

U.S. waives Biden-era fine on Southwest Airlines

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Dhaka: The U.S. Department of Transportation has waived part of a fine imposed on Southwest Airlines after the carrier cancelled thousands of flights during a 2022 winter storm.

Southwest had agreed in a 2023 settlement to pay a \$140 million civil penalty, a sum the Biden administration described at the time as the largest consumer-protection fine ever levied against an airline.

Most of the money went toward compensation for travellers. But Southwest agreed to pay \$35 million to the US Treasury.

Southwest made a \$12 million payment in 2024 and a second \$12 million payment earlier this year.

But the Transportation Department issued an order waiving the final \$11 million payment, which was due Jan. 31, 2026.

The department said Southwest should get credit for significantly improving its on-time performance and investing in network operations.

“DOT believes that this approach is in the public interest as it incentivises airlines to invest in improving their operations and resiliency, which benefits consumers directly,” the department said in a statement.

“This credit structure allows for the benefits of the airline’s investment to be realized by the public, rather than resulting in a government monetary penalty.”

The fine stemmed from a winter storm in December 2022 that paralyzed Southwest's operations in Denver and Chicago and then snowballed when a crew-rescheduling system couldn’t keep up with the chaos.

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