

# American Airlines

Gary F. Kennedy  
Senior Vice President and  
General Counsel

Via FedEx  
Benjamin Edelman

[REDACTED]  
[REDACTED]

January 11, 2012

Dear Mr. Edelman:

Thank you for your letter of December 29, 2011 concerning how American Airlines reflects British Airways fuel surcharges in AAdvantage flight awards and AA.com ticket purchases.

You attached itineraries and receipts for three trips you took in 2011. The first two are AAdvantage redemptions for travel on British Airways. Under **TAX**, one receipt showed \$383.50 and the other showed \$311.50. As you have been advised by Customer Relations, these figures included BA fuel surcharges (which they mistakenly called “fuel tax collection by British Airways”) of \$309.60 and \$251 respectively.

We agree that a carrier surcharge is not tax. Last year we changed the **TAX** heading on such receipts to **TAX/FEE/CHARGE**. Even so, we do not believe that customers were deceived in making mileage redemption decisions by the old format of the receipt.

The AAdvantage tab on AA.com clearly discloses that flight awards are subject to fuel surcharges, both in general and in particular reference to British Airways.

The **AAdvantage All-Airline Award Chart** states: “AAdvantage flight awards are subject to, and the passenger is responsible for, the September 11th Security Fee, applicable departure taxes, federal inspection fees, passenger facility charges, and any other taxes and fees imposed by a government entity (U.S. or foreign), as well as any fees or surcharges (including fuel surcharges) imposed by the carrier.”

In addition, the link **NEW: Redeem Miles For Travel On All British Airways Flights, FREQUENTLY ASKED QUESTIONS**” states:

[REDACTED]  
[REDACTED]  
[REDACTED]

**“Q. How much is the British Airways fuel surcharge?”**

**A.** The British Airways fuel surcharge varies by origin, destination, cabin etc. At the time of booking the reservation agent will be able to provide you with the amount of the fuel surcharge that applies to the itinerary you've chosen.

**Q. Is the British Airways fuel surcharge refundable if I cancel my plans?**

**A.** Yes, the British Airways fuel surcharge is refundable.

**Q. Why are there additional governmental taxes on my award ticket when I travel on British Airways?**

**A.** The U.S. government has determined that collection of a fuel surcharge makes award tickets subject to certain taxes.”

Accordingly, AAdvantage customers are provided with ample disclosure that fuel surcharges apply to flight awards with segments operated by British Airways.

The third itinerary attached to your letter is a 12-segment trip you booked on AA.com last April. This trip originated in Boston and terminated in Seattle with stops in Europe, the Middle East, and India. The receipt showed **FARE** as \$6,463 and **TAX** as \$792.10. As you have been advised by Customer Relations, **TAX** included BA fuel surcharges of \$502.

Receipts are issued **after** the booking and purchase process has been completed. Throughout that process, fares shown to the customer include applicable surcharges.

Here’s a brief summary of the AA.com booking path for a multi-segment trip. Based on initial input (city-pairs and travel dates) from customers using the **MULTI-CITY** function, **Step 2** displays specific itineraries with flight numbers and departure/arrival times. If the customer asks for **PRICE**, the fare for each itinerary is also shown in **Step 2**. If the customer asks for **SCHEDULE**, the fare is first shown in **Step 3** after the customer has selected a flight-specific itinerary. Fares displayed in **Step 2** and **Step 3** (and in subsequent steps) include applicable fuel surcharges. For the multi-segment itinerary you chose, the fare displayed would have been \$6,965 (\$6,463 + \$502).

**Step 3** prominently discloses the total price in a large box labeled **YOUR TRIP COST** with the notation “taxes and fees included.” Clicking **TRIP DETAILS** calls up a screen display of **AVERAGE FARE** and **TAXES & FEES**. Clicking the link **PRICE AND TAX INFORMATION** produces a pop-up defining **FARE** as “base fare and carrier-imposed surcharges.”

The receipt for the ticket you purchased had three components: **FARE**, **TAX**, and **TICKET TOTAL**. As with the AAdvantage receipts discussed earlier, the **TAX** heading on receipts for purchased tickets was changed last year to **TAX/FEE/CHARGE**.

Again, we do not believe that customers were deceived by the previous version of the receipt. Fares shown in the booking path include fuel surcharges, and customers make their purchase decision on that basis. The fact that at one time AA.com receipts had the heading

**TAX** rather than **TAX/FEE/CHARGE** had no effect on the fares displayed in the booking path (which include surcharges), no effect on the customer's decision to purchase, and no effect on the total price paid.

For these reasons, we do not believe that the refund you have requested is warranted.

We hope that this explanation is helpful. We very much appreciate your business and look forward to serving you on future flights.

Sincerely,

