



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2007/2023
Contact Officer: Ilona Balint
Contact Number: (02) 6243 1113

19 November 2007

Ms Emily Bird
Legal Counsel
Virgin Blue Airlines
Level 12, 131 Barry Parade
Fortitude Valley QLD 4006

Dear Ms Bird,

Virgin Blue Airlines Pty Ltd notification N93187

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 26 October 2007. The notification has been placed on the ACCC's public register.

Virgin Blue Airlines Pty Ltd (Virgin Blue) has described the conduct as offering during November to eligible American Express customers who receive the relevant offer via direct mail:

- 5 bonus reward points for every \$1 spent on Virgin Blue Air Travel; and
- discounted joining fee for the Virgin Blue lounge of \$49 (normally \$199).

Legal immunity conferred by the notification will come into force on 9 November 2007.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

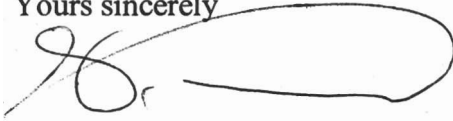
Whilst I have decided not to make further inquiries concerning the notified conduct, I would like to bring to your attention an issue arising from notification N93187.

I note part of the conduct notified under N93187 specifically, that American Express customers will receive 5 bonus points for every \$1 spent on Virgin Blue Air Travel. In my view it is American Express Australia Limited rather than Virgin Blue that is at risk of engaging in conduct of a kind described in sections 47(6) or 47(7) of the Act.

As with any notification, please note that the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

A copy of 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 Ilona Balint on (02) 6243 1113.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Gregson', written over a light blue horizontal line.

Scott Gregson
General Manager
Adjudication Branch