Abstract

Antitrust Immunity Grants to Joint Venture Agreements:
Evidence from International Airline Alliances

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This article provides evidence from the airline industry on the competitive effects of grants of antitrust immunity by regulatory agencies to certain joint venture agreements. In the airline industry, the U.S. Department of Transportation retains the statutory authority to approve and immunize from the U.S. antitrust laws, under a public interest standard, joint venture agreements relating to international air transportation. Agreements subject to this statute include international airline alliances, which are marketing joint ventures between carriers worldwide. The evidence shows that recent grants of antitrust immunity to international airline alliances affecting U.S.-E.U. passengers would have raised concerns under an antitrust standard.