

Delta expands New York operations

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Delta Air Lines and US Airways have agreed to exchange more than 150 operating slots at airports in New York and Washington, DC.

Under the terms of the deal, announced yesterday, US Airways will transfer 125 takeoff and landing slots to Delta at New York's LaGuardia airport. Delta will transfer 42 operating slots to US Airways at Washington DC's Reagan National airport. The airlines will also swap gates at LaGuardia, allowing Delta to consolidate and expand its operations in one main terminal facility.

The arrangement is subject to approval by the US Department of Justice's antitrust division, the Federal Aviation Administration and the US Department of Transportation. Delta claims the deal "will inject additional competition" into the New York market by "increasing the number of customers served at each takeoff and landing slot, without increasing congestion".

Delta expects to double the number of non-stop flights it operates from LaGuardia.

"During the last 30 years, successful slot trades have helped foster a competitive environment for the airline industry," says Gail Grimmett, senior vice president of Delta Air Lines in New York.

One Washington, DC-based competition lawyer, who represents another airline, expects the deal to be approved by the antitrust division. "The DoJ will consider whether Delta's dominance at LaGuardia could give it a stranglehold over the New York area, but I don't envisage real problems as the airline will continue to face aggressive competition," says the source. "These types of exchanges are not uncommon."

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