



The American Antitrust Institute

FOR IMMEDIATE RELEASE  
May 14, 2008

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**AMERICAN ANTITRUST INSTITUTE TESTIFIES ON DELTA-NORTHWEST MERGER**  
*Think Tank Will Warn House Members that Airline Industry  
is on the Brink of Revolutionary Consolidation*

(Washington, DC) The American Antitrust Institute (AAI) will testify at 2 p.m. today before the House Committee on Transportation and Infrastructure, warning House Members that a merger between Delta and Northwest Airlines could spur additional consolidation in the U.S. airline industry.

“A merger of this magnitude will in all probability lead to at least one more merger of similar size,” said Albert A. Foer, AAI President. “It is imperative to look at the forest and not merely the trees, by which I mean to say the Department of Justice must not only apply the standard antitrust analysis that requires the divestiture of overlapping city pairs in concentrated markets, but also must pay attention to systems competition.”

Foer will recommend the DOJ, as part of their review of the proposed \$18 billion deal, should examine whether fewer national networks that could emerge from the airline consolidation are sufficient to provide a satisfactory range of choice, price and service for American consumers.

“We believe that with the industry apparently on the brink of a revolutionary consolidation, it is essential that systems competition be taken into serious account and that the analysis considers more scenarios than a single merger,” said Foer. He will urge that efficiency claims put forth by Delta and Northwest be analyzed with great skepticism and be weighed against inefficiencies due to other diseconomies of scale and scope, the cost of consummating the merger, and the reduction in competition arising from the merger.

The full testimony is available at [www.antitrustinstitute.org](http://www.antitrustinstitute.org).

**About the American Antitrust Institute**

The American Antitrust Institute is an independent non-profit education, research and advocacy organization. Since its formation in 1998, the AAI has made a significant impact on the direction and execution of antitrust and competition policy. To learn more about the AAI, please visit [www.antitrustinstitute.org](http://www.antitrustinstitute.org).

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