

Airline Mergers Spark Discussions Across the Industry

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Business owners in Kentucky know that it is very challenging to balance the needs of a business with the resources available. In some cases, one of these significantly outweighs the other and it is appropriate to pursue options that would legally join two companies, and their respective resources, together.

Generally speaking, these types of transactions result in mergers, acquisitions, spinoffs and other corporate activities. These can be very complicated matters involving strategic and long-term planning, not to mention the management of staffing and finances. Before all of this can be handled, however, it is important to determine if a [merger or acquisition](#) is appropriate for your company.

In some cases, businesses want or need the help of another company through a merger to deal with financial issues or to pursue a larger hold on the market. In other cases, companies prefer not to join with others so that they can maintain independence. These different dynamics can currently be seen in the airline industry, where mergers are a hot topic of discussion.

US Airways Group Inc. and American Airlines have proposed a merger that would make them into the single largest airline carrier in the world. They believe they would be able to provide better services to consumers while critics argue that the merger would give them too much power in the marketplace and allow them to raise prices industry-wide.

In the meantime, JetBlue Airways Corp has been suggested as a possible takeover company if the deal is not approved. The smaller, growing airline would seem to be an excellent candidate to join with one of the larger airlines in order to increase their penetration into the market, but JetBlue CEO Dave Barger recently stated that they are not interested in a merger. Instead, he says, their company is focused on continuing to operate as an individual company and growing on their own.

Between the possibility of merger resulting in the largest carrier in the world and the preference of a much smaller airline to stay independent, the dynamics that are at play in these potential business transactions are interesting. In most cases, business owners in Kentucky would find themselves somewhere in between these two degrees of options. But in any level of corporate transaction, it can be important to have legal support to ensure it is handled thoroughly and properly.

Source: Reuters, "[JetBlue not interested in merger, acquisition: CEO](#)," Karen Jacobs and Nivedita Bhattacharjee, Sept. 3, 2013

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