



18 February 2005

Attn: Regional Director
Australian Competition & Consumer Commission
PO Box 1199
DICKSON
ACT 2602

General Counsel's Office
American Express
Australia Limited
175 Liverpool Street
Sydney NSW 2000 Australia
Tel: 9271 3346
Fax: 9271 2393

Dear Sir or Madam

THIRD LINE FORCING NOTIFICATION

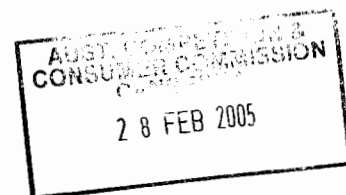
American Express Australia Limited ('American Express') is undertaking a joint marketing initiative with Optus Mobile Pty Limited ('Optus') whereby eligible American Express card members who sign up to a Optus Mobile service for 24 months and use their card for the initial payment will receive 7,500 bonus points for the Membership Rewards™ program applicable to their card.

Please find enclosed a payment of \$100 and the Exclusive Dealing Notification Form for American Express relating to the above promotion.

If you have any further queries please contact me on (02) 9271 3283

Yours sincerely,

Megan Perez
Legal Assistant



FORM G

COMMONWEALTH OF AUSTRALIA
Trade Practices Act 1974 - Sub-section 93(1)

**EXCLUSIVE DEALING
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d) of that Act in which the person giving notice engaged or proposes to engage.

1. (a) **Name of person giving notice:**

American Express Australia Limited. ABN 92 108 952 085 ('AMEX').

(b) **Short description of business carried on by that person:**

AMEX conducts the business of supplying credit card, financial and travel related services.

(c) **Address in Australia for service of documents on that person:**

General Counsel's Office
Level 20
175 Liverpool Street
Sydney NSW 2000

2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

The services which AMEX provides to which this notice relates are:

- (i) Credit card services.

Description of the conduct or proposed conduct:

AMEX is a supplier of credit card services. Optus Mobile Pty Limited (Optus) is a supplier of mobile phone services. AMEX and Optus are undertaking a joint marketing initiative whereby certain AMEX card members will receive 7,500 Membership Rewards™ Bonus Points for the rewards program applicable to their card, when the card member:

- Enters into a minimum 24 month contract with Optus Mobile for the supply of mobile phone services; and
- Makes an initial payment for these services using their eligible AMEX card.

3. (a) **Class or classes of persons to which the conduct relates:**

American Express Credit Card and Charge Card members enrolled in the Membership Rewards™ program.

(b) **Number of those persons:**

(i) **At present time:**

750 000

(ii) **Estimated within the next year:**

750 000

(c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**

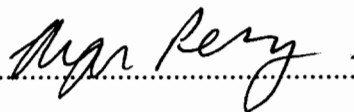
Not applicable.

4. **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice is:**

Megan Perez
General Counsel's Office
American Express Australia Limited
Level 20
175 Liverpool Street
Sydney NSW 2000

Dated: 24 February 2005

Signed by:

.....

American Express Australia Limited

SUBMISSION BY AMERICAN EXPRESS INTERNATIONAL INC. IN SUPPORT OF A NOTIFICATION UNDER SECTION 93(1) OF THE TRADE PRACTICES ACT 1974.

1. Background

- 1.1 AMEX wishes to enhance its competitive position in the credit card market and therefore has developed initiatives to make its services more attractive to consumers, one such initiative being the provision of exclusive offers to its card members through the Membership Rewards™ loyalty program.

Under a joint marketing initiative, AMEX and Optus will provide to consumers the opportunity to purchase certain Optus Mobile services and receive 7500 reward points when they make initial payment for these services using eligible AMEX cards.

2. Market

- 2.1 The market to which the proposed offer relates is the consumer market in Australia for the provision of credit cards and mobile phone services.

Although the conduct described in Form G may be exclusive dealing within the meaning of section 47(6) or 47(7) of the Act. AMEX holds the view that the proposed conduct will have a negligible effect on competition in the market noted above.

3. Analysis of the Conduct

- 3.1 Consumers can acquire mobile phone and credit card services from a number of entities in the market, all of which compete vigorously for the provision of these services. Consequently, there are a large number of competitive offers available to the public in respect of mobile phone and credit card services at any given time.
- 3.2 The terms and conditions of the proposed offer will be fully outlined to consumers. Some consumers may not wish to participate in the proposed offer because they do not wish to purchase an AMEX product. Those eligible members who choose not to take up the offer will still be able to acquire mobile phone services from Optus and have opportunities to earn bonus points for purchases on their card with other participating merchants.
- 3.3 The proposed conduct offers significant benefits to AMEX Card members by giving them the opportunity to obtain benefit from American Express, and from their mobile phone supplier, if they have already or will purchase an Optus product.
- 3.4 The offer involves AMEX Card members comprised of approximately 750 000 members from consumer card services and a mobile phone services market vastly in excess of this. The proposed offer will have no detrimental effect on competition in the relevant market, and will add to the public benefit in the form of an attractive bonus for credit card and mobile phone users.

For the price of a 24 month Optus Mobile contract, a substantial number of AMEX card members will also receive 7,500 bonus points for the Membership Rewards™ program for which they would normally need to make purchases totalling \$7 500.00 on their card to accrue.

4. Conclusion

- 4.1 For the reasons stated above, AMEX submits that the proposed offer provides benefits to the public and will have no anti-competitive effect whatsoever.
- 4.2 We note that Optus has made a similar notification application - Reference N91616.