



**Australian
Competition &
Consumer
Commission**

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Contact Officer: Shane Chisholm
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21 March 2007

«Name»

Dear «Salutation»

**Re: Applications for authorisation A91036 – A91040 lodged by Singapore Airlines Ltd
on behalf of the Star Alliance members - interested party consultation**

Introduction

On 16 March 2007, the Australian Competition and Consumer Commission (the ACCC) received applications for authorisation (A91036 – A91040) from Singapore Airlines Ltd, on behalf of the Star Alliance members, in relation to the Star Alliance corporate and convention programs.

The purpose of this letter is to invite you, as a potentially interested party, to comment on the applications.

Background

The ACCC is the independent Australian Government agency responsible for administering the *Trade Practices Act 1974* (the Act). A key objective of the Act is to prevent anti-competitive arrangements or conduct, thereby encouraging competition and efficiency in business resulting in a greater choice for consumers in price, quality and service.

The Act, however, allows the ACCC to grant protection from legal action for anti-competitive conduct in certain circumstances. One way businesses may obtain protection is to apply for what is known as an ‘authorisation’ from the ACCC. Broadly, the ACCC may authorise businesses to engage in anti-competitive arrangements or conduct where it is satisfied that the public benefit from the arrangements or conduct outweighs any public detriment.

In assessing the public benefits and detriments of an authorisation application, the ACCC undertakes a public consultation process seeking comments on the application from interested parties. Following an initial consultation process, the ACCC will issue a draft decision for comment. The ACCC will then reconsider the application in light of any further submissions, and release its final decision.



Star Alliance applications for authorisation

The applications are in respect of two arrangements:

- (a) “Corporate Plus”: the proposed continuation of an arrangement essentially identical to the current authorised and implemented arrangement, pursuant to which members will enter into “Star Alliance Corporate Plus Agreements” with corporate customers.
- (b) “Convention Plus”: an arrangement, essentially identical to the current authorised, but not locally implemented arrangement, pursuant to which members will make joint bids for appointment as the official airline alliance for international conventions and enter into “Star Alliance Convention Plus Official Airline Network Agreements” with convention organisers.

The Star Alliance Corporate Plus and Convention Plus programs were previously authorised in 2003 for four years. These authorisations (A30209-13) will expire on 26 September 2007.

Star Alliance submits that the existing and proposed arrangements enable Star Alliance members who participate in the respective programs to offer improved competitive services and prices to the international air passenger market. Accordingly, Star Alliance submits that the arrangements are pro-competitive and offer significant public benefits.

For details on the public benefits and detriments that Star Alliance claims are likely to result from the proposed arrangements please see the attached submission. A copy of the application is also available on the ACCC’s website <www.accc.gov.au>.

Request for submissions

To assist the ACCC in its consideration of the application it would be helpful to obtain your comments on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

The ACCC asks for submissions to be in writing so they can be made publicly available. They are placed on a public register for this purpose.

Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register in certain circumstances. Submissions which are excluded from the public register may still be taken into account by the ACCC when conducting its assessment of an authorisation application. Guidelines for seeking exclusion from the public register are attached for your information.

Submissions should reach the ACCC by cob **16 April 2007** at the following address:

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Submissions can also be lodged by email to adjudication@acc.gov.au or by facsimile on 02 6243 1211. If relevant, please provide a preferred email address for any future correspondence from the ACCC.

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information.

Please inform us if you do not wish to make a submission at this time, but would like to be informed of the progress of these applications at the draft and final determination stages. You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding these applications.

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 Shane Chisholm on (02) 6243 1252.

Yours sincerely



Isabelle Arnaud
Director, Adjudication

Star Alliance applications for authorisation A91036 – A91040 – Indicative Timetable

16 March 2007	Lodgement of application and supporting submission.
21 March 2007	Public consultation process begins.
16 April 2007	Closing date for submissions from interested parties.
30 April 2007	Applicant responds to issues raised in the public consultation process.
April – May 2007	ACCC assessment.
May – June 2007	Draft determination.
June – July 2007	Public consultation on draft determination including any conference if called.
July – August 2007	Final determination.

The above letter was sent to the following parties:

- Aerolineas Argentinas
- Aircalin
- Air Canada
- Air China
- Air Mauritius
- Air Nauru
- Air New Zealand
- Air Niugini
- Air Pacific Ltd
- Air Vanuatu
- Asiana Airlines
- British Airways
- Cathay Pacific Airways
- China Airlines
- China Eastern Airlines
- China Southern Airlines
- Continental Micronesia
- Egyptair
- Emirates
- Etihad Airways
- Eva Air
- Garuda Indonesia
- Gulf Air
- Hawaiian Airlines
- Japan Airlines Ltd
- Korean Air
- KLM
- Lan Chile Airlines
- Lufthansa German Airlines
- Malaysia Airlines
- Olympic Airways
- Pakistan International Airlines
- Philippine Airlines
- Polynesian Airlines
- Qantas Airways Ltd
- Royal Brunei Airlines
- South African Airways

- Thai Airways International
- Tiger Airways
- United Airlines
- Vietnam Airlines
- Virgin Atlantic Airways Ltd
- Virgin Blue
- Board of Airline Representative of Australia
- Flight Centre
- Stella Travel Services
- Concorde International – Australia
- American Express International Inc.
- Travelforce Pty Ltd
- BTI Australia
- Carlson Wagonlit Travel
- The Jetset Travelworld Group
- Consolidated Travel Group
- Travellers Choice Group
- Australian Federation of Travel Agents
- Australasian Business Travel Association
- TTF Australia
- Australian Tourism Export Council
- Australian Industry Group
- Australian Chamber of Commerce and Industry
- ICMS
- Meetings and Events Australia
- Tour Hosts Conference & Exhibition Organisers
- Australasian Conference & Events
- Tourism Australia
- Tourism NT
- South Australian Tourist Commission
- NSW Department of Tourism, Sport and Recreation
- Tourism Queensland
- Tourism Tasmania
- Tourism Victoria
- West Australian Tourism Commission
- Department of Industry, Tourism and Resources
- Department of Transport and Regional Services