

Antitrust trial pits JetBlue against Biden administration

October 31 2023



A US court began hearing the Department of Justice's lawsuit contesting JetBlue's acquisition of Spirit Airlines.

Midsized carrier JetBlue began squaring off in court Tuesday against the US Department of Justice in a closely-watched challenge to the Biden

administration's antitrust policy.

In this trial New York-based JetBlue is trying to keep alive its proposed \$3.8 billion acquisition of Spirit Airlines, a low-cost carrier. The government has sued to block the merger on competition grounds.

US Attorney General Merrick Garland announced the suit in March, saying the merger would drive up fare prices and be "particularly harmful for travelers who rely on what are known as ultra-low-cost carriers in order to fly."

A [federal court](#) in Boston has set aside about three weeks for a bench trial.

JetBlue has said the [government](#)'s case rests on a faulty analysis, arguing that the combination will have "pro-competitive" effects by allowing JetBlue to compete more effectively against bigger carriers like Delta and American.

"With more [planes](#) and a far broader network, JetBlue will spread its uniquely strong competitive effect to more legacy-dominated routes, lowering its rivals' fares and improving the quality of their product along the way," JetBlue argued in a legal brief.

In a conference call to discuss earnings, JetBlue Chief Executive Robin Hayes Tuesday defended the deal, saying the transaction could close in the first half of 2024 if the airline wins in court.

The trial began as JetBlue shares fell sharply following a bruising earnings report.

JetBlue suffered a loss of \$153 million in the third quarter, pointing to the impact of what it called significant weather-related impacts and

rising [fuel prices](#).

The [carrier](#) also projected an adjusted loss per share in the fourth quarter.

Chief Operating Officer Joanna Geraghty said the company expects healthy travel demand during peak periods, but that the company is focused on reducing schedules in off-peak periods.

Shares of JetBlue were down about 12 percent in afternoon trading.

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Citation: Antitrust trial pits JetBlue against Biden administration (2023, October 31) retrieved 2 May 2024 from <https://techxplore.com/news/2023-10-antitrust-trial-pits-jetblue-biden.html>

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