



May 29, 2023

Douglas B. Moylan
Attorney General of Guam
Office of the Attorney General of Guam
590 S. Marine Corps. Drive
ITC Bldg., Ste. 901
Tamuning, Guam 96913

Via: email dbmoylan@oagguam.org

Reference: United Airlines Ticket Pricing

Dear Attorney General Moylan:

United Airlines, Inc. (United) hereby responds to your letter dated May 29, 2023, and received by United management personnel late evening May 28, 2023, U.S. central time. Your letter indicates an investigation of United's ticket pricing activities post Typhoon Mawar impacts to Guam. United confirms it did not and does not engage in price gouging or any other violation of Guam's Deceptive Practices Consumer Protections Act.

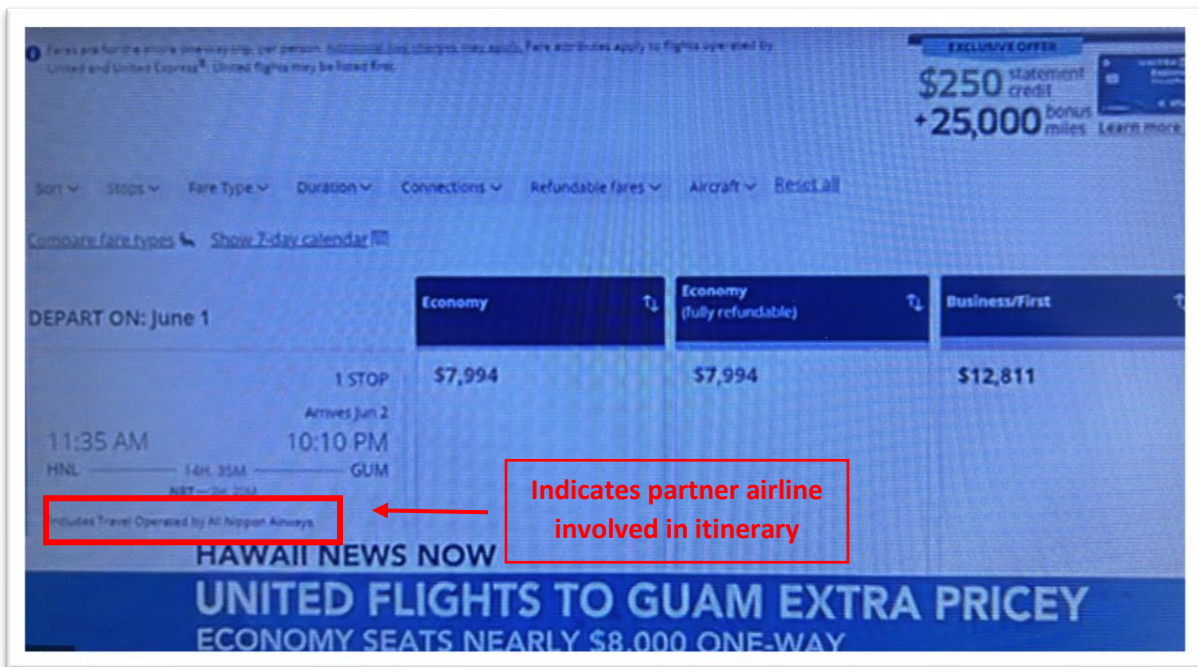
As you may be aware, United's website (www.united.com) displays a range of fares from lowest available fare to higher economy and business/first class fares. Certain fares have more and/or different restrictions than others. On May 24, and specifically to assist with air travel from Guam after Typhoon Mawar, United implemented a significantly reduced, lowest available fare for travel from Guam to Honolulu, Japan, the Philippines, and various points in the U.S. mainland. This was later expanded to include inbound travel to Guam on May 27. This fare represents an approximate 80% discount from United's normal unrestricted, last-seat available fare. The reduced fare is currently available for flight departure dates through June 27 and does not have an advanced purchase requirement. Thus, United took action to facilitate travel following the typhoon's impact to Guam. Currently, United's data indicates 238 travelers took advantage of the fare and purchased travel on United at the discounted rate. This is for tickets issued May 24 to May 28 and includes purchase, refund, and exchange activity.

Due to the closure of Guam's airport, all United flights to/from Guam were cancelled between May 23 1:00pm local time and May 29 3:00pm local time. Passengers previously scheduled to fly during this period have been re-booked on the flights immediately following the airport re-opening, *which has resulted in limited to no availability on United-operated flights for several days*. The rebooking of customers will continue as United adjusts its operation to reflect a schedule that can be reliably operated.

On dates with no availability for bookings on United-operated flights, United's website typically defaults to displaying itineraries involving other airlines connecting in Japan, which are often priced at much higher economy class prices due to industry fare combinability rules. The higher priced itineraries that appear to be captured by social media postings (and which United management is aware of) are examples of such itineraries. In the photo below, captured from social media postings, the itinerary shows a lowest available economy fare of \$7,994 for travel between Honolulu and Guam via a stop at Tokyo NRT. The flight from Honolulu to Tokyo NRT is operated by All Nippon Airways, while the flight from Tokyo NRT to Guam is operated by United. United's website in normal course of business combines the partner



fare with United's fare and makes these itineraries available to the traveler. United confirms it does not sell an economy fare of or close to \$7,994 for travel between Tokyo NRT and Guam.



As of May 28, U.S. central time, United has disabled the functionality on its website that allows these types of itineraries to be displayed for travel to/from Guam. Travelers are no longer provided the option to purchase this higher fare itinerary which includes a partner airline when looking for flights to/from Guam. Thus, United's comment to your office late evening May 28, U.S. central time, confirming that the pricing matter has been "corrected". In fact, the pricing was always correct, but United realized that these partner-combined itineraries were giving the wrong impression about fares United makes available to the public and therefore these types of itineraries have been suppressed.

United would also like to advise your office that for itineraries with original flight departure dates of May 22 through June 5, a waiver is in effect for travel to/from Guam (among other Micronesia destinations) because of Typhoon Mawar impacts. Under the waiver, United customers can reschedule their travel and United is waiving change fees and fare differences between the new flight and the originally booked flight. Certain restrictions apply. Evidence of the travel waiver can be found at the following link: <https://www.united.com/en/us/fly/travel/trip-planning/travel-alerts.html>

In the email communication to your office late evening May 28 U.S. central time, United provided proof, via website links, of revised fare displays on United's website. The same links to United's website are resubmitted in this letter. Please note these sample fare offerings are for a randomly selected travel date for later in June and may not be representative of every-day pricing as fare availability can and does change. The fares shown are based on a one-way search at www.united.com the evening of May 28, U.S. central time:



Guam to Honolulu fares as low as \$990.

<https://www.united.com/en/us/fsr/choose-flights?f=GUM&t=HNL&d=2023-06-17&tt=1&sc=7&px=1&taxng=1&newHP=True&clm=7&st=bestmatches&tqp=R>

Guam to Tokyo fares as low as \$690.

<https://www.united.com/en/us/fsr/choose-flights?tt=1&st=bestmatches&d=2023-06-17&clm=7&taxng=1&f=GUM&px=1&newHP=True&sc=7&tqp=R&t=NRT&idx=1>

Guam to San Francisco as low as \$981.

<https://www.united.com/en/us/fsr/choose-flights?tt=1&st=bestmatches&d=2023-06-17&clm=7&taxng=1&f=GUM&px=1&newHP=True&sc=7&tqp=R&t=SFO&idx=1>

Finally, United takes the opportunity to reconfirm our commitment to the people of Guam. On May 28 United's first relief flight transporting typhoon recovery supplies arrived at Guam, a second flight is scheduled to arrive Guam on May 30, and more such flights are in the planning stages. United is partnering with the American Red Cross, the U.S. Federal Emergency Management Agency, the U.S. Federal Aviation Administration, and support groups for United's Guam based employees to assess how best United can support relief and reconstruction efforts for our flight operations, our employees, and for the broader Guam community. On May 30, United plans to resume scheduled, passenger service, albeit at reduced levels. These flights will reinstate air connectivity by United between Guam and other key cities such as Tokyo, Honolulu, Manila, and Saipan (to mention a few). These flights will provide opportunities for travelers and shippers involved in Guam's relief and reconstruction efforts to access Guam.

Sincerely,

A handwritten signature in blue ink that reads "D. Weiss".

Dan Weiss
Managing Director
Global Government and Regulatory Affairs
United Airlines
Cc: Kelsee Foote, Counsel - International