



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 5, 1972

AT

The Department of Justice filed a civil antitrust suit today to block the merger of the two leading air passenger carriers serving the routes between Northern and Southern California -- Pacific Southwest Airlines, of San Diego, California, and Air California, Inc., of Newport Beach, California.

Attorney General Richard G. Kleindienst said the complaint was filed in U.S. District Court in Los Angeles.

The complaint also named as a defendant the Westgate California Corporation of San Diego, from which PSA plans to acquire a majority of Air California's outstanding shares.

The complaint charged that the acquisition, which was scheduled to occur by December 29, 1972, would substantially lessen competition in violation of Section 7 of the Clayton Act.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that PSA is the leading air passenger carrier serving the California air corridor between Northern and Southern California, carrying approximately 70 percent of the air passengers in that market.

He said that Air California is the second ranked air carrier in that market, carrying approximately 11 percent of air passengers traveling between Northern and Southern California.

OVER

The suit charged that:

-- actual and potential competition between PSA and Air California will be permanently eliminated;

-- competition generally in the California air corridor will be substantially lessened; and

-- concentration in the California scheduled air passenger transportation market will be substantially increased.

The suit asked that the proposed acquisition be declared unlawful and that a permanent injunction against its consummation be issued.

The Department of Justice has also asked that a preliminary injunction be issued to prevent the defendants from taking any action in furtherance of the proposed acquisition, pending final adjudication of the complaint.

The suit further asked that PSA be enjoined for a period of ten years from acquiring any other air carrier operating in the California air corridor.