



Australian Competition & Consumer Commission

Our Ref: N40713
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27 May 2004

«Prefix» «First_Name» «Last_Name»
«Title»
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«City» «State» «Postal_Code»

Let to
Stefanee Lovett

Dear «Prefix» «Last_Name»

**Re: Exclusive dealing notification lodged by
Williams Event Management Pty Ltd (N40713)**

The Australian Competition and Consumer Commission (the Commission) has received a notification from Williams Event Management Pty Ltd (Williams) in relation to the use of a particular type of tyre by competitors in motor cross events. I am writing to you as a party that may be interested in providing a submission to the Commission in relation to this application.

As you may be aware, the competition provisions of the *Trade Practices Act 1974* (the Act) prohibit certain forms of anti-competitive conduct or arrangements. Section 47 of the Act prohibits conduct known as exclusive dealing where it has the purpose or effect of substantially lessening competition. Generally speaking, exclusive dealing involves one business trading with another, imposing restrictions on the other's freedom to choose with whom, or in what, it deals.

Sub-sections 47(6) and 47(7) of the Act specifically prohibit conduct known as 'third line forcing' which involves the supply of goods or services on condition that the customer also acquire goods or services from a third party. Third line forcing conduct is currently a per se provision, meaning that it amounts to a contravention of the Act regardless of its effect on competition.

Notification process

Businesses may obtain immunity in relation to conduct that might be at risk of breaching the exclusive dealing provisions of the Act by lodging a 'notification' with the Commission. Once lodged, immunity for the notified conduct commences automatically (or in the case of third-line forcing, after 14 days). The Commission may proceed to revoke a third-line forcing notification where it is satisfied that the likely benefit to the public from the proposed conduct will not outweigh the likely detriment to the public from the proposed conduct.



Third line forcing notification lodged by Williams

Williams lodged a notification involving third line forcing conduct with the Commission on 20 May 2004. Statutory immunity for the conduct outlined in the notification is due to commence on 3 June 2004.

The conduct is described in the notification as Williams proposing to require that competitors in certain support events to the Australian Motor Cross series, namely the Australian Women's Cup and Junior Rookie Support events, use Maxxis tyres.

Request for submissions

To assist the Commission in its consideration of this notification it would be helpful to obtain your views on the likely public benefits and detriments flowing from the notification. The Commission would appreciate your views on the following issues which may or may not be relevant to you:

1. What are the benefits associated with using a control tyre?
2. How does the use of a control tyre impact on a competitors' ability to enter these types of events?
3. What do you consider are the likely detriments arising from the notified conduct?

In addition, we would ask that any submission you may wish to make focuses on the public benefits claimed by Williams and any detriments to the public that might flow from the proposed conduct.

I have enclosed a copy of the Williams notification and supporting submission.

The Commission asks for submissions to be in writing so they can be made publicly available. They are placed on a public register for this purpose.

You may request that information you provide in a submission to the Commission be treated as confidential and not placed on the public register. The Commission may take into account information for which it grants confidentiality, even if that information is not publicly available. Guidelines for seeking confidentiality are attached for your information.

If you wish to lodge a submission please address the submission to:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
Dickson ACT 2602

Submissions can also be lodged by e-mail to: adjudication@accc.gov.au.

The closing date for submissions is **9 June 2004**. A copy of this letter has been placed on the Commission's public register.

Should you have any questions or wish to discuss any aspect of the above notification, please contact Stefanee Lovett on (02) 6243 1359.

Yours sincerely

Gavin Jones
A/g Director
Adjudication Branch

Prefix	First Name	Last Name	Title	Organization Name	Address 1	Address 2	City	State	Postal Code
Mr	Martin	Algie	Lawyer	Baker & McKenzie	GPO Box 2119T		MELBOURNE	VIC	3001
Mr	Peter	Koutsoukos		Bridgestone Tyres Australia	GPO Box 2200		ADELAIDE	SA	5001
Mr	Peter	Galvin	Managing Director	Metzeler Motor Cycle Tyres (Aust) Pty Ltd	PO Box 1208		BAULKHAM HILLS	NSW	1755
Mr	Darren	Scotti	Group Services Manager	Michelin Australia Pty Ltd	PO Box 798		PORT MELBOURNE	VIC	3207
Ms	Lisa	Evans	Motor Cycle Racing Co-ordinator	Honda Australia	1954 Hume Highway		CAMBERFIELD	VIC	3061
			The Proprietor	Top Gear KTM	Shop 5/ 37 Wells Road		SEAFORD	VIC	3198
			The Proprietor	Pro Cycle	77 Mercer Street		GEEELONG	VIC	3220
Mr	Steven	Cotterell	General Manager	Yamaha Motors Australia Pty Ltd	Locked Bag 48		WETHERILL PARK	NSW	2164

Prefix	First Name	Last Name	Title	Organization Name	Address 1	Address 2	City	State	Postal Code
			General Manager	Motorcycling Australia	147 Montague Street		SOUTH MELBOURNE	VIC	3205
Mr	Steve	Bennett	President	Geelong Moto-cross Club	32 Stevens Street		PORTARLINGTON	VIC	3223
Mr	Bill	Franks	President	East Coast Moto-cross Club	PO Box 315		ST HELENS	TAS	7216
			President	Dysart Jnr MX Club	3 Newberry Court		DYSART	QLD	4745
			Secretary	Gold Coast Motocross Club Inc	PO Box 736		MUDGEERABA	QLD	4213
	Chris	Jung		Suncoast Junior MCC	PO Box 222		CALOUNDRA	QLD	4551
			Club Secretary	Wanneroo Junior Motor Cross Club	4 Shene Court		CARRAMAR	WA	6031