

21 May 2003

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Mr Tim Grimwade
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
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FILE No:
DOC:
MARS/PRISM:

Dear Mr Grimwade,

Authorisation applications lodged by Qantas Airways Limited and British Airways Plc

I refer to your letter C2003/535 of 12 May 2003.

Thank you for the opportunity to comment on the application by Qantas and British Airways to renew their Joint Services Agreement (JSA).

Skywest Airlines is Western Australia's largest regional airline and a major contributor to the Western Australian economy through the provision of high quality air services to business, mining and tourist destinations across the State. Skywest participates in the Qantas Frequent Flyer program and offers convenient through-check arrangements with Qantas, both of which deliver substantial benefits to the customers of both airlines.

Skywest Airlines strongly supports renewal of the Qantas/British Airways JSA on the following public benefit grounds:

- British Airways currently codeshares on Qantas JSA services to Perth. Skywest customers benefit from the continued provision of these high quality international air services with convenient links to the global networks of both carriers.
- Absent the JSA arrangement, rationalisation of secondary JSA routes would appear likely, with Perth services a prime candidate. Under this scenario, Skywest customers and the broader Western Australian economy would suffer through reduced choice and convenience in international air travel from Perth.
- As a result of the frequent flyer and through-check arrangements described above, Skywest customers benefit from our affiliation with Qantas. To the extent that continuation of the JSA will help ensure a strong, viable future for the Qantas Group, Skywest customers will continue to enjoy these benefits into the future.

Alliances such as the Qantas/British Airways JSA are a model for the way forward in this challenging industry. Authorisation of this arrangement by the ACCC will ensure that the public benefits evident from the JSA can continue.

Yours sincerely,



Scott Henderson
Chief Executive Officer

