Continental Airlines and United Airlines are dating again with the announcement of a global cooperation plan which comes just two months after both airlines halted merger talks.

Under this new 'framework agreement' both airlines say they have agreed to cooperate extensively, linking their networks and services worldwide to the benefit of customers, and creating revenue opportunities and cost savings and other efficiencies. In addition, Continental plans to join United in the Star Alliance.

‘Continental's plan to partner with United and join the Star Alliance will provide substantial new opportunities for all of our customers,’ said Larry Kellner, Chairman and CEO of Continental. ‘In a network business, there is significant value gained from linking with larger networks to provide truly national coverage and expanded global reach, and exploring new ways to reduce costs and improve efficiencies. As we experience some of the most challenging conditions airlines have ever faced, we look forward to the benefits of a new relationship with United and the other Star Alliance members.’

The airlines said that teams from the two organizations have worked intensively over several weeks to explore creative solutions for how the two companies could achieve efficiencies and synergies that expand beyond the well-established benefits of codesharing. The work focused on plans for significant cooperation on frequent flier programs, lounges, facility utilization, information technology and procurement. This work was assisted by the efficiency opportunities identified and relationships developed during the parties' earlier merger discussions.

‘The teams worked well together to identify opportunities to create a unique and competitive partnership extending well beyond a traditional code share agreement,’ said Glenn Tilton, Chairman, President and CEO of United. ‘On behalf of the Star Alliance, I am very pleased to invite Continental to join as a member. Continental will bring significant new assets to our global alliance, and our two companies will work together effectively with our partners to provide the best overall network in America and the world.’

Joining the Star Alliance will connect Continental with United and 19 other airlines around the world. The members are Air Canada, Air China, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Shanghai Airlines, Singapore Airlines, South African Airways, Spanair, SWISS, TAP Portugal, Turkish Airlines, THAI, United and US Airways.

Currently, Continental Airlines provides more than 3,100 flights a day on Continental and Continental Express to more than 280 US and international destinations from its hubs in New York/Newark, Houston, Cleveland and Guam. Continental is the world’s fifth largest airline, with routes throughout the Americas, Europe and Asia. With more than 45,000 employees, Continental carries approximately 69m passengers per year.

By comparison, United Airlines provides more than 3,200 flights a day on United and United Express to more than 200 US domestic and international destinations from its hubs in Los Angeles, San Francisco, Denver, Chicago and Washington, D.C. With key global air rights in the Asia-Pacific region, Europe and Latin America, United is one of the largest international carriers based in the United States. United has 55,000 employees.