AMENDMENT NO._______  Calendar No._______

Purpose: To require the Comptroller General of the United States to study the impact of international airline alliances.

IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.

S. 2658

To amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2016 through 2017, and for other purposes.

Referred to the Committee on _____________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BLUMENTHAL

Viz:

1 At the appropriate place, insert the following:

2 SEC. ___. GAO STUDY OF INTERNATIONAL AIRLINE ALLIANCES.

3

4 (a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of certain cooperative agreements between United States air carriers and non-United States air carriers (referred to in this section as “alliances”), which—

5 (1) have been created pursuant to section __________ of title 49, United States Code; and

6

7

8

9

10
(2) have been exempted from antitrust laws (as defined in the first section of the Clayton Act (15 U.S.C. 12)) pursuant to section 41308 of title 49, United States Code.

(b) Scope.—The study conducted under subsection (a) shall assess—

(1) the consequences of alliances, including reduced competition, stifling new entrants into markets, increasing prices in markets, and other adverse consequences;

(2) the representations made by air carriers to the Secretary of Transportation for the necessity of an antitrust exemption;

(3) the Department of Transportation’s expectations of public benefits resulting from alliances, including whether such expected benefits were actually achieved;

(4) the adequacy of the Department of Transportation’s efforts in the approval and monitoring of alliances, including possessing relevant experience and expertise in the fields of antitrust and consumer protection;

(5) whether there has been sufficient transparency in the approval of alliances, including opportunities for public review and feedback;
(6) the role of the Department of Justice in the oversight of alliances;

(7) whether there are alternatives to antitrust immunity that could be conferred that would also produce public benefits;

(8) whether alliances should be required to expire;

(9) the level of competition between air carriers who are members of the same alliance;

(10) the level of competition between alliances;

(11) whether the Department of Transportation should amend, modify, or revoke any exemption from the antitrust laws granted by the Secretary of Transportation in connection with an alliance; and

(12) the effect of alliances on the number and quality of jobs for United States air carrier flight crew employees, including the share of alliance flying done by such employees.

(c) RECOMMENDATIONS.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress the results of the study conducted under subsection (a), which shall include recommendations on the reforms needed to improve competition and enhance choices for consumers, including—
(1) whether oversight of alliances should be exercised by the Department of Justice rather than by
the Department of Transportation; and
(2) whether antitrust immunity for alliances should expire.