

Delta CEO says hub status will continue for Memphis after merger Anderson speaks to hundreds of eager Memphians

By Jane Roberts

Photos by Mike Brown/[The Commercial Appeal](#)

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For a city needing assurance of its place in the Delta-Northwest merger, the message was clear and frequent.

"Memphis will continue to be a hub and important part of the combined Delta-Northwest," Delta chief executive officer Richard Anderson told more than 400 people in a breakfast speech Thursday at the University of Memphis Holiday Inn.



Greer McMullen (top right) listens Thursday as Delta CEO Richard Anderson reassures business leaders of Memphis' place in the Delta-Northwest merger.



"This hub is an important and integral part of the merger," Anderson said of Memphis International Airport.

Across the room, Memphians of influence and every political stripe nodded their agreement, launching several times into spontaneous applause and rushing to their feet in ballroom-wide ovations.

If the Justice Department approves the merger, Anderson will be CEO of the world's first global airline -- giving his words particular potency.

His visit -- including dinner Wednesday with Gov. Phil Bredesen and Memphis leaders -- was the city's first chance to hear details of the merger firsthand and see how its architects envision the city fitting in.

"He said all the right things," said Larry Hardy, former AutoZone executive. "Now if it will just work out that way. But no one knows."

If it's hard to understand the power of having a hub in the world's largest airline, Anderson made it clear, saying the new Delta Air Lines would be the No. 1 carrier to Japan, Europe, Africa and the Middle East and No. 2 to Asia, Latin America and South America.

"The strength of the combined network puts Memphis and the other communities we serve in a much better position," he said, connecting people on six continents as well as nontraditional "city pairs" such as Augusta, Ga., and Fargo, N.D.

The increased revenue, plus savings from unified operations, is expected to produce an additional \$1 billion a year, giving Delta strength against fuel costs and allowing it to promise what other airlines can't; namely, that it will not lay off pilots and flight attendants.

"It's about addition, not subtraction," Anderson said, adding that the "complementarity" of Delta and Northwest gives the combined carrier a network with almost no overlap.

Delta is powerful in the South, Europe, Latin America and South America, but has no might in Asia, where Midwest-based Northwest has been building dominance for decades.

Because more people are expected to fly the combined airline, its hubs have improved chances for international routes, although Anderson said he hadn't had time to evaluate Memphis-specific options.

The visit was co-sponsored by the Memphis Regional Chamber, Memphis Convention and Visitors Bureau, Economic Club of Memphis and Memphis-Shelby County Airport Authority.

Besides giving Memphis face time with the person who today stands to lead the world's largest airline, it was also a time to renew connections, which insiders say is important as Memphis jockeys for position with eight other proposed hub cities.

The linkages were clear. Dave Bronczek, chief executive of FedEx Corp.'s express division, introduced Anderson, several times calling him "a very good friend."

John Moore, chief executive of the Memphis Regional Chamber, and Anderson served in the executive suite at Northwest.

"As a chamber director, I'm chomping at the bit to sell Memphis as part of this expanded global network," he said.

Two days after Delta announced it was severing a contract with Memphis-based Pinnacle Airlines, Anderson offered no more details, saying the decision was separate from Northwest and that Pinnacle was still important to Northwest.

He got his most enthusiastic nods when he talked about Memphis International Airport, the \$23 billion economic driver of the region's economy.

"Fred Smith has the foresight and figured out a way to build FedEx in Memphis," Anderson said, creating a supersize airport that offers passenger carriers few delays.

"Memphis is the example of an airport driving the economy," he said, praising Larry Cox, airport authority chief, for "a great airport with great operations.

"That foresight and leadership are not always in place in other communities."

As fuel cost rises, the efficiency ups the city's cachet with airline executives trying to save fuel with shorter taxi times.

Anderson agreed. "This hub is an important and integral part of the merger. I look forward to many more decades of success here in Memphis."

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