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Attorney General Kathleen G. Kane requires continuing and guaranteed service to Pa. airports as part of proposed American, US Airways merger

HARRISBURG - Attorney General Kathleen G. Kane today announced that a stipulated order has been filed following her challenge to the proposed merger of American Airlines and US Airways Group Inc that ensures the airlines' commitment to continuing service in the Commonwealth.

Under the terms of the order, US Airways will guarantee the operation of a hub in Philadelphia for three years, and continued service for five years at every airport in Pennsylvania currently served by both airlines. Collectively, US Airways and American serve most airports in Pennsylvania including Philadelphia, Pittsburgh, Allentown, Harrisburg, Wilkes-Barre/Scranton and Erie.

"This order is good news for consumers. One million Pennsylvania air travelers would have been negatively impacted by the merger, as initially proposed by the airlines," Attorney General Kane said. "The work of the Antitrust Section of the Office of Attorney General ensured that Pennsylvania's service protections are stronger than other states' settlements as they are guaranteed by a court order, violations of which are punishable by contempt."

Attorney General Kane was joined in the settlement by the attorneys general of Arizona, the District of Columbia, Florida, Michigan, Tennessee and Virginia. The Pennsylvania-specific concessions by the airlines are in addition to those contained in an order negotiated by the Department of Justice and the states (which did not provide specific guarantees to Pennsylvania consumers). The DOJ order requires the divestiture of slots at Ronald Reagan National Airport in Washington, D.C., LaGuardia in New York City, and gates at Boston, Chicago, Dallas, Miami and Los Angeles. The divestitures will enable new carriers to enter these cities, which will in turn increase competition for the benefit of the flying public.

Previous airline mergers promised consumer benefits that never materialized for Pennsylvanians: In the Delta/Northwest merger Harrisburg lost service to Minneapolis, all cities served by Delta saw the reduction or elimination of service to Cincinnati and the expansion of service to Memphis never occurred. In the Southwest/AirTran merger, Southwest pulled out of Allentown and Harrisburg entirely and greatly reduced its service to Philadelphia.

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