

virgin atlantic 

Virgin Atlantic Airways Ltd.
The Office, Manor Royal
Crawley RH10 9NU
tel: 01293 562 045
fax: 01293 561 721
telex: 877077
www.virgin.com/atlantic

20 May 2003

Tim Grimwade
General Manager
Adjudication
Australian Competition and Consumer Commission
PO Box 1199
Dickson ACT 2602
AUSTRALIA

Direct Line: +44 1293 747 065
Fax: +44 1293 747 073

By Fax: +61 2 6243 1211

Dear Mr Grimwade

Qantas/British Airways Restated Joint Services Agreement

Thank you for your email message dated 12 May 2003.

Virgin Atlantic is concerned by the application of Qantas and British Airways for interim authorisation of their Restated Joint Services Agreement (RJSA).

Granting this application would effectively set a precedent that firms that must apply for (re-)authorisation of agreements after a pre-determined period in order to be able to continue to engage in behaviour contained in the agreement can extend the validity of such agreements (in the absence of competition authority scrutiny) by applying for re-authorisation shortly before such agreements expire. It would therefore give firms an incentive to delay submitting applications for re-authorisation of agreements until shortly before such agreements expire. It is interesting to note that one of the reasons put forward by Qantas and British Airways as to why their RJSA should be granted interim authorisation is "interim authorisation would preserve the status quo pending a final decision by the Commission".





Given the substantial impact of the RJSA and similar agreements on competition and hence consumers, it is important that such agreements are able to be reviewed thoroughly by the ACCC before they expire, such that any amendments can come into force as soon as possible after the expiry date. Virgin Atlantic therefore urges the ACCC to deny Qantas and British Airways' application.

Please do not hesitate to contact me if you would like to discuss any of the above.

Yours sincerely

A handwritten signature in black ink, appearing to read "Barry Humphreys", written in a cursive style.

BARRY HUMPHREYS

Director, External Affairs and Route Development