

MALLESONS STEPHEN JAQUES

29 May 2006

Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition &
Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

Dear Mr Gregson

British Airways PLC - Notification of a third line forcing exclusive dealing

We act for British Airways PLC.

We enclose an exclusive dealing notification for lodgment with the Commission and the applicable lodgment fee of \$1,000.

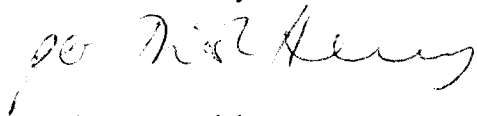
The conduct described in the notification involves British Airways offering discounted airfares to customers who wish to book the airfares using British Airways's website using a MasterCard credit card

The conduct described in the notification is merely promotional in nature and will give rise to a clear benefit to the public.

If you have any questions in relation to this matter, please contact us.

Thank you for your assistance.

Yours sincerely



Sharon Henrick
Partner
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Email sharon.henrick@malleasons.com

Encl 1

EXCLUSIVE DEALING NOTIFICATION

Commonwealth of Australia

N31615

Trade Practices Act 1974 — Subsection 93(1)

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act 1974* of particulars of conduct or of proposed conduct of a kind referred to in subsection 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 engages or proposes to engage.

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- 1 (a) **Name of person giving notice**
- British Airways PLC ("BA") (ABN 74 725 650 354).
- (b) **Short description of business carried on by that person**
- BA operates an international airline service.
- (c) **Address in Australia for service of documents on that person**
- Level 7, 141 Walker Street
North Sydney NSW 2060
Australia
- 2 (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates**
- Offer of reduced airfares on BA operated flights ie BA15/16/10/9, as part of a promotional campaign, to persons who book their flight through a closed user group on the BA website (ba.com) using a MasterCard credit card. The offer only applies to flights from Sydney to Bangkok, Singapore and London for sales from 7-28 May 2006 for travel from 7 May to 30 November 2006.
- (b) **Description of the conduct or proposed conduct**
- BA proposes to run a promotional campaign from 7-28 May 2006, offering reduced airfares for certain flights to consumers from Sydney to Bangkok, Singapore and London on the condition that the consumer books such flights through the BA website (ba.com) using a MasterCard credit card ("BA Campaign").
- BA may refuse to offer the reduced airfares to customers who do not wish to book the flights through the BA website using a MasterCard credit card.

The conduct will be of benefit to the public as it will:

- promote competition in the relevant markets by exerting pressure on competitors to offer similar reduced prices for airfares; and
- encourage competitors to improve the value and quality of service that they provide to consumers.

The conduct will not lessen competition in the markets for the relevant products and services or result in any conceivable detriment to the public because:

- the BA Campaign will only be available for a short and limited period of 4-5 weeks;
- the BA Campaign will only apply to flights to certain destinations during a limited period;
- there is substantial competition in the international airline market; and
- it will promote competition in the relevant markets by exerting pressure on competitors to offer similar reduced prices.

The applicant submits that the likely public benefits from the conduct outlined above will outweigh any possible public detriment.

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

Persons who are or may be booking BA flights to which the BA Campaign applies.

(b) **Number of those persons —**

(i) **At present time**

Not applicable.

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

Not applicable.

(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 authorized by the person giving this notice to provide additional information in relation to this notice**

Edward Millington-Jones
British Airways
Level 7, 141 Walker Street
North Sydney NSW 2060

Dated 29 May 2006

Signed on behalf of the applicant



Sharon Louise Henrick
Partner

Mallesons Stephen Jaques