February 7, 2014

William H. Stallings, Chief
Transportation, Energy & Agriculture Section
Antitrust Division
United States Department of Justice
450 Fifth Street, NW, Suite 8000
Washington, DC 20530

Re: United States v. US Airways Group, Inc. and AMR Corp., No. 1:13-cv-01236 (CKK), Comments

Dear Mr. Stallings:

The merger settlement does not meet the basic smell test as being in the public interest due to lobbying of the Obama Administration by parties with a financial interest in higher airfares at the expense of airline passengers.

The court should require full disclosure of the papers leading up to the settlement, political contributions by those lobbying the Obama Administration to approve the merger settlement. See www.nytimes.com/2013/11/16/business/baffling-about-face-in-american... FlyersRights.org filed a Freedom of Information request which was denied in its entirety by the Department of Justice. See Attachment 1 & 2.

There is no doubt the proposed settlement is both unnecessary and will lead to a complete oligopoly in US air transportation.

The airline industry has some unique features that make it far more likely to abuse passengers through lack of competition including:

1. Exemption from consumer protection regulations that apply to all other travel related industries.

Airlines under judicial interpretations of the preemption clause in the Airline Deregulation Act of 1978 are exempt for all state and local consumer protection laws, are exempt from FTC, EPA and OSHA regulation, as well as tort law and consumer contract law excepting only negligence causing serious physical injury, death or some civil rights violations. See Morales v TWA, 504 U.S. 374, 384 (1992) [state attorney general rules covering the terms of air fare advertisements preempted]; American Airlines v Wolens, 513 U.S. 219, 230 (1995) [changes to a frequent flyer program preempted] www.courts.state.ny.us/Reporter/3dseries/2012/2012_09019.htm, lawyersusaonline.com/wp-files/pdfs-4/joseph-v-jetblue.pdf [all state tort law preempted unless passenger physically injured or killed in the
course of airline operations, no recovery for passengers held on tarmac for over 8 hours even if in violation of DOT rules ]; *Air Transport Ass’n of America v Cuomo*, 520 F.3d 218 (2nd Cir.(NY) 2008) [state statute prohibiting tarmac confinements in excess of three hours without food, water and access to toilet facilities held unconstitutional under the Airline Deregulation Act of 1978 and Supremacy clause of the US Constitution]

2. Unlike other industries airlines are fully protected from foreign competition on domestic routes. New entrants have not been entering the US market due to concentration and this merger makes that even harder. New domestic airlines do not have access to foreign capital more than 30%.

Since the settlement was announced there has been a record number of cancellations (49,000 in January), major reductions in Delta and United frequent flyer program benefits by 20%, announced closure by United of its Cleveland (formerly Continental hub).

We would expect further reductions in service to small and medium size cities, closure or downgrading of at least two more hubs by the new American, resulting in higher prices, poorer and slower air transportation service, which is has deteriorated each decade since 1980 versus improvement each decade prior thereto.

3. Airline profits are at record levels due primarily to mergers that have already consolidated the industry.

Airline air fares have risen far in excess of inflation since 2010, and airline stock prices have more than doubled in the past year with American Airlines stock rising 1,800% !

The International Air Transport Association (IATA), the trade group for the world's biggest airlines, said this month that it expects industry profits to hit a record $19.7 billion in 2014, an increase of more than 50% on the $12.9 billion estimate made for 2013, also a record. Driving the trend, IATA says, are "improvements to the industry’s structure" (read: big airline mergers) and lower jet-fuel prices.

**CONCLUSION**

Competition is the only protection consumers have against degraded service and higher prices. Accordingly, the court should require full disclosure of settlement negotiations and lobbying and hold an evidentiary hearing where passenger groups can be represented as interveners or amicus parties.

Very truly yours.

/s/ Paul Hudson
PAUL HUDSON, President
FLYERSRIGHTS.ORG
4411 Bee Ridge Rd #274