



**Australian
Competition &
Consumer
Commission**

Our Ref: C2005/1368
Your Ref: PJA.AJT.02-1383-8501
Contact Officer: Michael Green
Contact Phone: 03 9290 1960

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
ph (02) 6243 1111
fax (02) 6243 1199
www.accc.gov.au

2 September 2005

Mr Peter Armitage
Partner, Blake Dawson Waldron
Locked Bag N6
Sydney NSW 1225

By email: peter.armitage@bdw.com

Dear Mr Armitage

Re: Third line forcing notifications N31439 and N31440 lodged by Visa International Service Association (VISA) and Ticketek Pty Ltd (Ticketek).

I refer to the notifications lodged by VISA (N31439) and Ticketek (N31440) with the Australian Competition and Consumer Commission (the ACCC) on 15 August 2005.

I am concerned that these notifications appear to cover an extremely broad range of events, including as yet unknown events, and may limit the amount of tickets available for these events to consumers not using a VISA Card.

I also refer to the letter emailed to you on 7 July 2005 expressing similar concerns about previous notifications lodged by Visa International Service Association (VISA) (N31394, N91819- N91826) and other parties (N31395-N31403).

In that letter I noted that one of the public benefits claimed in relation to those notifications, that VISA Cardholders will be provided with benefits associated with ticketing to entertainment events and performances, may be directly linked with a potential detriment from the conduct, being that non-VISA Cardholders will no longer have full access to the ticketing for the relevant events. This situation also applies to notifications N31439 and N31440 and, as previously noted, will particularly be the case in respect of popular or limited run events, where demand for tickets would be likely to outstrip supply.

Also in that letter, I requested that you provide further information about sections of the conduct described in notifications N31396 and N91819, which at their broadest, could have been construed as being applicable to any future event for which Ticketek provided ticketing arrangements. I stated that the ACCC may have concerns with a notification in respect of



such a broad category of conduct, particularly in circumstances where the events the subject of the arrangements were not known at that time. On 8 July 2005, VISA and Ticketek informed the ACCC that they did not wish to rely on those sections of the notifications.

I note that notifications N31439 and N31440 are similarly broadly expressed. As such, I remain concerned about the potential detriment arising from the notifications, particularly in relation to priority booking periods as outlined at 2.(a)(i).

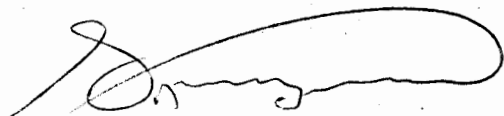
While I note your submission that persons not using a VISA card will continue to have access to no less than 60% of the number of tickers for each Ticketek Offer, it is not necessarily the case that the public at large will have access to these tickets. For example, at worst, a situation may arise where the promoter decides to allocate all non-Ticketek tickets to a restricted group and, by virtue of the notified arrangements, no tickets are made available through Ticketek to persons not using a VISA card. Aside from this worst case scenario, it is possible that in many instances there may only be a small number of tickets available through Ticketek to persons not using a VISA card.

Where there is a possibility of such situations arising under the notified conduct for as yet unknown events, it may be difficult for the ACCC to be satisfied that the public detriment will not outweigh the public benefit from the notified conduct.

I would appreciate your response in relation to these issues by close of business
9 September 2005.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Michael Green on 03 9290 1960.

Yours sincerely



Scott Gregson
A/g General Manager
Adjudication Branch