



UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:

American Airlines, Inc.

Respondent.

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P.Q. Docket No. 12-0393
A.Q. Docket Nos. 12-0393
13-0194

Consolidated Consent Decision and Order as to Respondent American Airlines, Inc.

These proceedings were instituted under the Plant Protection Act (7 U.S.C. § 7701 *et seq.*), the Animal Health Protection Act (7 U.S.C. § 8301 *et seq.*), the Animal Welfare Act (7 U.S.C. § 2131 *et seq.*) (collectively, the Acts), and the regulations and standards promulgated thereunder by complaints filed by the Administrator of the Animal and Plant Health Inspection Service ("APHIS") (hereinafter referred to as Complainant) alleging that American Airlines, Inc. (hereinafter referred to as Respondent) violated the Acts and regulations. Complainant and Respondent have agreed that each proceeding should be terminated by entry of this Consent Decision, and have agreed to the following stipulations:

1. For the purpose of this Consent Decision only, Respondent specifically admits that the Secretary of the United States Department of Agriculture has jurisdiction in each matter, neither admits nor denies the remaining allegations in each complaint, admits to the Findings of Fact set forth below, and waives:

- (a) Any further procedure;
- (b) Any requirement that the final decision in each proceeding contain findings and conclusions with respect to all material issues of fact, law, or discretion, as well as the reasons or bases thereof;
- (c) All rights to seek judicial review and otherwise challenge or contest the validity of this decision; and
- (d) Any action against the United States Department of Agriculture under the

Equal Access to Justice Act of 1980 (5 U.S.C. § 504 et seq.) for fees and other expenses incurred by Respondent in connection with each proceeding.

Findings of Facts

1. Respondent is a business maintaining its corporate headquarters at 4333 Amon Carter Blvd., MD 5675, Fort Worth, Texas, 76155.
2. Respondent is both an air cargo airline carrier, doing business as the American Airlines Cargo division of American Airlines, Inc., and a passenger carrier. Respondent provides services to more than 250 cities in over 40 countries around the world. (Docket No. 12-0393)
3. On or about May 14, 2007, and numerous other dates, shipments arriving in the United States from abroad were selected for inspection by agriculture specialists of the United States Department of Homeland Security, Customs and Border Protection on behalf of the United States Department of Agriculture. (Docket No. 12-0393)
4. Respondent's registered agent is CT Corporation System, whose mailing address is 350 North St. Paul Street, Suite 2900, Dallas, Texas, 75201. At all times material hereto, Respondent was a registered carrier under the Animal Welfare Act and the regulations promulgated thereunder. (Docket No. 13-0194)
5. On or about May 11, 2009, and numerous other dates, APHIS personnel investigated Respondent for the purpose of determining Respondent's compliance with the Animal Welfare Act and the regulations promulgated thereunder. (Docket No. 13-0194)

Conclusions

Respondent has admitted the jurisdictional facts and has agreed to the following Consent Decision in disposition of each proceeding; therefore, this Consent Decision will be issued.

Consent Decision

1. Respondent agrees that Complainant will have an allowed unsecured claim against Respondent in Respondent's bankruptcy proceeding in the amount of four hundred thousand dollars (\$400,000.00) ("the APHIS Claim") for all violations of the Plant Protection Act (7 U.S.C. § 7701 et seq.), the Animal Health Protection Act (7 U.S.C. § 8301 et seq.), the Animal Welfare Act (7 U.S.C. § 2131 et seq.), and the regulations promulgated thereunder that are alleged in each complaint or that could have been alleged in each complaint.
2. Complainant agrees that it waives any allegation against Respondent for violations of the Plant Protection Act (7 U.S.C. § 7701 et seq.), the Animal Health Protection Act (7 U.S.C. § 8301 et seq.), or the Animal Welfare Act (7 U.S.C. § 2131 et seq.) that may have occurred after November 29, 2011, when Respondent filed a voluntary petition seeking bankruptcy protection under chapter 11 of title 11 of the United States Code (11 U.S.C. § 101 et seq.) in the United States Bankruptcy Court for the Southern District of New York, up to and including the effective date of this Consent Decision.
3. Respondent agrees that the United States Postal Service may hold \$97,000 in funds owed to Respondent until the automatic stay imposed by Section 362 of the Bankruptcy Code is lifted in Respondent's bankruptcy, at which time the United States of America ("United States") will set off the \$97,000 on account of the APHIS Claim pursuant to 31 U.S.C. § 3716, 11 U.S.C. § 553, and common law setoff, except that if the automatic stay is not lifted within 90 days of the effective date of this Consent Decision, Respondent will seek approval of the Bankruptcy Court to modify the automatic stay to allow the United States to effect such setoff.
4. Complainant and Respondent agree to enter into a separate Stipulation and Settlement of Claims in accordance with the Amended Order Pursuant to Section 105(a) of the Bankruptcy Code and Rule 9019(b) of the Federal Rules of Bankruptcy Procedure Establishing Procedures for Settling Certain Claims (ECF No. 2055), entered on March

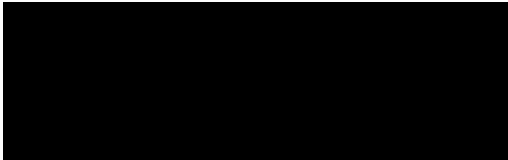
28, 2012 by the United States Bankruptcy Court for the Southern District of New York for Case No. 11-15463 (SHL).

If any provision of this Consent Decision is declared to be invalid, that declaration will not affect the validity of any other provision herein.

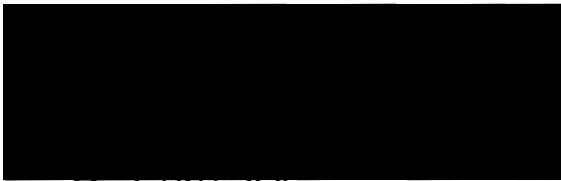
This Consent Decision will become effective when served on Respondent.



Arna Adams
Attorney for Respondent
(Docket No. 12-0393)



Jennifer Brandeis
Attorney for Respondent
(Docket No. 13-0194)



Margaret Byrnes Rath
Attorney for Complainant
(Docket No. 12-0393)

[REDACTED]
Brian Hill
Attorney for Complainant
(Docket No. 13-0194)

Issued this 12th day of December 2013

[REDACTED]
[REDACTED]
Janice K. Bullard
Administrative Law Judge



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BEFORE THE SECRETARY OF AGRICULTURE

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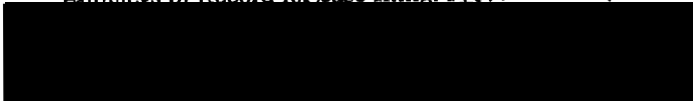
JOINT MOTION FOR CONSOLIDATION OF CASES
FOR PURPOSES OF SETTLEMENT

Complainant, the Animal and Plant Health Inspection Service, and Respondent, American Airlines, Inc., through their attorneys of record, respectfully submit this joint motion to consolidate the two cases filed under 1) P.Q. Docket No. 12-0393 and A.Q. Docket No. 12-0393, and 2) A.C. Docket No. 13-0194, before the Secretary of Agriculture for purposes of settlement. The two cases filed against Respondent are of similar nature, as they both involve alleged statutory violations under the authority of the Secretary of Agriculture, delegated to the Administrator, the Animal Plant Health Inspection Service.

The parties have been engaged in good-faith settlement negotiations and have agreed upon a global settlement amount under the terms of both cases. In the interest of executive economy, the parties believe it is in the best interest to consolidate these actions into one case.

Respectfully submitted:

Attorneys of Record for case filing: P.O. Docket No. 12-0393; A.Q. Docket No. 12-0393



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