

**Testimony of Rep. Louise Slaughter (D-NY)  
Before the Senate Commerce Committee, 253 Russell  
Proposed Airline Mergers  
February 1, 2001**

**Mr. Chairman, thank you for this opportunity. These hearings come at a critical time, and I want to praise you for your leadership on this issue.**

**Today we are seeing the end-game to an experiment that began twenty years ago when Congress voted to deregulate the airline industry. These mergers are the final act. Should they go forward, it will mean the death knell for an ambitious plan that failed to deliver the promised benefits of more airlines, better service, and cheaper prices that Congress promised to ALL the American people-- not just those living in popular destinations.**

**A GAO report that I, along with my colleague James Oberstar (MN), requested made clear in December that the proposed US Airways/United merger would trigger further consolidation of the industry, thereby reducing the industry to as few as three major carriers. That prediction has come true faster than any of us imagined. It appears that the mere possibility of a United/US Airways merger has prompted American Airlines to buy Trans World Airlines. Now press reports indicate that Delta Airlines, Continental Airlines and Northwest Airlines are also exploring a strategic alliance.**

**Mr. Chairman, I am here to urge you to send a clear signal to the Administration that**

**Congress does NOT want these mergers to go forward. We all sympathize with TWA's workers and understand their fear of job loss, and we should work together to mitigate any labor disruption. But my district of Rochester, NY has already seen thousands of jobs lost because businesses move out when they can't afford our high air fares. We have the fourth highest in the United States. Our only source of price competition is JetBlue airlines, a low-cost airline we managed to attract to Rochester last year. But low cost carriers like JetBlue, Southwest, or AirTran will find themselves at the mercy of these mega-carriers should they take over the domestic aviation market.**

**Every independent analysis has concluded that these mergers will erode what little competition remains in the aviation industry. With fewer airlines competing against each other, passengers can expect higher prices, fewer flights, and even worse service than they endured over the recent holiday season.**

**Generations of American taxpayers have poured their hard-earned tax dollars into building our nation's aviation infrastructure. These same taxpayers now find themselves at the mercy of the marketing departments of mega-carriers who can decide with impunity which regions of the country will live or die based on their access to air service.**

**I have testified before your committee in recent years and spoken to you individually about problems facing the flying public. But the public is fed up, both with the Airlines and**

**Congress's willingness to play the role of handmaiden to the major carriers. Let be frank: the industry gave \$6 and a half million to Members during this election cycle. A pattern has now developed that does not reflect well on Congress: legislation is proposed, hearings are held, dueling press conferences emerge, and at the end of the day, the leadership backs away from any real action, promising further study and delivering hollow action.**

**Mr. Chairman, we have studied this issue to death. The time we wasted has brought us to a point where three carriers are poised to dominate the entire domestic aviation market. If we do not act, the public will rightly view this institution as part of the problem, rather than the solution.**

**I thank the Committee for their time.**