

Answers to Questions for the Record
Confirmation Hearing of Christine A. Varney
Before the Senate Judiciary Committee
March 10, 2009

Question from Senator Cornyn

Continental Airlines and United Airlines currently have an application pending before the Secretary of Transportation to enter into a marketing alliance with each other and other Star Alliance airlines. This application has been on file since July, 2008.

While the Department of Transportation has the final authority to approve the application, I know that they are consulting with the Department of Justice Antitrust Division for assistance in determining whether this alliance is in the public interest.

I believe that the Antitrust Division and the Department of Transportation have had sufficient time to conduct necessary reviews and that it is now time to act on the Continental and United application. These airlines are major employers in Texas, Ohio, Illinois, New Jersey and other states, and are vital to the U.S. economy. Any unnecessary delay in deliberations will have significant negative impacts on the competitive landscape in the airline industry and the economy as a whole.

The competitive landscape of global aviation is changing, making membership in an international marketing alliance essential to an international carrier's survival. Continental and United's major competitors are already members of international marketing alliances. Alliances allow participating airlines to achieve additional network reach without merging. These alliance relationships provide consumers with greater flexibility in pricing and access to more international destinations.

While Executive branch review of whether the application serves the public interest should be thorough, I emphasize the real human costs of undue delay. Unnecessary delay in the consideration of the alliance application will have dramatic negative consequences for the U.S. economy, the cities served by these carriers, the employees who work at these airlines, and for competition in the airline industry.

1. Will you commit to prioritizing this matter as soon as you are confirmed?

Answer: If confirmed as Assistant Attorney General for the Antitrust Division, I look forward to working with the Department of Transportation on these issues. I am not familiar with the Division's work on this particular application, but will certainly look into this in a timely manner, if confirmed.