

By: Tom Incantalupo

United and Continental will merge to form the world's largest airlines, a move that could lead to higher prices.

[United Airlines](#) and Continental agreed Monday to merge, creating the world's largest airline, a move analysts say could reduce competition and raise prices in some markets and which major unions worry could jeopardize the incomes, benefits and futures of their members, including more than 7,000 in the New York region.



The merger - actually a \$3-billion takeover by United corporate parent UAL Inc. of [Chicago](#) - would create an air system serving 370 destinations in 59 countries, operating under the United name and headquartered in Chicago. As a matter of routine, it will get an antitrust review by the [Justice Department](#).

An announcement of the merger said the combined airline would have "minimal domestic and no international route overlaps," and "will provide enhanced service to underserved small- and medium-sized communities."

[Raphael](#) Bejar, chief executive of Airsavings, an airline consulting company, said there is indeed scant overlap between the carriers' route structures but that, where there is, especially in small cities, the result could be service cutbacks and less competition. "The fewer carriers you have serving any particular market, the more you're probably going to see fares creep up," he said.

Jeff Smisek, Continental's chairman, president and chief executive officer, said that the companies don't assume they can boost prices, but that with a bigger network they can attract more high-paying corporate travelers.

While none of the major unions on United and Continental's properties have opposed the merger, several expressed concern about the impacts on their members. "Now, we just have to make sure everyone is protected in this merger," said secretary/treasurer George Miranda at Teamster Local 210 in [Manhattan](#). It represents about 900 Continental mechanics, mostly at [Newark Liberty International Airport](#) and about 50 Continental ramp workers plus a few mechanics each at Kennedy and LaGuardia, he said. Neither airline uses MacArthur in Islip.





The [Association of Flight Attendants](#), which has 16,000 United members, including 600 based at Kennedy and LaGuardia, said it wanted a new contract with pay, benefit and work rule improvements before it can consider support for the merger. "Integration of in-flight operations could take years to complete and it will not occur at all unless we can support the deal with the protection of our jobs and improvement of our careers upfront," Greg Davidowitch, the union's United president, said.

Air Line Pilots Association, which couldn't immediately say how many of its United or Continental members are based in New York, also said it wanted a new contract.

The International Association of Machinists and Aerospace Workers, which said its 16,000 United members include 400 ramp workers, ticket agents and others at Kennedy and LaGuardia Airports, said it also was worried about "benefits, seniority and job security," general vice president Robert Roach Jr. said.

