



23 Marcus Clarke Street
Canberra ACT 2601

Our ref: AA1000478
Contact officer: Tom Whitby
Contact phone: 02 6243 1012

GPO Box 3131
Canberra ACT 2601
tel: (02) 6243 1111

20 April 2020

adjudication@acc.gov.au
www.acc.gov.au

Dear Sir/Madam

Regional Express Pty Ltd's application for authorisation AA1000478 – interested party consultation

On 26 March 2020, the Australian Competition and Consumer Commission (the **ACCC**) granted interim authorisation to enable Regional Express Pty Ltd (**Rex**) to coordinate flight schedules with Qantas Airways Limited (**QantasLink**) and Virgin Australia Holdings Limited (**Virgin Australia**) (as necessary) to reduce capacity on ten regional routes (the **Relevant Routes**) and enter into agreements to share revenue on the Relevant Routes as a result of the COVID-19 pandemic (the **Conduct**). Rex is seeking authorisation to engage in the Conduct until 30 June 2021.

The ACCC is seeking submissions on the Conduct authorised in the interim authorisation, which is also the subject of Rex's substantive application for authorisation. In particular, the ACCC is interested in your views on two main issues:

- First, if you have been directly affected by the Conduct authorised under the interim authorisation granted by the ACCC on 26 March, what is your experience to date?
- Second, do you have any comments on the likely public benefits and detriments should the ACCC authorise the Conduct until 30 June 2021, and should any conditions be placed on the authorisation?

Details on how to make a submission to the ACCC are provided below. You are welcome to pass this letter on to others who may wish to make submissions.

The application for authorisation

On 23 March 2020, Rex lodged an application for authorisation to enable it to coordinate flight schedules and enter into agreements to share revenue with QantasLink and Virgin Australia on the Relevant Routes. Rex also requested urgent interim authorisation so that it could commence schedule coordination and revenue sharing as soon as possible.

The ACCC granted interim authorisation on 26 March 2020 subject to the condition that if any of the participating airlines agree to coordinate flight schedules and/or share revenue on a Relevant Route while interim authorisation is in effect (**Coordinated Flights**), the participating airlines must not set a fare for a Coordinated Flight that is higher than the equivalent fare specified in their respective fare schedules in place as at 1 February 2020 (the **Price Condition**).

The ACCC did not conduct a public consultation process in respect of the request for interim authorisation in light of the scale of the impact of COVID-19 on the aviation industry and the urgency of the request for interim authorisation.

Copies of the application for authorisation and the ACCC's interim authorisation decision are available on the [ACCC's Public Register](#).

Request for submissions

If you have been, or are likely to be, affected by the Conduct permitted by the interim authorisation, you are invited to make a submission to the ACCC in relation to its effect.

In particular, we seek your views on the following issues:

1. What impact has the Conduct permitted by the interim authorisation had on you?
2. Have you identified any negative effects from the Conduct?
3. Is the Conduct likely to entrench anticompetitive behaviours that continue past the end of the COVID-19 pandemic?
4. Is 15 months an appropriate time period for authorisation?
5. Should any changes be made to the interim authorisation, including the Price Condition?

How to make a submission

If you intend to provide a submission, please do so by **Monday 11 May 2020**. Submissions should be emailed to adjudication@acc.gov.au with the subject 'Regional Express - AA1000478 - Submission'. If you would like to provide comments orally, please contact Tom Whitby on 02 6243 1012 to organise a suitable time.

Should you wish to make a submission beyond 11 May 2020 in relation to your experience with the impact of the Conduct, please contact the ACCC at adjudication@acc.gov.au or on the number above.

We recognise that the COVID-19 situation may be causing disruptions to your normal operations. For this reason we are taking a flexible approach to receiving feedback on the Conduct. You may wish to contact us by phone to discuss your views or submissions before the deadline.

Submissions, including a record of oral submissions, will be placed on the [ACCC's public register](#) subject to any request for exclusion (see the [ACCC guidelines](#) for more information).

Timetable

An indicative timetable is below. This timetable is subject to change. The most up to date indicative timetable is available on the [ACCC's public register](#).

23 March 2020	Lodgement of application and supporting submission, including request for interim authorisation.
26 March 2020	Interim decision.
20 April 2020	Public consultation process begins.
11 May 2020	Closing date for submissions on the substantive application for authorisation from interested parties.
June 2020	Applicant responds to issues raised in the public consultation process.
July 2020	Draft determination.

July/August 2020

Public consultation on draft determination including any conference if called.

September 2020

Final determination.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Tom Whitby on 02 6243 1012 or adjudication@acc.gov.au.

Yours sincerely



Sophie Ward
Director