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An Introduction to Airline Economics. By William E. O'Connor.

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Book Reviews

AN INTRODUCTION TO AIRLINE ECONOMICS. By William E. O'Connor. New York: Praeger, 1978, 254 pp.

Drawing on eighteen years of experience at the Civil Aeronautics Board, O'Connor has produced a text designed for use by non-economics majors in undergraduate level courses, presumably as typified by the author's course at Embry-Riddle Aeronautical University. Although the book was written as a text, its easy reading style should make it a useful background and reference source (at its designed elementary level of coverage) for the lay reader interested in air transportation.

As the author notes in the preface, air transportation is a "lively and changing" field; ironically, his work has fallen victim to one of the most significant changes in the sector at the very moment of its publication. Recent passage by Congress of airline regulatory reform legislation has rendered substantial portions of the text, including what would be otherwise useful descriptive accounts of the mores and *modus operandi* of the CAB, obsolete as a current research source. (By page count, over half the volume is so affected—including a lengthy appendix of seventy-four pages, which reproduces *in toto* the Federal Aviation Act of 1958.)

The remainder of the book consists of brief but useful descriptions of basic airline economics—demand, cost, and ratemaking considerations—and a useful description of the productive process itself. The book's longest chapter, concerning air cargo, is a creditable treatment of that subject. The topic of international services, on the other hand, is dated. The author notes that the reform proposals (now enacted) do not directly affect international services; yet who can deny that the deregulation/competitive fever is

Unfortunately, this book, while making passing references to the economic debate concerning "deregulation," does not attempt to discuss at any length the underlying theories and evidence surrounding the concept of deregulation (i.e., there is no reference at all to the dichotomy between intrastate and CAB regulated fares).

This is, perhaps, just as well: in O'Connor's view the provision of airline services has certain economic characteristics, such as ease of entry (absent restrictions) and the production of undifferentiated products, which he characterizes as "leading toward and making necessary a high degree of governmental regulation by the CAB." If such economic characteristics of an industry mandate a high degree of regulation, may heaven help us!

*George W. Douglas**

THE LAW AND THE TRAVEL INDUSTRY. By Alexander Anolik.
Corte Madera, California: Alchemy Books. 1977. pp. 283.

Alexander Anolik, a San Francisco attorney and lecturer on the subject of the law and the travel industry, attempts in this book to answer the fundamental questions of travel law and practice for both attorneys and travel agency personnel. His effort is largely successful. The book is intended to be neither an exhaustive study nor an all-inclusive treatment of the subject. Rather, it provides a quick, easily understood introduction to the problems and peculiarities of the travel industry.

The book consists of twenty chapters, covering such varied topics as: airline overbooking and oversales, filing a CAB complaint, plotting a course to pay less in taxes, preparing for an IATA/ATC inspection and hearing, the purchase and sale of an agency, and labor relations. Treatment of these subjects is, necessarily, general and elementary. The book is designed to provide a starting point for attorneys faced with problems relating to the travel industry and to serve as a useful reference guide for those involved in the travel business.

Each chapter follows the same general form and can be divided into roughly three parts. First is a statement of the law or definitions. Next is the "how to" section in which the author sets out the sequence of steps to be followed or elements which must be proved. The final section is generally devoted to caveats.

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In the chapter on airline overbooking and oversales, the author begins with a discussion of the effect of reservation confirmation by a carrier, the problems created by no-shows, and reaction to these problems by both carriers and government. This discussion is followed by an explanation of the three conditions which a passenger must satisfy in order to recover denied boarding compensation. Finally, the author warns of the circumstances under which denied boarding compensation is not available despite the passenger's having satisfied all three requisite conditions. This final section includes reference to two CAB Orders and a discussion of the facts and rulings of *Nader, et al. v. Allegheny Airlines, Inc.*, 512 F.2d 527 (Cir. 1975). The text of the entire chapter covers less than fourteen pages, and its brevity is typical of the author's approach to all subjects covered in the book.

Most of the other topics covered, including labor relations, tax planning, and agency dissolution are also cursorily treated. The longest chapter is twenty-eight pages and, predictably, deals with preparing for government inspection and hearings. The small amount of space dedicated to such broad topics appears to open the author to charges of superficiality and excessive generality. If this book were the typical legal treatise, the charges would be justified. But Mr. Anolik's apparent purpose is to pull together in a single volume a collection of important considerations which can, if necessary, be thoroughly explored elsewhere.

The book is also useful for the layman as a quick reference to prevent hasty, ill-advised actions. Mr. Anolik does, however, tend to over-simplify some areas. For example, the tax chapter suggests that such planning is merely a simple matter of deciding whether or not to incorporate. Tax planning is notoriously complicated, and this chapter fails to explain or recognize the technicalities involved.

The author's direct and often witty style makes this book a particularly welcome addition to legal literature which is often so dull as to be almost unreadable.¹ Mr. Anolik's approach is also extreme-

¹ For example, the following caveat appears:

Reminder: the agent cannot threaten criminal action in an attempt to seek his own remuneration; e.g., "I've caught you discounting, now either let me have the passengers or I'll turn you in." This "subtlety" is called *extortion*, and is usually a felony under both state and federal statutes.

A. ANOLIK, *THE LAW AND THE TRAVEL INDUSTRY* 42 (1977).

ly practical, and he does what law students wish authors of horn books would do. He lists clearly and simply each step required for a particular action or each element which must be proved for recovery in certain litigation. Moreover, these steps are sufficiently specific, with a few exceptions, to be easily understood by both the layman and the attorney with limited experience.³

The three appendices set out the Atlantic (East) Coast Consent Decree, the Pacific (West) Coast Consent Decree, and CAB Policies Relating to Enforcement. These documents deal primarily with air passenger transportation fares and unfair and deceptive practices of ticket agents and air carriers. The appendices are followed by a thirty-five page glossary which includes such basic terms as "Administrative Law Judge" and "Damage," as well as such legal and technical terms as "In Propria Persona" and "Miscellaneous Charge Order." Documentation is scanty and the materials are indexed poorly.

Used properly, this book is valuable to the person operating a travel business and to the attorney who does not have a great deal of experience handling travel problems. It is a handy reference for advising clients and for initiating in-depth study. It is not, however, intended to be relied upon exclusively in preparing for any major change of position or for dealing with the various government agencies. The author would do well to point out in a preface that this book is not a "do-it-yourself" manual for the layman who is tired of dealing with lawyers. The book provides a useful starting point for the attorney preparing for litigation, and as such, it should save many hours of research on basic points.

*Lee Ann Dauphinot**

³ In laying out the steps to be followed in collecting a debt, he includes such advice as "[a]ll demand letters should be sent in a closed envelope." *Id.* at 198. He then follows the delineation of these steps with a discussion of possible tort liabilities resulting from collection efforts. In the chapter filed "Credit Extended by Travel Agents" the author suggests that having the client of a travel agency sign a form authorizing the agent to make charges on the client's credit card is absolutely necessary for the protection of both client and agent. The author then provides two sample authorization agreements.

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