



Australian Competition & Consumer Commission

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
Australia

Ph (02) 6243 1111
Fax (02) 6243 1199

Our Ref: C2002/1064; C2002/963
Contact Officer: Amanda Dadd
Contact Phone: 02 6243 1391

8 October 2002

Ms Helen Conway
Company Secretary
Caltex Australia Petroleum Pty Ltd
MLC Centre
19-29 Martin Place
SYDNEY NSW 2000

Dear Ms Conway

Third line forcing notifications lodged by Caltex Australia Petroleum Pty Ltd

I refer to the following third line forcing notifications lodged with the Australian Competition and Consumer Commission ("the Commission") by Caltex Australia Petroleum Pty Ltd ("Caltex"):

- N31162 lodged by Caltex on 26 June 2002 in relation to the "Starcard"; and
- N31169 lodged by Caltex on 9 July 2002 in relation to the "Starcash card".

A number of concerns have been raised with the Commission in relation to the above notifications, including that:

- The Starcard and Starcash cards may be vehicles by which Caltex aims to increase its control over the retail fuel market and other retail activities;
- while the use of the Starcard may be optional for customers, the acceptance of it by Caltex dealers is not;
- there are transaction costs for service station operators in accepting the Starcash card and Starcard that cannot be passed on to the consumer;
- a greater use of fuel cards may translate into greater control that companies can exert over the retail market; and



- an increase in the volume of fuel sold on major fuel cards increases the vertical integration of the industry.

The Commission is in the process of reviewing the notifications in light of the above concerns and has sought submissions from interested parties on the public benefit and/or detriment likely to flow from the notified conduct.

The Commission will forward any submissions received from interested parties to you for comment as soon as they are available.

Should you have any queries or if you wish to discuss any aspect of this matter please contact Ms Amanda Dadd on 02 6243 1391.

Yours sincerely



Tim Grimwade
General Manager
Adjudication Branch