

Continental Airlines, United Airlines and Eight Star Alliance Members Ask U.S. DOT for Antitrust Immunity to Better Serve Customers

2008-07-24

Continental Airlines (NYSE:CAL) , United Airlines (NASDAQ:UAUA) and eight other Star Alliance member airlines today filed an application with the U.S. Department of Transportation (DOT) for Continental to join the group of nine carriers that already hold antitrust immunity. Approval by the DOT would enable Continental, United and the other immunized Star Alliance carriers to work closely together to deliver highly competitive flight schedules, fares and service.

Additionally, Continental, United, Lufthansa and Air Canada have requested DOT approval to establish a trans-Atlantic joint venture to create a more efficient and comprehensive trans-Atlantic network for the carriers' customers, offering customers more service, scheduling and pricing options and establishing a framework for similar joint ventures in other regions of the world.

The DOT has approved more than 20 applications for antitrust immunity in the past, including the recent approval of immunity for six-way alliance activities in trans-Atlantic markets for the SkyTeam carriers Air France, Alitalia, CSA Czech Airlines, Delta, KLM Royal Dutch Airlines and Northwest Airlines. The DOT ruling allowed Delta/Air France and Northwest/KLM to consolidate their alliance activities.

On June 19, Continental announced that it plans to join United in Star Alliance. In the United States domestic market, where antitrust immunity would not apply, the two airlines plan to begin broad code-sharing, which facilitates the creation of itineraries using both carriers, as well as frequent flier program, elite customer recognition and airport lounge reciprocity. These cooperative activities are subject to notice to the DOT, which the two carriers will submit separately in due course, and Continental exiting certain of its current alliance relationships. Subject to these matters, Continental currently anticipates that it will join Star Alliance, and begin broad code-sharing and other commercial cooperation with United, in the fourth quarter of 2009. There is little overlap between the Continental and United networks, so customers of either airline will benefit from access to a broader network available through the partner airline.

Once approvals have been received and the new agreements have been implemented, customers will benefit from a coordinated process for reservations/ticketing, check-in, flight connections and baggage transfer. Frequent flier reciprocity will allow members of Continental's OnePass program and United's Mileage Plus program to earn miles in their accounts when flying on either partner airline and redeem awards on both carriers. Travel on either carrier will count toward elite customer recognition. Similarly, each carrier's qualifying customers will have access to both Continental's Presidents Club network and United's Red Carpet Club network of airport lounges.

Continental intends to transition from SkyTeam to Star Alliance in a customer friendly way, permitting its customers to redeem their OnePass miles on SkyTeam member airlines, and SkyTeam customers to redeem their frequent flyer miles on Continental, during a reasonable transition period.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33708.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html