



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2003/535
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13 September 2004

Mr Roger Featherston
Partner
Mallesons Stephen Jaques
Level 60, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Featherston

**Authorisation applications lodged by Qantas Airways Limited and British Airways Plc
(A30226 and A30227)**

I understand that you act for British Airways (BA). I write concerning BA's recent announcement that it will dispose of its 18.25 per cent shareholding in Qantas Airways Limited (Qantas).

I note that BA's press release and advice from Qantas stated that the disposal of BA's shareholding in Qantas will not affect the continuation of the Joint Services Agreement (JSA) that is the subject of the abovementioned applications for authorisation.

On 23 August 2004, I wrote to you advising that the Australian Competition and Consumer Commission (ACCC) had made a draft determination proposing to authorise the JSA for a period of five years. I also invited your client to make a written submission on the draft determination by 20 October 2004. I would be grateful if your client would advise the ACCC as to whether BA's disposal of its shares in Qantas has any affect on BA's claims as to anti-competitive detriment and public benefit.

I have written in similar terms to Qantas.

You may also be aware that Virgin Atlantic has requested that the ACCC hold a pre-decision conference in relation to its draft determination. I will write to advise of conference details in due course.



If you have any questions, please do not hesitate to contact Amanda Dadd on 02 6243 1391.

Yours sincerely

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Tim Grimwade
General Manager
Adjudication