. Finally, legislative proposals to privatize the U.S. air traffic control system have implications for airport control and competition. Panelists will consider the implications of various approaches to and possible outcomes surrounding these critical airport issues.

Panel 2: Opening Domestic Markets to International Competition: Antitrust Immunity and Trade Policy

This panel will take a look at challenges to opening domestic airline markets to international competition. Panelists will explore the debate surrounding the interface between international aviation and domestic competition, with an eye toward how consolidation among the large U.S. carriers has changed the equation. Among other questions, the panel will assess attempts by (and reactions to) foreign carriers to enter domestic U.S. markets, particularly in light of the current administration’s goal of promoting more protectionist trade policy. We will also discuss how antitrust immunity for carriers in international airline alliances affects competition, particularly given domestic consolidation and corresponding changes in the structure of the alliances. Panelists will examine the effectiveness of antitrust and regulatory policies in facilitating competition and a consumer-friendly aviation policy.

Panel 3: Agreements: The State of Play on Allegations of Collusion on Capacity and Fees

This panel will focus attention on competitive concerns surrounding types of, and trends in, alleged anticompetitive agreements involving the passenger airline industry. Generalized concerns over coordination on capacity have persisted for several years, which has resulted in private class actions, but no government cases. Other issues have arisen around collusion by some domestic carriers on ancillary fees, which account for a larger and larger proportion of total airline revenue. Panelists will focus on key themes in recent cases, investigations, and allegations of collusion on price and capacity, and unpack issues relating to burdens of proof in establishing price fixing in oligopolistic industries like airlines. The discussion will highlight the importance of Section 1 enforcement and its limitations in promoting competition in the airline industry.