

Press Release



The Turbulent Battle for Spirit Airlines Shows the Nuance of Defining the Relevant Market

PAULINA ENCK | JULY 14, 2022

Rival suitors JetBlue Airways and Frontier Airlines remain entangled in a tumultuous, months-long battle for Spirit Airlines. The key question preventing the finalization of a deal appears to be whether either combination of these airlines will survive antitrust scrutiny from federal agencies. In a new insight, Competition Economics Analyst Fred Ashton analyzes the different measures of the relevant market—that is, the line of commerce and geographic location of the business—of these airlines, and offers examples of how questionably defined (or newly defined) markets may affect agency outcomes.

Key points:

- To date, the merger process has included two accepted bids from Frontier, unsolicited and hostile takeover attempts by JetBlue, and four postponed Spirit shareholder votes.
- Whichever company emerges the victor, the combination of either JetBlue/Spirit or Frontier/Spirit would result in the fifth-largest U.S. airline and undoubtedly raise eyebrows among regulators within the Antitrust Division of the Department of Justice (DOJ).
- As the Federal Trade Commission and DOJ are currently engaged in a process to “modernize federal merger guidelines,” any changes are likely to alter this analysis.

[Read the analysis](#)