

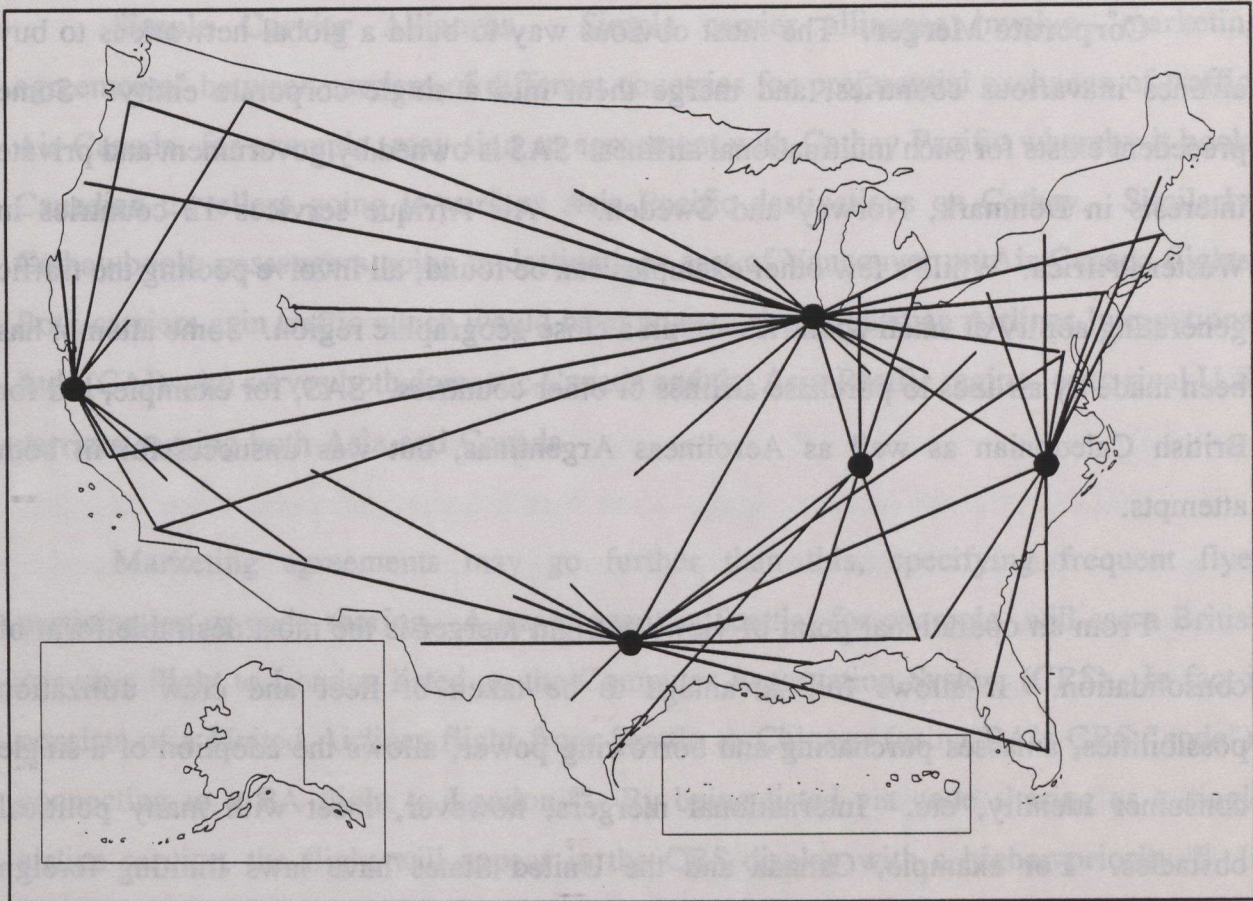


Figure 34: Multiple Hub Network

2. Three Levels of Global Network Building

What form would global consolidation take in this industry? This paper identifies three potential strategies. At one extreme carriers from different countries merge outright with a single surviving corporate identity. At the other extreme, carriers keep their unique identities but use simple marketing agreements to coordinate traffic flows. In between, there is a stronger form of marketing agreement, one which is solidified with an equity position but not merger. Each of these is discussed in turn.