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Florida Attorney General's Office News Release

AG Moody Takes Action Against Anti-Competitive Airline Agreement



TALLAHASSEE, Fla.—Attorney General Ashley Moody today took legal action to block a series of agreements between American Airlines and JetBlue through which the two airlines will consolidate their operations in Boston and New York City. Florida joined an antitrust complaint alleging that this combination, which the airlines call the Northeast Alliance, will not only eliminate important competition in these cities, but will also harm air travelers in various airports throughout Florida by significantly diminishing JetBlue's incentive to compete with American, further consolidating an already highly-concentrated industry.

Attorney General Ashley Moody said, "The airline industry is a highly-concentrated industry. The challenged alliance between American and JetBlue will only increase that concentration and hurt Floridians and Florida's interests. I am especially concerned with this alliance's likely effect on smaller, more regional airports in Florida where these two airlines are, at least in one instance, the only two airlines flying routes. Because of these concerns, Florida has joined this bipartisan effort to ensure competition and lower prices for Floridians and those traveling to Florida to enjoy our great state."

As alleged in the complaint, American is the largest airline in the world. Just four airlines—American, along with Delta, Southwest and United—collectively control more than 80% of domestic air travel. According to the complaint, American relentlessly pursued a strategy of industry consolidation in the United States and around the world. Unable to combine with foreign

airlines through formal mergers, American instead pursued consolidation through a series of international joint ventures. The complaint alleges that American now seeks to import this strategy to domestic air travel.

In Florida, American and JetBlue already make up a large percent of flight routes in and out of Florida from New York, Newark and Boston airports. Miami International Airport is also one of American's hubs. According to the complaint, the Northeast Alliance will cause millions of dollars in harm to air passengers traveling to and from Florida through higher fares and reduced choice.

The complaint alleges that prior to entering the Northeast Alliance, American and JetBlue both planned to compete more intensely with one another. If allowed to proceed, the Northeast Alliance would eliminate this important existing and future competition—creating, as American's senior executives put it, further domestic consolidation. The Northeast Alliance will dampen American's incentive to expand service in Florida in its network and will significantly reduce JetBlue's incentives to challenge its much larger partner across the country.

American Airlines Group Inc. is a Delaware corporation with its headquarters in Fort Worth, Texas. In 2019, it flew more than 215 million passengers to approximately 365 locations worldwide, earning about $45 billion in revenues. JetBlue Airways Corp. is a Delaware corporation with its headquarters in Long Island City, New York. In 2019, JetBlue flew more than 42 million passengers to approximately 100 locations worldwide, earning about $8 billion in revenue.

Attorney General Moody is joined in this legal action by the U.S. Department of Justice and attorneys general from Arizona, California, the District of Columbia, Massachusetts, Pennsylvania and Virginia.