

Statement of
The Honorable Patrick Leahy

United States Senator
Vermont
May 27, 2010

Statement Of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee,
Hearing On "The United/Continental Airlines Merger: How Will Consumers Fare?"
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Today, the Antitrust Subcommittee examines the proposed merger between United Airlines and Continental Airlines. This merger would combine two of the Nation's largest airlines, offering potential benefits to travelers around the world. However, such a significant merger also brings the potential for anticompetitive effects. I thank Senator Kohl for chairing this important hearing to examine the antitrust implications of this transaction.

The past several years have brought significant changes to the airline industry. One of the most notable changes has been an increased concentration among carriers. While larger airlines benefit consumers by offering more travel options from one carrier, consolidation also brings the risk of competitive harm. I trust that the Department of Justice will conduct a thorough review of this proposed merger to ensure that it will advantage hard-working consumers, and not result in higher fares or fewer flight choices.

In Vermont, flight options today are limited for consumers traveling to and from Burlington. There are only three regular westbound flight routes out of the state - to Chicago, Cleveland, and Detroit. Of those three flights, two are run by United or Continental. If the proposed merger were to result in a reduction of these routes and services, that may be evidence that the merger will harm competition. On the other hand, it is quite possible that the merged airline will produce efficiencies that will improve service.

I know that many other cities around the country face these same issues. My hope is that any airline merger approved by the Justice Department will result in more flight options for Vermonters and all Americans, rather than fewer. I also trust that the Justice Department is wary of creating a slippery slope where smaller airlines must merge in order to compete.

The Obama administration has promised a more vigilant enforcement of the antitrust laws. Thus far, the administration's actions have matched its words. In the fall, I chaired a Committee hearing in Vermont at which Christine Varney, the Assistant Attorney General in charge of the Antitrust Division, promised to take a close look at competition issues in the dairy industry. Subsequently, the Department of Justice began workshops around the country to analyze these competition issues, and the Department even challenged the acquisition of two dairy bottling

plants by the country's largest dairy distributor. I am confident that the Justice Department's vigorous enforcement in these areas will extend to the airline industry.

I look forward to hearing from our distinguished panel of witnesses today.

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