

UNITED READY FOR RIVAL'S OVERSEAS FLIGHTS FROM HOUSTON: EXECUTIVE

News / Airlines



United Airlines (UAL.N) will be competitive in Houston even as budget rival Southwest Airlines (LUV.N) launches its first international flights from the Texas city next week, the company's chief revenue officer said Friday in an interview.

United Continental Holdings Inc intends to compete on price when necessary, add destinations and offer easy connections to keep customers, Jim Compton said.

"Our goal is to optimize revenue," Compton said.

As carriers fight for market share in several U.S. cities, concern that a glut of flights would push down fares has weighed on airline stocks this year. United has limited service from the worst battleground, Dallas.

Southwest has just completed construction of a \$156 million international concourse at Houston Hobby Airport and will start flying to six international destinations in Latin America and the

Caribbean on Oct. 15. Southwest Chief Executive Gary Kelly told reporters Thursday that United has had a "monopoly" of flights from Houston south, until now.

United flies from a different airport that is further from Houston's center, George Bush Intercontinental.

"Historically when low-cost carriers come into the market, the pricing structure changes," Compton said, referring to the different fares that an airline offers depending on the supply of seats. "You'll see that in Houston."

"It's hard for me to say, 'well, it will be like Chicago,'" he said, citing United's hometown where it faces fierce competition from Southwest and American Airlines Group Inc ([AAL.O](#)).

Compton said a significant chunk of United's Houston operation and revenue comes from connecting customers through the hub. United flies to many places from Houston that Southwest does not serve, such as Buenos Aires and Tokyo, meaning current overlap will be limited.

"Each market is unique," he said. "What is similar is that it's very competitive."

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