



# Department of Justice

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FRIDAY, APRIL 25, 2014  
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## **JUSTICE DEPARTMENT STATEMENT ON U.S. DISTRICT COURT FINDING THAT DEPARTMENT'S SETTLEMENT WITH US AIRWAYS/AMERICAN AIRLINES IS IN THE PUBLIC INTEREST**

WASHINGTON – Assistant Attorney General Bill Baer in charge of the Department of Justice's Antitrust Division made the following statement today after the U.S. District Court for the District of Columbia found the department's settlement involving US Airways Group Inc. and American Airlines' parent corporation, AMR Corp., to be in the public interest:

“We're pleased that the court agreed that the department's remedy will enhance system-wide competition in the airline industry. By increasing the presence of low cost carriers at key constrained airports across the country—through significant divestitures of slots at Ronald Reagan Washington National and New York LaGuardia International and gates at five other important airports—consumers will have more choices to fly at more competitive airfares. History has shown that when low cost carriers have entered the market, consumers benefit. With the settlement, the department is requiring an unprecedented number of divestitures in this industry that will provide enhanced competition across the nation.”

### **Background**

On Aug. 13, 2013, the department, six state attorneys general and the District of Columbia filed an antitrust lawsuit against US Airways and American alleging that US Airways' \$11 billion acquisition of American would have substantially lessened competition for commercial air travel in local markets throughout the United States. The department alleged that the transaction would result in passengers paying higher airfares and receiving less service. In addition, the department alleged that the transaction would entrench the merged airline as the dominant carrier at Reagan National, where it would control 69 percent of take-off and landing slots, thus effectively foreclosing entry or expansion by competing airlines.

On Nov. 12, 2013, the department announced its settlement requiring US Airways and American's parent corporation, AMR Corp. to divest slots and gates at key constrained airports across the country to low cost carrier airlines (LCCs) in order to enhance system-wide competition in the airline industry.

The settlement requires US Airways and American to divest slots, gates and ground facilities at key airports around the country. Specifically, the settlement requires the companies to divest or transfer to low cost carrier purchasers approved by the department:

- All 104 air carrier slots (i.e. slots not reserved for use only by smaller, commuter planes) at Reagan National and rights and interest in other facilities at the airport necessary to support the use of the slots;
- Thirty-four slots at LaGuardia and rights and interest in other facilities at the airport necessary to support the use of the slots; and
- Rights and interests to two airport gates and associated ground facilities at each of Boston Logan, Chicago O'Hare, Dallas Love Field, Los Angeles International and Miami International.

Thus far, slots at Reagan National were divested to Southwest Airlines, JetBlue and Virgin America. At LaGuardia, slots were divested to Southwest Airlines and Virgin America. The divestiture process for the gates at the other airports is ongoing.

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